

Periodic Disclosure 2024

APG Emerging Markets Equity Pool



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Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: APG Emerging Markets Equity Pool

Legal entity identifier: M7LXPIWW7XBP5RMO417

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Environmental and/or social characteristics	
Did this financial product have a sustainable investment objective?	
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective: ____% <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It made sustainable investments with a social objective: ____%	<input type="checkbox"/> It promoted Environmental/ Social (E/S) characteristics and while it did not have a sustainable investment as its objective, it had a proportion of ____% of sustainable investments <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input checked="" type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments



Sustainability indicators

measure how the environmental or social characteristics promoted by the financial product are attained.

To what extent were the environmental and/or social characteristics promoted by this financial product met?

This product promotes the following environmental and/or social characteristics:

Exclusion Policy

We do not invest in companies that carry out certain (undesirable) activities.

The exclusion list was updated twice and communicated with:

- External Managers involved in this product;
- APG Internal portfolio managers.

Throughout the year, no breaches of the exclusion policy occurred.

The sustainability indicators #1 until #3 relate to this E/S characteristic.

Related to PAI indicator 14.

Reduction of fossil fuel exposure

We have no liquid investments in fossil energy producers. We define fossil fuel producers as, companies with exposure to the fossil fuel production chain, where fossil fuels refer to coal (non-metallurgical), oil and natural gas, are excluded from the investable universe. A distinction between two type of companies is made:

- Companies that are directly involved in the exploration (finding) and production of fossil fuels:
- Companies that are indirectly involved through other activities in the fossil fuel production value-chain (including: suppliers, transportation, storage, refining, processing, fossil fuel supply, fossil-fuel based power production and utilities involved in fossil-fuel based power production).

For companies in the 1st group, we excluded them if these investments derive more than 1% of their income from exploration and production of fossil energy. We excluded investments in companies in the 2nd group if these investments derive 20% or more of their income from fossil energy activities. We do make an exception for a number of companies. For example, because they work hard to make the transition to sustainable energy or because they offer us the opportunity to invest sustainably in Sustainable Development Goals 7 and 13.

Sustainability indicator #4 relates to this E/S characteristic.

Related to PAI-indicator 4.

Contribute to the United Nations Sustainable Development Goals (SDGs)

We assess how the products and services of our investments contribute to the achievement of the Sustainable Development Goals (SDGs), such as sustainable energy, safe and sustainable cities, decent work and economic growth, and health and well-being. When companies contribute to these goals with their products and services, our investments in those companies are considered to be Sustainable Development Investments (SDIs).

Sustainability indicator #5 relates to this E/S characteristic.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

ESG integration

We apply an inclusion policy for our equity investments based on the UN Global Compact themes (human rights, labor, environment and anti-corruption) and set requirements for investors and companies based on the OECD guidelines. As a result, we only invest in companies that meet our criteria ('koplopers') or in companies we are able to engage with ('beloften').

We assess if investee companies are involved in violations of the UN Global Compact Principles or the OECD Guidelines.

Sustainability indicator #6 relates to this E/S characteristic.

Related to PAI-indicator 10.

Reference Benchmark

No reference benchmark is used to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes.

**How did the sustainability indicators perform?**

E/S characteristic	#	Sustainability Indicator	Observations over reporting period	Observations over prior reporting period
1. Exclusion Policy	1	Exposure to controversial weapons (anti-personnel mines, cluster bombs, landmines, chemical and biological weapons). <i>Related to PAI indicator 14.</i>	No investments were made in companies involved in the production, sale and/or distribution of controversial weapons (anti-personnel mines, cluster bombs, landmines, chemical and biological weapons).	No investments were made in companies involved in the production, sale and/or distribution of controversial weapons (anti-personnel mines, cluster bombs, landmines, chemical and biological weapons).
	2	Exposure to companies involved in the production, sale and/or distribution of nuclear weapons or key components thereof.	No investments were made in companies involved in the production, sale and/or distribution of nuclear weapons or key components thereof.	No investments were made in companies involved in the production, sale and/or distribution of nuclear weapons or key components thereof.
	3	Exposure to companies involved in the production of tobacco.	No investments were made in companies involved in the production of tobacco.	No investments were made in companies involved in the production of tobacco.
2. Fossil fuel exposure	4	Exposure to fossil fuel producers.	The Pool did not invest in fossil fuel producers in	2.1% of the portfolio was invested in the Energy sector (Oil, Gas and

