# Summary Transitionplan Future Pensions Act HEINEKEN

There is a new law for pensions, the '*Future Pensions Act*'. As a result, the HEINEKEN pension scheme will change. HEINEKEN and the trade unions (together the 'social partners') have made agreements about a new pension scheme.

The agreements between social partners are laid down in the Transition Plan. In this summary, we provide an overview of the most important choices made by the social partners and what the new pension scheme will contain.

What has been agreed upon in detail can be found in the Transition Plan.
The full Transition Plan can be found on our website:
https://heinekenpensioenfonds.nl/een-nieuw-pensioenstelsel/

## The most important agreements of the social partners

- The biggest change is that from now on all participants will have a personal capital for pension (the so-called pension box) and that the height of a pension benefit depends on the height of that box.
- The new pension scheme is a solidarity-based contribution scheme. This means, among other things, that the social partners have made agreements about how much premium will be paid. And that we absorb the windfalls and setbacks together (solidarity). This pension scheme is in line with what our participants indicated to be important in a pension scheme.
- An ambition has been expressed about the height of your pension, but there are no firm commitments. The ambition is that your retirement pension will be at least 70% of your average salary that is applicable for your pension. That's pretty much how it is now. With this interpretation, the new regulation resembles the current scheme.
- If you are a participant and die, your partner and (young) children will receive a partner's and orphan's pension. If you, as a former participant, die before your retirement, there is only the partner's and orphan's pension that has been converted from the old pension scheme to the new pension scheme.
- The pensions from the old pension scheme will be transferred to the new pension scheme.
- As a result of the transition to the new pension scheme, pension accrual will deteriorate for active participants. An appropriate compensation has been agreed upon for this.
- There is a reserve to protect pension benefits as much as possible against decreases.
- The new pension scheme will start on 1 January 2026.

## What do the social partners consider important in the new pension scheme?

The social partners have made the following agreements on the objectives of the transition to the new pension scheme:

- **Pension as an attractive employment condition**
  - The social partners want to continue to offer a pension scheme that provides an attractive pension for the participant. The sharing of risks and the collective nature of the pension scheme are important starting points. We deal with windfalls and setbacks together. That is mutual solidarity.
  - The contribution is 27.4% of the salary that is applicable for your pension. The pension ambition is then at least 70% of the average salary that is applicable for you pension, based on 42 years of service.
  - It is important that there is an adequate partner's and orphan's pension in the new scheme.
  - Missed indexation from the past will not be granted. The assets of the pension fund that are not needed for the various provisions and reserves are distributed. The first 8% will be divided equally among all participants. The remaining assets are notionally spread over 10 years.

- **Pension benefits that are protected as much as possible against decreases**
  - The social partners want to offer a pension scheme in which pension benefits are protected as much as possible against decreases.
  - This also applies to people who are close to retirement, so that they too have a sufficient degree of certainty with regard to the expected pension benefit.
  - All beneficiaries receive the same increase or decrease in pension benefit in any given year.

On the basis of calculations, the social partners conclude that these objectives are sufficiently achieved. As a result, the social partners consider the Transition Plan to be balanced.

## If you are employed by HEINEKEN and accrue pension with the Heineken Pension Fund

The social partners want the new pension scheme to start on 1 January 2026 and for the old pension scheme to end then. Are you employed by HEINEKEN on 1 January 2026? From that moment on, you will accrue capital for your pension in accordance with the agreements on the new pension scheme.

## The new pension scheme

### A personal pension box in a solidarity-based contribution scheme

The social partners consider the concept of care within the pension scheme to be important. That is why they have opted for a solidarity-based contribution scheme. A defined contribution scheme means that the social partners have made agreements about how much will be paid for your pension (the contribution). The agreements are therefore not about the height of your pension as in the current scheme. In doing so, we absorb windfalls and setbacks together and we share the risks together (solidarity).

In the new pension scheme, you accrue a capital for your pension, a personal pension box. That box is filled with the premium that you and HEINEKEN pay. Furthermore, the capital in your pension box is invested. This yields returns. This return also contributes to the accrual of your capital for pension in your pension box.

### The premium that you and HEINEKEN will pay is 27.4%

You and your employer together pay 27.4% of the part of your salary that is applicable for your pension. You pay this for:

- your old-age pension; and
- a benefit for your partner and children if you die during employment or after retirement.

In the current pension scheme, there are 3 groups with different contributions and salaries that are applicable for pensions. The salary that is applicable for pensions is also called the pension base.

In order to keep the pension more or less the same as it is in the current pension scheme, supplementary contributions have been set for two groups.

- For members up to and including wage group 25 and who entered service before 2006, a supplementary contribution of 2.3% of the pension base applies.
- For participants who have wage group 30 or higher before 1 January 2026, a supplementary contribution of 3.8% of the pension base applies.

In this way, all participants will pay approximately the same premium as they do now.

In addition, your employer pays a premium for the (partial) continuation of the accrual of your capital for your pension if you become (partially) incapacitated for work. This coverage is an improvement compared to now.

### A pension for your partner in the event of your death

The social partners also want a benefit for your partner, besides a pension for you. This benefit is called the partner's pension, and it starts after your death. Your partner will receive this benefit every month, for as long as he or she lives. As long as you accrue pension with us, your partner will receive a partner's pension. This lifelong partner's pension amounts to 35% of your salary. The salary is capped (€137,800 in 2024). It does not matter how long you have been a member of the pension scheme.

The voluntary scheme for supplementary partner's pension will continue to exist and will not be changed.

