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PDN MAGAZINE



Private investment:
better than accruing
collective pension?

New sustainability
ambition for PDN:
'A good pension in
a livable world'

CONTENT



07 A NEW EMPLOYER



Will you then keep on accruing pension at PDN?

08 PRIVATE INVESTMENT OR COLLECTIVE?



'Like comparing apples and pears,' stated external Board Member, Eiko de Vries.

12 SOONER OR LATER



Marcel Wingen and Brian Broeders on relaxation and expat experience.

15 HANS KELDERMAN'S PENSION JOURNEY



75-year-old Hans Kelderman talks without stopping.

11 YOUR PENSION: FACT AND FICTION

18 DSM PERSONAL INSURANCE

22 MEMBER SURVEY RESULTS

24 SAVING TOGETHER COLUMN

It's the end of 2021 and a new PDN Magazine has arrived. A magazine in which most of the stories are still obtained via online or telephone interviews. Although this year was still all about corona, fortunately we're allowed to do more now. We hope that this magazine finds you in good health and that 2022 is a year full of fantastic, new adventures.

Our Chief Editor, Ilona Suijkerbuijk, who had end responsibility for PDN Magazine for many years, started a new step in her career at APG a few months ago. Our warmest thanks to Ilona for all those amazing magazines and we wish her every success for the future.

FULL SPEED AHEAD

And talking about the future: In this magazine we're looking ahead in various ways. For instance, there's the article about sustainability in which we show how PDN has tightened its sustainability ambition and policy this year. What does this mean for PDN and for you as member? What will you notice about this in the coming period? And... will the sustainability policy be at the expense of investment returns? We also give you a glimpse into the future in the text about the current status of the new pension agreement. What's the status now and what are the plans?

How you insure yourself against loss is something about which you can exert a lot of influence yourself. How have you arranged this for your car, home or caravan, for instance? And are you aware that your DSM Group Insurance Personal Insurance department can cover all these for you? You can read all about this in this magazine.

We're also taking a look into the future in the 'Sooner... or later' column. What can Brian Broeders and Marcel Wingen learn from each other? Hans Kelderman shares his pension journey experiences from his rich DSM past and tells us what he expects his future will look like.

This is both reflecting and forward thinking. Something that seems quite appropriate to do at the end of the year. We hope that you will all reflect on an undoubtedly 'different' year, and that you can start the near future full of confidence.

Onward to 2022.

Happy reading,
Babette, Karin, Monique & Mark



PDN's new sustainability ambition

For a good pension in a livable world

For PDN, it's not only important that our members can enjoy a good retirement. We also want them to be able to do that in a world that is livable for everyone. That's why the fund has been tightening its sustainability ambition and sustainability policy this year. What are the most important starting points? How are these taking shape? And will the sustainability policy be at the expense of investment returns? We asked Marlies van Boom, PDN Board member, and Daniëlle Schoonbrood, investment manager and sustainability adviser at DPS for more information.

What are the most important changes?

'Our sustainability policy focuses specifically on three themes: Health and welfare, climate and energy, and raw materials and circularity. We've linked these themes to the United Nation's four sustainable development objectives; the Sustainable Development Goals (SDGs). We're particularly focusing on SDG 3 (good health and welfare), SDG 7 (affordable and sustainable

energy), SDG 13 (climate action), and SDG 12 (responsible consumption and production). These SDGs connect with DSM's three focus areas.'

How does PDN shape the focus themes and SDGs?

'We do that using several sustainability instruments: Engagement, Voting and Exclusions, Impact Investing, and ESG Integration and screening.'

Engagement

'PDN uses the so-called engagement approach. Our engagement with a company enables us to exert influence on situations and stimulate positive change. Or we can try to reduce the risks of a negative impact. We are doing this together with other pension funds via our independent engagement partner, BMO, as this helps us increase our impact. The engagement program aims

'We are focusing on three themes: Health and welfare, climate and energy, and raw materials and circularity'



Marlies van Boom



Daniëlle Schoonbrood

particularly to achieve a positive effect on the above-mentioned four SDGs. We were previously only involved in engagement in European and American shares and European corporate bonds. This year, we're expanding that to shares in Emerging Markets, Pacific Rim, Listed Property, and American corporate bonds. We have also set ourselves two new objectives. For example, we want to reach a predetermined milestone with at least 50 per cent of the total number of engagements in a year. At least 25 per cent of the total number of engagements also focuses on SDGs 3, 7, 12, and 13. We want this to increase our engagement ambition and to use engagement more for the selected SDGs.'

Voting

'Our voting rights as pension fund enable us to exert influence as shareholder on the largest possible scale and specifically on sustainability-related topics on companies' annual agendas. From this year, we're not only adjusting our voting policy on Dutch listed company shares, but on all listed companies in which we invest worldwide.'

Exclusions

'As far as possible within the investment portfolio, PDN excludes companies and countries based on the risk of negative

impact and conflict with our own norms and values. We use the following criteria for this:

- The product is by definition harmful to people.
- As investor, PDN cannot change anything here using its engagement and voting policy.
- There are no negative consequences if the product no longer exists.

We already excluded the following companies and countries:

- Companies that produce, sell, or distribute cluster bombs.
- Companies that produce, maintain, or trade in controversial and/or nuclear weapons.
- Companies that are guilty of serious and structural violations of the UN Global Compact Principles.
- Countries that are on a Dutch, European, or UN sanctions list.

This year, we're expanding our exclusion policy to tobacco producers and companies that obtain 25 per cent or more of their turnover from coal or oil sand extraction.'

Impact Investing

We are focusing part of our portfolio on investments that could be designated as impact investments: Investment

opportunities that also contribute to resolving social and environmental problems.'