		<i>Related to PAI indicator 4.</i>	accordance with the definition described in the E/S characteristics section. 3.8% of the total net asset value of investments in this product was invested in companies active in the fossil fuel exposure (PAI 4) ¹	Consumable Fuels). Within this sector, no investments were held in energy companies which were marked as companies lagging on climate during 2023 as described in the inclusion policy.
3. Contribution to SDGs	5	Percentage of Sustainable Development Investment according to the SDI-AOP methodology.	An ambition has been set for this product to invest 7% of assets under management in Sustainable Development Investments (SDIs) by 2025. The value of the SDIs as percentage of total NAV of the pool was 8,1% for the reference year. The SDI ambition is therefore met, before the targeted date of 2025.	An ambition has been set for this product to invest 7% of assets under management in Sustainable Development Investments (SDIs) by 2025. The value of the SDIs as percentage of total NAV of the pool was 9,1% for the reference year. The SDI ambition is therefore met, before the targeted date of 2025.
4. ESG-integration	6	Violations of the of the UN Global Compact Principles or the OECD Guidelines. <i>Related to PAI indicator 10 and 11.</i>	Six investment were flagged for violation of the UNGC Principles or the OECD Guidelines per Q4 2024.	No investments in companies involved in violations of the UNGC principles.
	7	Percentage of “koplopers” included in the portfolio compared to total NAV of the portfolio.	Per year-end, 91.5% of the portfolio was considered a “koploper”.	Sustainability indicator was newly implemented in 2024, as such no data available over 2023.

The reported sustainability indicators can differ from the sustainability indicators that were included in prior reporting period. A prior year comparison can only be made for the sustainability indicators that are currently included.

● ... and compared to previous periods?

The SDI exposure slightly dropped versus previous year but maintained to be higher than the ambition level of 7%.

● What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

Not applicable.

¹ In accordance with the SFDR, a company is considered active in the fossil fuel sector when they derive any revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and of the Council.



Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

Not applicable.

How were the indicators for adverse impacts on sustainability factors taken into account?

Not applicable.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Not applicable.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

This product considers PAI 4, PAI 10, and PAI 14. Please refer to the E/S characteristics section on further details on how these PAI indicators are considered.



The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: **2024**.

What were the top investments of this financial product?

#	Largest investments	Sector	Country	% Assets
1	Taiwan Semiconductor Manufacturing Co Ltd	Information technology	Taiwan	10.0
2	Tencent Holdings Ltd	Communication Services	China	5.1
3	Samsung Electronics Co Ltd	Information technology	South Korea	5.1
4	Alibaba Group Holding Ltd	Consumer Discretionary	China	2.2
5	SK Hynix Inc	Information technology	South Korea	1.6
6	MediaTek Inc	Information technology	Taiwan	1.4
7	HDFC Bank Ltd	Financial institutions	India	1.4
8	PDD Holdings Inc	Luxury goods	Ireland	1.3
9	ICICI Bank Ltd	Financial institutions	India	1.1
10	Meituan	Luxury goods	China	1.0
11	China Construction Bank Corp	Financial institutions	China	0.9
12	Ping An Insurance Group Co of China Ltd	Financial institutions	China	0.9
13	Hon Hai Precision Industry Co Ltd	Information technology	Taiwan	0.8
14	KB Financial Group Inc	Financial institutions	South Korea	0.8
15	Infosys Ltd	Information technology	India	0.7

The top investments are calculated based on a quarterly average as a percentage of Net Asset Value.