### A pension for your child(ren) up to the age of 25 in the event of your death

There is also a monthly benefit for your children if you die. As long as you accrue pension with us, your child will receive an orphan's pension until he/she reaches the age of 25. The amount of this orphan's pension is 20% of the salary. The salary is capped (€137,800 in 2024). This is higher than is the case in the current pension scheme. And here too, it does not matter how long you have been a participant in the pension scheme.

## There is appropriate compensation for groups that have a disadvantage due to the transition

In the new scheme, the amount of your pension depends to a large extent on how long we can still invest the capital for your pension. The longer we can invest, the more chance there is of a higher return on investments. The new pension scheme is therefore beneficial for young people. We can invest their capital for a long time to come.

Are you about to retire? In that case, the switch to the new pension scheme does not make much difference. After all, you have already accrued most of your pension.

The calculations show that (certain groups of) participants may be disadvantaged (or less advantaged) by switching to the new pension scheme. This group still has a relatively limited number of years to accrue pensions. We cannot invest the premium of this group for as long as the premium of young people. As a result, the future premium of this group will yield less. Nevertheless, the social partners want the transition to be as fair as possible for everyone. That is why they have agreed that a part of our assets will go to the pension capital of this group if it is financially possible. This group will then receive a compensation.

We pay this compensation from our assets. Whether compensation is possible depends on the economic situation and how much capital we have on 1 January 2026. Is it possible? Then that group will receive the compensation at once.

## If you are or have been employed by HEINEKEN, or receive a pension from the Heineken Pension Fund

The social partners want the new pension scheme to start on 1 January 2026 and for the old pension scheme to end then. If you have accrued pension with the Heineken Pension Fund on 1 January 2026 or if you receive a pension benefit, your pension will be transferred to the new pension scheme.

### Transition to the new pension scheme

The pension that you have accrued up to the start of the new pension scheme will be converted into personal capital in the new pension scheme. Nothing is lost during the conversion. We accurately calculate the value of the pension you have accrued or that you are receiving.

Have you accrued a partner's pension or orphan's pension in the current pension scheme? This pension will also be converted into capital for pension and will be incorporated into the new pension scheme

*Are there more assets than the value of all pensions combined?*
Then we divide the assets that are left. The social partners have agreed on how the assets will be distrubuted.

*Are there not enough assets?*
Then we will agree with the social partners what happens next. It is possible that all personal capital for pensions will be reduced (slightly). It is also possible that the new pension scheme will be postponed for a while.

### If there are any assets left over on the transition date, we will distribute it according to fixed rules

When the new pension scheme starts, the level of the funding ratio is important. The funding ratio is the ratio between the value of all pensions together and the assets we have.

Is the funding ratio 102%? Then there are just enough assets for a small legally required reserve. We also need to set aside some money to cover several risks.

The value of the personal capital for pension at the time the new pension scheme starts will then be as high as the value of the pension you have accrued in the current pension scheme.

Is the funding ratio above 102% at the start of the new pension scheme? Then there are assets 'left'. These assets can then be distributed. The social partners have made the following agreements on the distribution of the assets.

| Funding ratio | Distribution rules |
|---|---|
| Lower than 110% | The social partners and the Heineken Pension Fund are consulting together about what is happening. |
| 110 – 117%* | A/B. +2% of the funding ratio for legally required reserves<br>C. +3.75% of the capital used to fill the solidarity reserve<br>D. +100% for the allocation of personal capital for pension at least equal to the pension in the old pension scheme<br>E. +6% of the funding ratio for financing compensation<br>F. +3.75% of the capital for the further filling of the solidarity reserve to the desired level |
| Higher than 117%* | G. The remaining assets will be divided among all participants. In doing so, the social partners have chosen to distribute the first 8% directly in proportion to the personal capital for pensions. This percentage is approximately equal to the missed indexation over the past 10 years. The assets above this 8% are notionally spread over 10 years. The 10-year spread period is the standard spread period in pension legislation. |

* The distribution rules mentioned are percentages of the funding ratio or of the assets. Therefore, these percentages cannot simply be added up to arrive at the final required funding ratio. If the funding ratio or capital is higher than 100%, then a percentage of a higher funding ratio or capital is also higher (e.g. a percentage of 1% of a funding ratio of 117% is 1.17% and not 1%).

## The new scheme has a solidarity reserve

The social partners have agreed on a solidarity reserve. The solidarity reserve is a separate reserve that protects the pension benefits. The solidarity reserve has two objectives:

- *Protecting pension benefits from decreases*
  By making use of the solidarity reserve, we can ensure that pension benefits do not fall (too much) in bad years.

- *Protecting against longevity risk, the risk that individuals will live longer than expected*
  For example, it may happen that you become older than we have taken into account in our calculations beforehand. This would then lead to a lower benefit because we would have to pay out your pension for a longer period. But even then, we don't want your pension to be (much) lower. Other changes in accounting policies may also have an impact on the height on pensions benefits. With the solidarity reserve, we ensure that your pension does not become (much) lower.

The social partners believe that a reserve of 7.5% of the total amount we invest is enough to prevent pensions from dropping in a year. But it can also be several years of setbacks. That is why the social partners want to fill the reserve to a maximum of 10%. Each year, 20% of the reserve can be used to supplement the pension benefit up to the level of the previous year's pension benefit. In this way, we can absorb several bad years. As a result, the chance that pension benefits will decrease in a year is very small.

The social partners want us to fill the reserve in the following way:

- At the start of the new pension scheme, we will use a part of our assets.
- Every year, 5% of the excess return we achieve with our investments goes to the solidarity reserve as long as it is less than 7.5%.