ESG integration/screening

'Where possible, PDN manages and evaluates investments according to ESG factors. ESG stands for Environment, Social, and Governance. We expect asset managers and companies in which we invest to have a sustainability policy and to take ESG factors into account. We have even determined a new objective this year of significantly reducing CO₂ emissions, the so-called carbon reduction objective. We also screen the part of the portfolio for different sustainability scores, where this is possible. This enables us to obtain more insight into the sustainability impact and/or improvements we can achieve with our investments.'

PDN is still partly investing in fossil fuels. Why?

'Within the broader fossil fuel industry, many companies are working hard to make the transition to a more sustainable sector that will inflict less harm on future generations. That's why we have not fully stopped investing in fossil fuels. We are instead committed to using engagement to encourage companies in this sector to phase out



What will happen in the coming period to realize the tightened ambition?

'Our ambition has been reviewed and we are taking the first concrete steps, for instance by expanding our voting and engagement policy and by excluding tobacco producers and companies that obtain 25 per cent or more of their turnover from coal or oil sand extraction.' We will implement the tightened policy further in the coming period. For instance, in 2022, we will start measuring the portfolio against various sustainability scores and SDGs. This gives us better insight into how our investment portfolio is doing and how it contributes to the sustainability policy. We will use this to determine how and with which objectives we can further integrate sustainability in the investment categories. In 2022 we will also introduce the new carbon reduction objective and are investigating which new impact investments we can make. Implementing our tightened ambition and our sustainability policy is an ongoing process. We will continue to inform our members about this.'

Read more about sustainability at PDN? Check out our website, under 'Downloads'.

their dependence on fossil fuels and move to other, more sustainable sources of energy.'

This tightened ambition is high. How was this realized?

'Several factors were important in determining our new ambition and the accompanying starting points. First of all, PDN is there for members. In member surveys, they indicate that they have certain expectations and preferences with respect to sustainability. We want to meet these. We are also the DSM pension fund; a company that places a high priority on sustainability. It is also our conviction that companies that take sustainability criteria into account can have better long-term risk/return profiles than companies that do not do this. Both in financial as well as social terms. With our policy, we also want to make targeted investments and make a contribution to sustainability worldwide.'

Are there other wishes?

'We always do sustainable investment in conjunction with expected returns, risks, and costs. Our sustainability ambition now lies at the intersection of 'Follower' and 'Pioneer.' We are constantly moving forward and, when new sustainability

decisions are made, we assess whether and how we can further tighten our ambition.'

Do the ambition and approach meet member wishes?

'Yes. They indicated their expectations and preferences in the recent member survey. Themes that emerged included affordable and sustainable energy, health and welfare, sustainable industry, innovation, and resilient infrastructure. We really took this into account when setting the ambition and everything that goes with this.'

A large majority of members wants their pension fund to have a sustainability policy, but not at the expense of the returns. Is this possible?

'Numerous scientific studies have strengthened our conviction that sustainability does not need to be at the expense of return on investments. On the contrary, we can take more well-considered investment decisions by incorporating information about people, the environment, and good corporate governance in our policy. 'We always consider sustainable investment together with expected returns, risks, and costs.'

A new employer, but still have a PDN pension?



Imagine: you're working at part of DSM that's being sold to another party. That means you have a new employer. What will happen to your pension? Do you need to switch to another pension fund or can you stay at PDN? There's an option to continue your pension accrual at DSM pension fund. We explain all about this in this article.

Everything used to be clear: If you worked at DSM, you accrued your pension via our pension fund. But DSM developed to become the big international concern it is today. The choices a big concern needs to make can lead to the sale of business units to other parties.

Remain affiliated

In the early days it was the case that if DSM no longer had any interests in such a 'new' company, your pension accrual at PDN would stop too. For some time now, we've been looking at this differently. As there's a historic connection between PDN and the sold business unit, after the acquisition you can usually remain affiliated with our pension fund. Most members find this gives them a familiar and safe feeling.

Consider this per case

Over the past seven years almost all employees who switched to a new employer remained affiliated with PDN. The new employers then submitted a request to PDN to continue the membership of the acquired employees. PDN does set various conditions to which the new employer must comply. In other words: We need to make agreements together. If, for example, just a small group of employees switches to a new party, the costs are sometimes too high to retain them in the

pension fund. It's also sometimes another story if the new employer obliges membership of a different pension scheme.

No say

If the new employer connects with PDN, then it is a condition that it follows the pension scheme that DSM agrees with the trade unions. The new employer, therefore, has no say in DSM's employment conditions and the PDN pension policy. DSM and the employees affiliated with PDN do regularly discuss the developments in national and our own pension policy. The trade unions are also often represented in the new employer's employment conditions' consultation. This enables us to remain in contact and stay well-informed.

Would you like to know more?

Do you have any questions about your pension following acquisition by a new employer? If a business unit is sold, we follow a unique process in which the employment conditions are examined and discussed by all involved parties. If, as employee, you end up in such a process, DSM and the trade unions will keep you informed!

Individual investments
for your pension or a
collective pension fund?

‘Like comparing apples and pears’

At PDN we accrue our pension together in a collective pension fund. This offers certain assurances and advantages. Individual investments for your pension are also becoming more popular. What is better or wiser? Investing yourself or accruing a collective pension? Can you actually choose? And what are the differences, risks, and advantages? We asked Eiko de Vries, external Board Member at PDN and nominated by the DSM’s Central Works Council, and Monique van Heeswijk, PDN Board Member for DSM.

‘It’s a bit like comparing apples and pears,’ stated Eiko. ‘Or, in other words, comparing handball with soccer. You practice both sports with a ball, but the differences are huge. In that sense, you can’t make a comparison between individual investment and collective investment in a pension fund. They are two completely different worlds.’

Private investing is popular

Investing yourself has become increas-

ingly popular in recent years, particularly among young people. This is because we no longer receive interest on our savings. At the same time, what happened on the stock markets last year is strange, explained Eiko. ‘When Covid-19 arrived, share prices fell. You could have thought: ‘They must be asleep at that pension fund.’ But don’t forget that these developments occurred within a very short time frame of a year. Very much short term. People who started

investing in this past year have mainly invested in shares and have only experienced success. But there will come a time when things don’t go so well.’

Short versus long term

Eiko: ‘If you look at a pension fund, it is the case that we invest for a longer term. We take risks into account and we spread these risks. We don’t put all our eggs in one basket, so to speak. We invest a little in wind turbines, in



Eiko de Vries

‘We don’t put all our eggs in one basket’

bonds, in real estate, in mortgages. This ensures that we run less risk and the returns we receive are more level; average. This is how we make sure that everyone affiliated with PDN will soon get a good pension. After all, this does concern our members’ pot of money. Good housekeeping is an essential concept for us.’

Advantages

An advantage of PDN’s collective

character is also knowledge; knowledge that you, as an individual, often have to a lesser extent. Monique: ‘In our Board, we use externals who have extensive experience of investing, economic developments, and of the pension world. As an individual investor, you don’t just have that knowledge.’

Funding Level

Eiko recognizes that it is difficult that PDN members don’t see a pot with

money on their overviews, but see a funding level. ‘That will all change with the new pension agreement; then there’ll be no funding level anymore. You’ll soon have much more clarity about what happens with your assets. What you accrue for yourself will all be much more transparent.’

Imagine: You want to invest yourself for your pension. Can you actually do that?

‘If you work at DSM, you are obliged



Monique van Heeswijk

to take part in the collective pension fund,' explained Monique. 'That is what DSM and that the social partners have agreed. An advantage of this is that you are also insured in the event of disability and that your surviving dependent's pension is arranged. This offers assurances that you don't have as an individual investor. Of course, you're

free to choose what you do on top of your pension accrual at PDN.'

No guarantees

Eiko stated: 'Of course, individual investments can result in short term returns but we all know that returns achieved in the past offer no guarantees for the future. As PDN is a long-term investor,

the returns are really not bad. If you're going to start investing yourself, make sure you take a good look at the risks.'

The facts

1. PDN has opted for a worldview and a strategic investment policy with a low risk of further falls in interest and, therefore, a relatively low interest rate hedging. This meant that the fund profited less from the fall in interest rates than other pension funds. If interest rates rise, PDN will profit more than average.
2. PDN is a pension fund with an average older population and therefore has relatively short-term obligations. This means that the fund profited less from the fall in interest rates. PDN cannot influence this aspect, and this is largely independent of its chosen investment policy.
3. In recent years, we saw relatively high returns through a continued fall in interest rates and high returns on high-risk investments. PDN's returns lagged behind compared with other funds that have average and higher interest rate hedging and a higher weighting toward the return portfolio, in keeping with a younger membership portfolio.

Pension payment dates

PDN makes pension payments on the 27th of the month (with the exception of December). If the 27th falls on a weekend, your pension will be paid before then.

2021 payment dates

November26
December21

PDN funding level

One important indicator of a pension fund's financial health is the funding level. This shows the relationship between PDN's pension assets and PDN's pension obligations, both now and in the future. If the funding level is 110%, for example, then for every €100 PDN has to pay to pensioners, PDN has €110 worth of assets. PDN publishes the figures on the website quarterly.

The table below shows the funding level from 2018 onwards.

As at end of	Funding level	Policy funding level	Interest rate	Max yield
2018	105.0%	109.3%	1.3%	-1.8%
2019	104.0%	102.3%	0.7%	12.7%
2020	99.7%	95.5%	0.1%	4.0%
Q1 2021	106.8%	97.5%	0.5%	0.8%
Q2 2021	109.6%	101.7%	0.5%	3.6%
Q3 2021	111.2%	105.2%	0.5%	4.9%

When making decisions on paying top-ups or making cuts, pension funds must refer to what is called the 'policy funding level'. This funding level is the average of the last twelve monthly funding levels..



Your pension: fact and fiction

The net calculation in the Pension Planner is incorrect

We regularly hear that the net amount calculated by Pension Planner is incorrect. But nothing could be further from the truth. In Pension Planner, we calculate the net amount just like the Tax and Customs Administration (Belastingdienst) does. We add up all the pensions and use that total amount to calculate the correct tax, applying wage tax deduction just once. It is then perhaps not exactly the amount that is transferred to you every month, but it is the most precise amount to which you are entitled according to the Tax and Customs Administration. We think that's fair.

However, we don't only calculate the net amount in this way because it's fairest. It also keeps the pension planner as simple as possible. We don't know where the wage tax deduction applies for everyone, so this prevents you from having to indicate yourself for each amount where you do and do not apply wage tax deduction. This then doesn't only apply to the PDN pension and the state pension (AOW), but also to pensions from other pension funds, annuity and, for example, the occupational state pension (Bedrijfs-AOW). At least, if you enter these latter amounts into the pension planner. We add everything together and then make the calculation, just like the Tax and Customs Administration. The Tax and Customs Administration always does that in the annual statement, which is also why you then receive or pay money back.



Marcel Wingen (foreground) in conversation with Brian Broeders

Sooner or later

Sooner...

Name: Marcel Wingen

Age: 64

Position: Senior Underwriter Property DSM Insurance and business partner for several business group controllers within DSM

Taking retirement on: May 1, 2022, aged 65.

Tell us a bit about yourself

'I started at the DSM Insurance department forty-four years ago and I'm still working there. I've always enjoyed it because insurance is much more than dark letters on white paper. And in addition: DSM also reinvented itself many times during 'my' time. Things are never finished here. I was able to do my work well all those years because my home situation is good. I was born in Heerlen and still live there. My wife and five daughters (the oldest is 36, the youngest - twins - 24) had to manage without me a lot between 2001 and 2007 when I worked for DSM in Switzerland, but I managed that with their support. For six years I travelled back and forth so I could spend the weekend with my family. Because that's the most important thing.'

What is your dream plan for your pension?

'I've not really thought about that. It'll be fine though. We've been fervent campers our whole lives. We keep our caravan in Spain. I imagine that, once we're free to travel again, we'll just enjoy being there from April to June, and again after the high season. And what I also think I'll enjoy is being able spend all my time in and around the garden, in the sun, relaxing in a lounge chair, taking a nap. No more obligations.'

What have you done to make that retirement dream come true?

'Working at DSM for forty-four years (he smiled). With that pension surely this must be possible. A long time ago I also did something with an annuity but with the current returns I'm not expecting much.'

What will your life be like when you've retired?

'Things will be calmer, I think. My daughters say: You'll not know what to do with yourself dad, you'll need to find a hobby. But I'm not afraid of that. I'll keep following DSM though, as you can't just walk away from forty-four years. And I'll stay active: Walking, jogging, and playing soccer. I'm currently walking between 10 and 12 kilometers a day. It helps me clear my

mind. I'm also looking forward to helping my grandson with soccer. Of course, I'm getting him ready to play for Feyenoord or Barcelona! And who knows, I may have to help around the house.'

'I'm not afraid that I'll have nothing to do'

Looking back, is there anything you felt you should have done differently?

'In terms of pension, no. I do think that I maybe should have done more 'early on.' I was never interested in school, I played

...or later

Name: Brian Broeders

Age: 33

Position: Regional Business Controller DSM Human Nutrition & Health North America

Tell us a bit about yourself

'I'm taking part in this Teams meeting from New York. My wife and I have lived here for three months and I'm really enjoying working for DSM here. It's a truly fantastic city. Before this we were in Chicago, where we relocated last March just before everything closed down because of corona. When the business there was sold, we felt we'd not yet finished our expat experience. So having this new opportunity in America is fantastic. I started my career as external accountant at EY in Amsterdam, but I come from South Limburg and DSM always had a special place in my heart. So I was really happy when I started working for DSM seven years ago. I've been given so many fantastic opportunities over the years, such as leading the Finance transformation in Switzerland and I'm looking forward to a future at DSM.'

Do you think about your pension?

'I was financial controller at DSM Pension Services for three years, so I know what's what in the pension and financial worlds. I'm also well aware of my own pension. I think it's great that DSM has arranged everything so well: Retirement pension but also a partner's pension and an orphan's pension. That recently became even more important to me: Annika and I had our first child not long ago. A son: Lenn.'

What is your dream plan for your pension?

'Well, considering my age, it's going to be well over thirty years before that happens. So making real plans for this is still a long way off. Generally though, I think about having more freedom and flexibility. Right now life is very much 'planned.' I hope to be

truant and preferred playing soccer. That meant that I needed to follow various training courses while I was working so that I could progress. For a long time I needed to go to Rotterdam in the evenings to study. It was quite tough-going. That's why I always said to my daughters: You can do it earlier or later, but the first option is easier than the second. Luckily they all really listened to me on that point.'

Do you have any tips for Brian?

'No pension tips but I do have some life lessons. This is a busy work environment, so make sure you also take time to rest. Enjoy your family, the camaraderie with true friends, and build a solid foundation. I cherish these things.'

able to let go of that and be in good health to do nice things with family and friends, such as travelling and hiking in the countryside. I'd also enjoy being involved as an adviser for start-ups. But in such a way that I can plan my own time.'

What have you already done to make that retirement dream come true?

As well as the pension I accrue at DSM, I've also done some things to add to the pension. Saving and investing for the future is something I learned at home from a young age. We can invest a large proportion of my income in real estate every month and pay off the mortgage. That's also great for later too.'

'I'm really looking forward to my future at DSM'

Do you have any questions for Marcel?

'I wondered how he sees the transition from working to retirement. But he actually already answered that question. I think it's great that he says: "I'll see what happens, it'll all work out". Marcel: 'That's right isn't it? Just see what happens. I'm not afraid that I'll have nothing to do.'

Will you do anything differently after this interview?

'No. Marcel's inspiring words and life lessons are more of a confirmation for me. You don't always need to plan everything and taking enough time to relax is important. And: what life is really about is a good connection with your family and friends, and that solid foundation.'

Marcel: 'Enjoy the small things, especially now with a child. That's it. Nothing more, nothing less.'



Ask Erik

Why is my 'expected pension' on my UPS lower than last year?

Erik Hellenbrand, Senior Pension Officer at DSM Pension Services:

"The accrual rate for your annual pension accrual was reduced as from January 1, 2021, from 1.738 per cent, which is the maximum permitted in the Netherlands for a pension age of 67, to 1.4 per cent. Purchasing your pension has become more expensive but the money we set aside for your pension every month remains the same. This means that you will accrue less retirement pension from 2021.

The 'expected new pension accrual' up until your State Pension Age (AOW age) assumes this lower accrual. We calculate your pension here as though you would continue to work until your State Pension Age (AOW age) and accrue 1.4 per cent. The current accrual rate of 1.4 per cent

applies in any event for this year. We then re-examine the potential accrual based on current contributions and the current applicable interest rate. The level of contributions you pay is also an agreement that the social partners, DSM, and the trade unions make together. PDN is outside of this. The aim, however, is to ensure that pension accrual for 2022 also remains at least at 1.4 per cent.

The amount of your future pension is, therefore, not fixed. Various factors play a role over which PDN has no influence. A low interest rate, for example, makes pensions more expensive. We then need more money to achieve the same pension accrual. For more information, please visit the PDN website under 'Pension scheme 2021-2022. Changes in your pension from January 1, 2021.'

If you want more control over the pension you can expect, make sure you check your pension every year. Use our PDN pension planner under 'My PDN Pension' on the PDN website for this, where you can see how much state (AOW) and other pension you can expect to receive. You can then click on the tile 'Enough pension?' on our website to view the Pension bracket-of-five (Pensioen-schijf-van-vijf) and estimate your expenditure. This will tell you whether you will receive enough pension.'



Hans Kelderman's pension journey

'OK Hans, you go there and see if you can solve it.' Or: 'Hans, that's definitely a job for you.' Hans Kelderman heard these kinds of comments a lot in his working life and long after his retirement. This took him to many different expert positions, lectures, manufacturers, and to countries across the world.

A proud, true DSM employee. That's how Hans feels. He saw many parts of the company in the Netherlands and internationally. That DSM feeling was always there and still is. He lived in Limburg for many years. His last location was Zwolle and he still lives close by on the edge of a small village. Now that he's 75, he's starting to take on less work, he explained. Enjoying his living environment and motorhome, together with his wife Agnes. And he's delighted to take us on his pension journey for this column. Ask Hans about this career and he'll start telling you without stopping.

Miner mentality

'When I started at DSM in 1978, you could still feel the miner mentality. Mine workers obtained jobs at DSM after the closure of the mines. This motivated them to keep going. The miner mentality is fantastic: Everyone looks after each other. That DSM is nothing like today's DSM, which is hardly surprising as it's now a completely different organization. Many business units were sold over the years to enable further growth and development. But if you still know the 'former' DSM, that's still rather painful.'

Thermosetting plastics

Before Hans came to work at DSM, he'd worked at AKZO Research and later at AKZO Plastics. He was involved with adhesives and the technical plastics, PA and PET. He then joined DSM Polymers for eight years and was involved with the ABS field service (Acrylic Butadiene Styrene) mainly in the automotive industry. He developed to become a specialist in thermoplastics and thermosetting plastics and their recycling.

Hans advised on using plastics in companies in the automotive sector ('I worked with almost all car brands'),



When I started at DSM, you could still feel the miner mentality'

shipbuilding, and manufacturers of motorhomes and caravans. Stories emerged about a car manufacturer that Hans helped build in Rastatt, near Karlsruhe. And about a factory in Heerenveen in which he was involved after his retirement, where they make 'plugs' or prototype models for new sailing vessels and motorboats. And the large hand from The Voice, familiar to many TV viewers, also comes from there. But there are also stories about projects he contributed to on Chemelot after his retirement. Or about a huge job he did for Technologiecentrum Noord-Nederland, which involved yacht building.

Lots of travel

Hans covered so many car and flight kilometers to share his knowledge. 'Initially, Germany was my core area. That expanded to other European countries, including Italy, Spain, and Scandinavia. Later he also visited Japan and America. Recycling plastics was booming, particularly in the automotive industry and I knew a lot about this. That time demanded a lot of travel, and I was away from home a lot. In some years I stayed overnight in hotels some 120 nights and worked 100 hours a week.'

Fun

So much work, so often on the road: What did Hans make of it? 'I always really enjoyed my work. I didn't see it as hard work. In some years I drove some 60,000 to 80,000 kilometers per year. Munich, Basel, Hamburg; I was everywhere. And because of my knowledge, I was also asked to tell my story if someone 'important' appeared at DSM. A minister, for example. I loved it all. A colleague at DSM Coatings invented water-based paints. So he was always there too.' Hans smiled: 'We called

'I didn't see it as hard work'

ourselves the two "jokers." If a presentation was needed or an explanation of something, they used us.'

Time for family

'However busy my job was, I wanted to be at home as much as possible at the weekends, with my family. And I generally managed that, except if I was in America or Japan, or if there were trade fairs that went on into the weekend. The holidays were for our family. Then we went sailing for four weeks in our boat. Children and dogs with us, surfboard on hand, and fantastic sailing in Friesland and the Wadden Islands. We sold the

boat three years ago. Agnes and I now travel in the motorhome. It's different, but it also gives a feeling of freedom. And we also have another purpose if we're away with the motorhome: We inspect around 30 campsites a year for the catalogue published by ACSI. It's great fun to do.'

Leisure time

There's now more space for leisure time in Hans' life. 'I've been a part of so many things in my career. I built two factories, obtained many new customers and, of course, lost a few too. I was also able to transfer my knowledge to

the new generation in the form of the lectures I gave at Leeuwarden University of Applied Sciences for seven years. Now that I'm 75, I'm starting to get a few ailments. Slight diabetes, hearing aids, and the joints aren't working properly. But I can still look ahead to what's next and I'm grateful for that. We live in a nice place here, so we'll see.'



Life story: Hans Kelderman

Born: June 12, 1946

Town/city: Lierderholthuis, near Zwolle

Married: two daughters, and one son

Career:

- Instrument technician at Akzo Central Research;
- Product and service engineer for the adhesives industry at Struik, an Akzo Plastics operating company;
- Product and development engineer at Akzo Plastics;
- Field service plastics automotive industry at DSM Polymers - ABS in Ziest and Geleen;
- Product/project manager in the Compounds business unit at DSM Resins in Zwolle;
- Early retirement following the sale of DSM Resins compounds group;
- Product manager automotive/recycling and thermoplastics, thermosets, and plastics recycling consultant at DSM Polymers - DSM Resins in Ziest, Urmond, and Zwolle;
- Independent plastics recycling and fiber-strengthening thermosetting adviser.
- Took early retirement in 2001, aged 55.

DSM Personal Insurance as place for your non-life insurance

Passionate about making life worry free



Camiel Tonnaer (left) and Roy van Wunnik

Your contents, car, motorbike, or caravan, your holidays, your liability, or legal assistance: Via an intermediary, a bank, or an insurer. Or you could use DSM Group Insurance Personal Insurance department. Some 7,000 current and former DSM staff and DSM-affiliated companies have already arranged their non-life insurance here. However, some PDN members are still unaware of this option. That's why we're taking a look behind the scenes and producing an overview of the advantages and most important information.

The Personal Insurance department is non-profit-making. The employees offer advice and brokerage for personal non-life insurance: from oldtimers to valuables' insurance and from home to travel insurance. As current or former DSM employee you can arrange complete insurance coverage for relatively low costs. Camiel Tonnaer, responsible for the Personal Insurance department explained: 'We work exclusively for current and former employees and pensioners from DSM and for former DSM companies including SABIC, OCI Nitrogen, and Lanxess. Because we work for a rather large group of customers, we can purchase insurance collectively. We handle our own negotiations with our insurance partners. This enables us to align our packages to the requirements and risks of our policyholders and we can achieve really good cover for a good price.'

Save costs with more complete cover

That insuring via DSM Personal Insurance pays off is clear from the cost savings that many employees have achieved in recent years. 'If you want, we look at your current insurance and conduct an obligation-free policy check,' explained

'Now's the time to look at your insurance'

adviser Roy van Wunnik. 'We often see that the cover could be improved and for lower costs. The average 'profit' that people achieve with us is some 200 EURO per year. That certainly makes it worth switching your non-life insurance. We arrange everything so that you can make a smooth and care-free switch. And during such a policy check we sometimes notice that someone has excellent insurance. So we don't change anything. If it's good that's great.'

And insurance via DSM Personal Insurance is not only an option for current and former DSM employees; it also applies to all PDN members and to children living with them. If they leave home, their insurance just continues. The same applies if you retire or leave service.

Passion for customers

Camiel and Roy are proud of their department and their work. 'Nobody is obliged to insure via us. But if you do do that, we make sure we do things properly. We look at our customers' requirements and align the insurance package accordingly. For us, the policyholder always comes first because as far as loss is concerned, it's always those things that have personal meaning for people. For example, you purchase a policy for those times that you are up to your knees in water, as happened this summer during the flooding in Limburg. We have our own claims department. This means we can provide a listening ear and a quick response when such things occur. Our

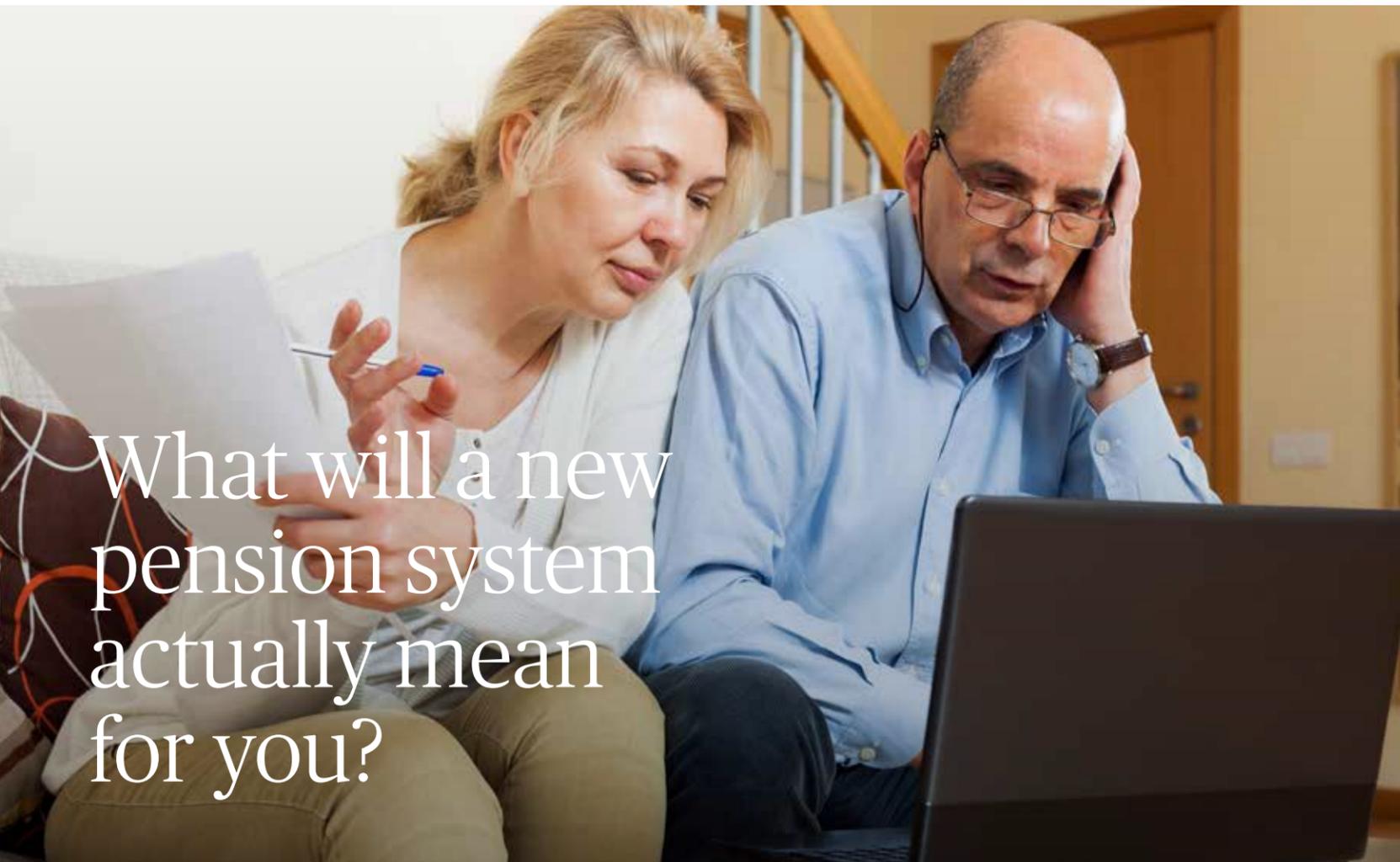
policyholders really value that, as is apparent from the rating of 9.4 we received in our customer satisfaction survey. We don't want to blow our own trumpet, but we do our work really well.'

Innovations

The department has been working on various innovations over the past year to make things even easier for customers. Camiel: 'Our new website will soon go live. More customer-oriented, clear, and with the option to arrange a lot yourself. For instance, a new portal makes it easy to enter changes or take out additional insurance.'

Right moment

If you want to check whether you can improve or change your insurance, our seven departmental employees are there for you. 'This is the perfect time to examine your non-life insurance,' explained Roy. 'It's a bit of a cliché, but the world really is changing. As well as corona, there are other developments that impact the best way to insure. We're increasingly driving in electric or hybrid cars, we're investing in extra homes that we rent out, or we make our homes more sustainable. These are just a few examples of societal developments that require you to make a good estimate of the risks and arrange the right cover. We'd be delighted to help you think about this. We aim to offer a full service and arrange everything properly. Take a look at www.dsm.nl/verzekeringen. Now's the time to do it.'



What will a new pension system actually mean for you?

There are many media reports about the huge changes awaiting us in the pension world. Pensions are well organized in the Netherlands. You receive a state pension (AOW) from the government and you accrue pension via your work. This won't change. What are these big changes about then? About the form of the pension you accrue through your work. You can read more about this in this article.

We've seen a lot of changes in the economy, the labor market, and in our society in recent years. Many people no longer work for the same employer for their entire lives, but change roles more often. Or they become self-employed. It's important that the pension system is aligned to this. We're also seeing that the current pension system is no longer able to fulfil certain promises. Even when the economy is doing well. That's mainly because the expected investment returns fell, but also because we are all living longer and are therefore receiving a pension for longer. And this is the case even though the contributions we all pay into the pension pots each year have increased considerably.

New rules

All these changes have resulted in new rules for the pension that you accrue with your employer. A new Pension agreement, with new arrangements about pensions, has been agreed by the cabinet together with the employee and employer organizations. The intention behind the new pension rules is to make things much clearer with regard to how much you pay, what

is saved for you, and what you get in return. With personal digital planning tools, so that you have more control over your own retirement income. All the changes will make the pension system more transparent and personal. There's also a downside to the new rules: The pension payments will be more flexible. This could turn out positive for you, but also negative. The pension payment can change each year. In the new system, this risk lies with you, as individual member.

What will remain the same?

- As employee you will continue to put money aside for later together with your employer.
- You can also be certain that you will receive a pension, even if you retire when things are not going so well with the economy, if you become older than the average person, or become disabled.
- We will continue to share the risks in solidarity with all pension fund members.

- The aim is to ensure that the current level of the pension payment remains achievable.

What is changing?

- You will receive your own personal pension savings pot. It will then be clearer how much money you contribute and how much in assets you are accruing. We will manage the personal pot for you as a collective, as we do now. This means you will continue to benefit from the knowledge, experience, and scale advantages of your pension fund and you don't need to arrange your pension yourself.
- The pension will soon be more flexible: The pension payment will sometimes increase when things are going well with the economy, and will sometimes decrease, if the economy is doing badly. Why is that happening and what will this mean for you? Employers and employees put aside money for pensions. We invest that money to make returns for good future pension payments. Because of the investment risk, the value of the collective saved assets fluctuates. The current pension system absorbs these fluctuations and retains a portion of the invested funds as reserve in the pension fund (the so-called solvability

‘Throughout the process we are safeguarding the interests of all stakeholders as far as possible’

buffer or funding level). In the new, variable pension, these reserves are no longer needed. Most of the invested funds can then flow to the members.

- Your pension scheme will be aligned more to your personal situation. Members will be given the choice of having an amount paid out as a lump sum. This will be a legal entitlement.

When will you start to notice these new pension rules?

The preparations for the new pension rules are in full flow. The Dutch government, employers, and labor unions signed a pension agreement in 2019 that defined the essential features of these rules. The agreement is currently being detailed further and the new legislation is being written. The new law is expected to come into effect on January 1, 2023. From that point, employers, labor unions, and pension funds can then start amending their own pension schemes. This must all have taken place by January 1, 2027. So it will take another year before your pension really changes.

Who has to make a move?

Pensions are an employment condition that the labor unions and employers make decisions on. The pension funds only come into the picture at a later stage to implement what has been agreed. DSM and the trade unions will start discussion about this.

What is PDN's role?

PDN is already busy with preparations. Throughout the process we are safeguarding the interests of all stakeholders as far as possible so that, as Board, we reach balanced decisions.

As PDN Pension Fund, we are as yet unable to answer many of the questions members have. We will, however, inform you as well as we can via PDN Magazine, our website (with a permanent new pension system column starting in 2022), and via other means of communication. We will do this as soon as we have more concrete information about the status, the choices that employers and trade unions make, the decisions that we will then take as a fund, and what this will mean for you personally.



Mark Gerards

Member survey results: Satisfied about PDN but room for improvement

PDN surveys member satisfaction about the pension fund every two years. We like to know what our members think about our services and communication and where they still see room for improvement. A research agency conducted the 'Benchmark Monitor Pension Funds' (BMP) in spring 2021. Other company pension funds also took part. It helps us find out how we're doing compared with other funds. We spoke with Mark Gerards, DPS communications advisor about the results and the follow-up.

Member results

Mark began: 'First, I want to thank everyone who completed the survey. It gives us important information we can really use. Our members are generally satisfied with the fund. Overall our members rated us with a 7.4 and gave us a 7.4 for our information services, and a 7.5 for service quality. Approximately three-quarters feels they have a clear insight into their pension scheme. There's also a high level of pension awareness. I'm really happy about this as it's such a complex topic. I also found it remarkable that only a small number of members wants to receive pension information via social media.'

Can yet more things be improved? Mark continued: 'Almost half of members thinks that we can improve how we communicate about financial risks. They'd also like more information about their own situation. I was a bit shocked by the rather low rating on understanding our members' needs. We'll certainly be addressing that.'

Pensioner results

'Pensioners are more positive than members across all topics,' explained Mark. 'They rated the fund with a 7.9, our information services with an 8.0, and service quality with an 8.1. Three-quarters had a positive impression of the pension fund and four in five have confidence or a lot of confidence in PDN. Almost all pensioners feel they have a clear insight into their pension scheme. However, they do want improved insight into why no indexation has taken place for years, the consequences this will have, and what they can do to keep their pension at the desired level.'

Socially Responsible

PDN also wanted to gauge how important socially-responsible investing is for members and pensioners. Mark continued: 'According to them, we need to take into account how

'People want improved insight into what they can do to keep their pension at the desired level.'

the companies we invest in treat people and the environment, but they don't think socially-responsible investing should be at the expense of returns or lead to higher risks.'

Comparison

PDN members are generally just as satisfied as members of comparable pension funds. Pensioners are somewhat less positive about some topics. Why is that? Mark replied: 'One explanation for this is that other funds indexed in recent years. PDN couldn't do that.' The survey also showed that members and pensioners from the affiliated companies have the same opinion about our fund. There are no major differences here.

What next?

We're pleased with the research results, but we certainly see room for improvement. Mark continued: 'We'll be working on our customer focus and will also focus more on our communication about sustainability. We already took various steps on this last year. You can read more about this in this magazine. We also want to improve pension awareness yet further and provide people with more insight into the financial risks and consequences of the years without indexation and about reduced pension accrual. For example, we'll be expanding 'My PDN Pension' to make it more customer-friendly and we're also starting a financial planner.' To be continued, then....!

The member survey focused on two target groups: Active members and pensioners. Pension funds from Philips, ING, ABN AMRO, SABIC, Staples, and Rail en OV all took part in the benchmark.



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Editor-in-Chief

Mark Gerards

Final editing

Ron van Berkel, Bex*communicatie

Editorial team

Karin Grannetia, Monique van Heeswijk, Babette Nelissen, Antoinette van der Vorst

Photography

Mark Gerards, stockphoto

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Martlies van Boom, Brian Broeders, Erik Hellenbrand, Hans Kelderman, Jacqueline Lommen, Maurice Mennens, Daniëlle Schoonbrood, Camiel Tonnaer, Eiko de Vries, Marcel Wingen, Roy van Wunnik

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Editorial office address

PDN, attn: Karin Grannetia

Postbus 6500

6401 JH Heerlen, The Netherlands

redactie.pdn@dsm.com

+31 (0)6 257 13892

Questions about your pension?

www.pdnpensioen.nl

Or call/email the Pension Desk

+31 (0) 45 578 81 00

info.pdn@dsm.com

Column by Irene van den Berg

Saving together

I honestly can't remember the last time I visited the gym. And I drink a couple of glasses of wine a day. On the other hand, I don't smoke and I really don't like any of that fast food rubbish. So, tell me: How old will I become? Of course, you can't predict that, but for a self-employed person like me, it's crucial information. I'm responsible for my own savings pot that I need to live from when I stop working. So it makes a huge difference whether I need to live from that for ten or thirty years.

A crystal ball isn't an unnecessary luxury if you're accruing your pension alone. The advantage of saving in a collective is that the pension funds work with averages. If you're fortunate to reach a hundred, it's not a problem for the fund because there are also people who don't reach anywhere near that age. If you're unfortunate enough to die when you're seventy, another person can enjoy the fruits of your accrued pension. That's the harsh reality. One person dies, the other has his pension.

Another huge disadvantage of saving alone, is that it's difficult to imagine when you're young, how your life will look later on. When you retire, will you be travelling the world or getting creative with teabags? Will you want a house with a garden or will a small apartment be fine by then? Research shows that people find it really difficult to deprive themselves of something now for a future that is so uncertain.

A familiar experiment is asking people whether they want ten EURO today or prefer eleven tomorrow. Most people opt for the ten today. That percentage increases even further if people only get that eleven EURO a year later. In other words, the further into future, the more difficult it is to imagine.

Collective saving provides the much needed incentive. Although, as employee, it can also be smart to make extra savings, especially if you envisage having expensive hobbies. Behavioral economist Dan Ariely says that it helps to write a letter to your future self. Then your future becomes less abstract and you can better estimate what you'll need then.

So that's precisely what I did. I wrote to myself that I really enjoy my work and that I hope that I can continue working in good health for a long time. But I also promised myself that, whatever happens, I'll never ever have to step on that annoying treadmill again.

Irene van den Berg is a journalist and columnist, specialized in money and psyche. In her articles she examines our economic behavior. Irene writes for AD, Radar+, and Psychologie Magazine.



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