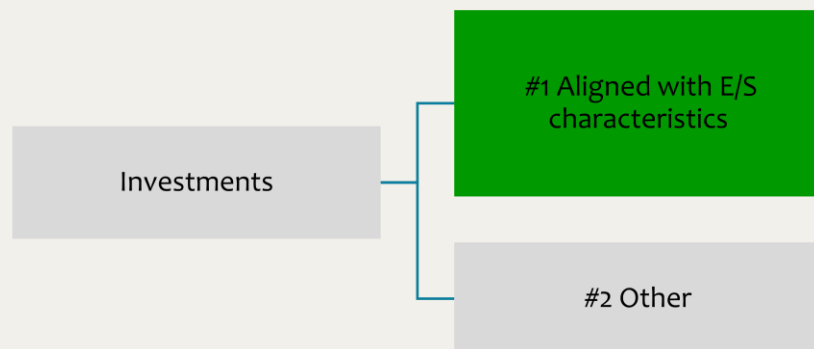
Asset allocation
describes the share
of investments in specific assets.



What was the proportion of sustainability-related investments?

● What was the asset allocation?

The asset allocation of this product is split between investments “aligned with E&S characteristics” (100.0%) and “other” (0.0%). The values are calculated based on a quarterly average as a percentage of Net Asset Value.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.



In which economic sectors were the investments made?

Sector	% Assets
Convenience goods	5.5
Energy	0.4
Financial institutions	24.8
Healthcare	3.3
Industrial companies	3.3
Information technology	33.3
Luxury goods	14.5
Materials	5.2
Real estate	2.8
Telecommunications	2.1
Transport	2.7
Utilities	2.1

The sectors are calculated based on a quarterly average as a percentage of net asset value. In 2024, the exposure to companies active in the fossil fuel sector (PAI 4) as defined by SFDR², was 3.8% of the total net asset value of investments in this product.

² In accordance with the SFDR, a company is considered active in the fossil fuel sector when they derive any revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and of the Council.



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

Through its investments, the product contributes to the following environmental objectives as set out in article 9 of the EU Taxonomy:

- climate change mitigation: 0.0%
- climate change adaptation: 0.0%
- sustainable use and protection of water and marine resources: 0.0%
- transition to a circular economy: 0.0%
- pollution prevention and control: 0.0%
- protection and restoration of biodiversity and ecosystems: 0.0%

The figures provide the share of taxonomy aligned activities as a share of turnover. The taxonomy-alignment percentages are calculated based on a quarterly average. In limited cases in which the company did not publicly report on their taxonomy-alignment, equivalent information where obtained from a third party data provider. The Taxonomy figures were neither subject to an assurance provided by an auditor nor reviewed by a third party. The fund does not commit to make any investment with an environmental objective aligned with the EU Taxonomy.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

• Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy³?

☐

Yes:

☐

In fossil gas

☐

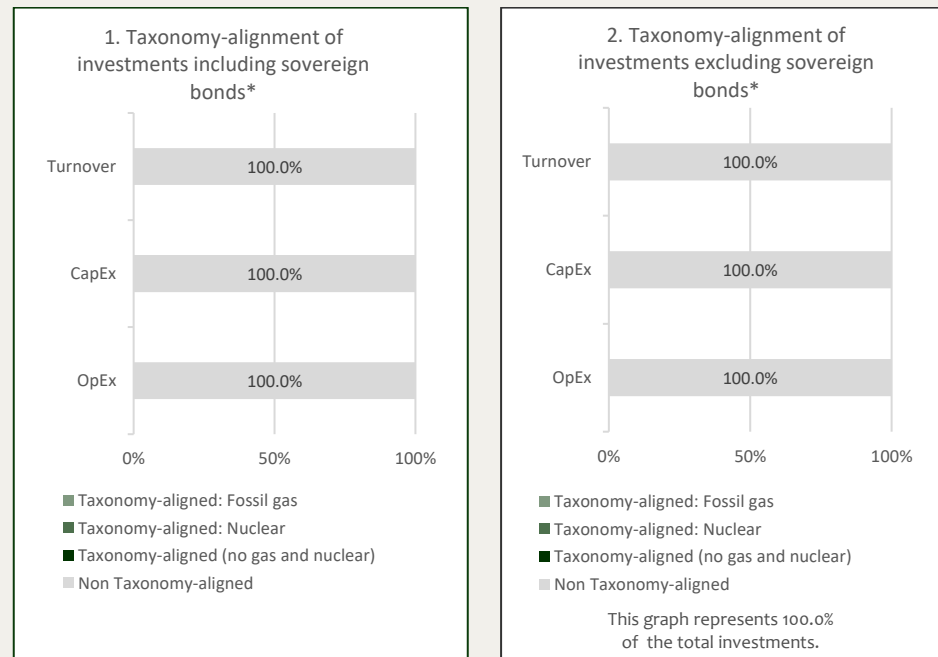
In nuclear energy



No

³ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds**.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

** For the purpose of readability, the shaded areas in the graph are zoomed in. The size of these areas therefore no longer matches their relative proportion compared to the total.

The taxonomy-alignment percentages are calculated based on a quarterly average. In limited cases in which the companies did not publicly report on their taxonomy-alignment, equivalent information were obtained from a third party data provider.

What was the share of investments made in transitional and enabling activities?

The product invested 0.0% of its investments in enabling activities and 0.0% in transitional activities.

The figures provide the share of taxonomy aligned transitional and enabling activities as a share of turnover. The taxonomy-alignment percentages are calculated based on a quarterly average. In limited cases in which the companies did not publicly report on their taxonomy-alignment, equivalent information were obtained from a third party data provider.



are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

The following table shows the percentages of EU Taxonomy-aligned investments (no gas and nuclear) including sovereign bonds for previous reference periods.

	2023	2022	2021	2020	2019
Turnover	0.0%	n.a.	n.a.	n.a.	n.a.
CapEx	0.1%	n.a.	n.a.	n.a.	n.a.
OpEx	0.0%	n.a.	n.a.	n.a.	n.a.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

Not applicable.



What was the share of socially sustainable investments?

Not applicable.



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

Investments included under “#2 Other” are derivatives. Derivatives are only used for efficient portfolio management and risk management purposes in accordance with the Dutch Pension Act (*Pensioenwet*). Derivatives use shall comply with APG AM’s counterparty policy, collateral policy, liquidity policy and market risk policy. There are no minimum environmental or social safeguards.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

Inclusion

- Laggards are not invested in by the investment teams;
- Laggards are engaged with by the Fundamental teams when risk and return characteristics are attractive. Fundamental teams do the stock selection based on the analysis of the intrinsic company value. When the analysis leads to an attractive risk/return profile of a laggard, the fundamental team may engage with the respective company;
- When engagement is unsuccessful, the companies are divested from;
- UNGC violators are marked as permanent laggards and are divested from;
- Companies lagging on climate are excluded;
- Companies excluded based on the inclusion policy are added to the exclusion list and communicated with the benchmark provider and with the external managers.

Many engagement trajectories have been undertaken in the reporting year. For example, engagement took place with TSMC on board diversity. TSMC stated that it is establishing a "Nominating, Corporate Governance and Sustainability Committee" and aims to further expand and strengthen the functions and responsibilities of its committees.

Furthermore, a few key changes were shared in our 2024 voting policy with the investor relations and ESG teams of Uni-President Enterprises, following a discussion in the previous year about clients' expectations on board diversity and independence. A range of topics were raised including board succession planning, management leadership, top executives' compensation and disclosure, management of climate risks and opportunities.

In addition to the above more engagement trajectories have been continued in 2024.

Exclusion

The exclusion list has been updated, this takes place twice a year. The list of companies involved in the production, sale or distribution of controversial weapons, and companies involved in the production of tobacco is then updated and communicated with the benchmark provider and external managers.

SDI ambition

The product has been steering towards a longer term SDI ambition as per 2025 of 7% of AuM. In current year the product is, where possible, working towards that goal without interfering with the risk/return characteristics of the product. When possible the product will choose an SDI investment over a non-SDI investment, when risk/return characteristics are aligned between the two investments. The SDI exposure slightly increased from 8.0% to 8.3% end of the year.



Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

How did this financial product perform compared to the reference benchmark?

No reference benchmark is used to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes.