

# Statement on principal adverse impacts of investment decisions on sustainability factors

June 2026

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## 1. Summary

APG Asset Management N.V. ('APG AM', LEI: 549300XWC21UGFTCR876) considers principal adverse impacts of its investment decisions on sustainability factors. The underlying statement is the consolidated statement on sustainability factors of APG AM.

In this statement, we describe our overall approach to identifying, prioritizing and addressing principal adverse impacts of our investment decisions on sustainability factors in line with Article 4 of the Sustainable Finance Disclosure Regulation ('SFDR'). It covers the reference period from 1 January 2025 to 31 December 2025.

The consideration of principal adverse impacts ('PAIs') of investment decisions on sustainability factors is an integral part of APG AM's due diligence and investment processes related to factors such as climate, social and human rights, and anti-corruption and anti-bribery matters. The way principal adverse impacts are considered differs across financial products and is further described in the SFDR product disclosures.<sup>1</sup>

This statement provides an overview of the PAIs of the investments managed by APG AM on behalf of our clients. It covers the 18 SFDR mandatory PAIs, and 4 additional PAIs that are important to our clients. Based on our clients' Responsible Investment policies, we prioritize the following PAIs:

### MANDATORY INDICATORS APPLICABLE TO INVESTEE COMPANIES

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS		
ADVERSE SUSTAINABILITY INDICATOR		METRIC
1	Greenhouse gas emissions	Scope 1, 2, 3 and total greenhouse gas emissions
2	Carbon footprint	Carbon footprint
3	Greenhouse gas intensity	Greenhouse gas intensity of investee companies
4	Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector
7	Activities negatively impacting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas
SOCIAL AND EMPLOYEE MATTERS, RESPECT FOR HUMAN RIGHTS, AND ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS		
ADVERSE SUSTAINABILITY INDICATOR		METRIC
10	Violations of the UN Global Compact Principles and Organisation for Economic Corporation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises
14	Exposure to controversial weapons	Share of investments in investee companies involved in the manufacture or selling of controversial weapons

Table 1: Mandatory Principal Adverse Impact indicators applicable to investee companies

### ADDITIONAL INDICATORS APPLICABLE TO INVESTEE COMPANIES

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS		
ADVERSE SUSTAINABILITY INDICATOR		METRIC
4	Investments in companies without carbon emissions reduction initiatives	Share of investments in companies without carbon emissions reduction initiatives
SOCIAL AND EMPLOYEE MATTERS, RESPECT FOR HUMAN RIGHTS, AND ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS		
ADVERSE SUSTAINABILITY INDICATOR		METRIC
9	Lack of a human rights policy	Share of investments in entities without a human rights policy
10	Lack of due diligence	Share of investments in entities without a due diligence process to identify, prevent, mitigate and address adverse human rights impacts
16	Anti-corruption and anti-bribery	Cases of insufficient action taken to address breaches of standards of anti-corruption and anti-bribery

Table 2: Additional Principal Adverse Impact indicators applicable to investee companies

<sup>1</sup> Product specific information about the APG AM Pools can be found in the 'sustainability-related disclosures' section on the APG AM website: [Sustainability-related disclosures | Homepage - Asset Management \(apg.nl\)](https://www.apg.nl/en/sustainability-related-disclosures)

## 1. Samenvatting

APG Asset Management N.V. ('APG AM', LEI: 549300XWC21UGFTCR876) neemt de belangrijkste ongunstige effecten van zijn beleggingsbeslissingen op duurzaamheidsfactoren in aanmerking. Deze "verklaring inzake de belangrijkste ongunstige effecten van beleggingsbeslissingen op duurzaamheidsfactoren" is de geconsolideerde verklaring over duurzaamheidsfactoren van APG AM.

In deze verklaring beschrijven we onze algemene aanpak voor het identificeren, prioriteren en adresseren van de belangrijkste ongunstige effecten van onze beleggingsbeslissingen op duurzaamheidsfactoren in overeenstemming met artikel 4 van de Sustainable Finance Disclosure Regulation ('SFDR'). Het heeft betrekking op de referentieperiode 1 januari 2025 tot en met 31 december 2025.

Het in aanmerking nemen van de belangrijkste ongunstige effecten is een integraal onderdeel van de due diligence- en beleggingsprocessen van APG AM met betrekking tot factoren zoals klimaat, sociale- en mensenrechten, en de bestrijding van corruptie en omkoping. De manier waarop de belangrijkste ongunstige effecten in aanmerking worden genomen verschilt per financieel product en wordt nader beschreven in de specifieke SFDR productinformatie.<sup>2</sup>

Deze verklaring geeft een overzicht van de belangrijkste ongunstige effecten op duurzaamheidsfactoren van de beleggingen die APG AM namens klanten beheert. Het omvat de 18 verplichte, en 4 aanvullende indicatoren voor de belangrijkste negatieve effecten die belangrijk zijn voor onze klanten. Op basis van het verantwoord beleggingsbeleid van onze klanten geven we prioriteit aan de volgende indicatoren:

### VERPLICHTE INDICATOREN DIE VAN TOEPASSING ZIJN OP ONDERNEMINGEN WAARIN IS BELEGD

KLIMAAT EN ANDERE MILIEUGERELATEERDE INDICATOREN		
INDICATOR ONGUNSTIGE EFFECTEN OP DUURZAAMHEID	PARAMETER	
1	Broeikasgasemissies	Scope 1, 2, 3 en totale broeikasgasemissies
2	Koolstofvoetafdruk	Koolstofvoetafdruk
3	Broeikasgasintensiteit	Broeikasgasintensiteit van ondernemingen waarin is belegd
4	Blootstelling aan bedrijven die actief zijn in de sector fossiele brandstoffen	Aandeel beleggingen in ondernemingen actief in de sector fossiele brandstoffen
7	Activiteiten met negatieve gevolgen voor biodiversiteits-gevoelige gebieden	Aandeel beleggingen in ondernemingen met vestigingen/ activiteiten in of bij biodiversiteits-gevoelige gebieden wanneer de activiteiten van die ondernemingen negatieve gevolgen voor die gebieden hebben
SOCIALE THEMA'S EN ARBEIDSSOMSTANDIGHEDEN, EERBIEDIGING VAN MENSENRECHTEN, EN BESTRIJDING VAN CORRUPTIE & OMKOPING		
INDICATOR ONGUNSTIGE EFFECTEN OP DUURZAAMHEID	PARAMETER	
10	Schendingen van de beginselen van het VN Global Compact of van de richtsnoeren voor multinationale ondernemingen van de Organisatie voor Economische Samenwerking en Ontwikkeling (OESO)	Aandeel beleggingen in ondernemingen die betrokken zijn geweest bij schendingen van de beginselen van het VN Global Compact of van de OESO-richtsnoeren voor multinationale ondernemingen
14	Blootstelling aan controversiële wapens (anti-personeelsmijnen, clustermunitie, chemische wapens en biologische wapens)	Aandeel beleggingen in ondernemingen die zijn betrokken bij de productie of verkoop van controversiële wapens

Tabel 3: Verplichte indicatoren voor de belangrijkste negatieve effecten die van toepassing zijn op de ondernemingen waarin wordt belegd

### AANVULLENDE INDICATOREN DIE VAN TOEPASSING ZIJN OP ONDERNEMINGEN WAARIN IS BELEGD

KLIMAAT EN ANDERE MILIEU-GERELATEERDE INDICATOREN		
INDICATOR ONGUNSTIGE EFFECTEN OP DUURZAAMHEID	PARAMETER	
4	Beleggingen in ondernemingen zonder initiatieven voor koolstofemissiereductie	Aandeel beleggingen in ondernemingen zonder initiatieven voor koolstofemissiereductie

<sup>2</sup> Product-specifieke informatie over de APG AM Pools is te vinden in de sectie 'sustainability-related disclosures' op de APG AM-website: [Sustainability-related disclosures | Homepage - Asset Management](https://assetmanagement.apg.nl/sfdr/sustainability-related-disclosures/)

SOCIALE THEMA'S EN ARBEIDSOMSTANDIGHEDEN, EERBIEDIGING VAN MENSENRECHTEN, EN BESTRIJDING VAN CORRUPTIE & OMKOPING		
INDICATOR ONGUNSTIGE EFFECTEN OP DUURZAAMHEID		PARAMETER
9	Gebrek aan mensenrechtenbeleid	Aandeel beleggingen in ondernemingen zonder mensenrechtenbeleid
10	Gebrek aan due diligence	Aandeel beleggingen in ondernemingen zonder een due diligence-proces om negatieve gevolgen voor mensenrechten te identificeren, te voorkomen, te beperken en aan te pakken
16	Anti-corruptie en anti-omkoping	Gevallen waarin onvoldoende wordt opgetreden tegen inbreuken op de normen voor de bestrijding van corruptie en omkoping

Tabel 4: Aanvullende indicatoren voor de belangrijkste ongunstige effecten die van toepassing zijn op de ondernemingen waarin wordt belegd



## 2. Description of the principal adverse impacts on sustainability factors

The table below shows how APG AM considered the principal adverse impacts of our investment decisions on sustainability factors for the 18 mandatory, and 4 additional indicators in reference year 2025, and describes the actions taken, and actions planned and targets set for the next reference period.

In general, for each indicator a lower value (under 'impact') means that the adverse impact has decreased, i.e. a lower value means less adverse impact on sustainability factors. The only exception is our reporting of PAI indicator 13 (Board gender diversity), where we state the share of female board members.

In addition to reporting the value of the indicator, we also report (in brackets [...]) the proportion of assets under management for which data for the specific PAI indicator is available: this is referred to as the [Coverage]. The calculation of the coverage is based on all assets under management, while the calculation of the PAI indicator is based solely on the investments for which coverage is available. This way, the indicator provides a representative and transparent picture of the actual adverse impact. The degree of representativeness is indicated by the coverage - the higher the coverage, the more representative the picture.

Each indicator is only applicable to a specific category of investments: *investee companies*, *sovereigns and supranationals*, or *real estate*. The highest possible coverage is given by the proportion of assets invested in the category to which the specific indicator applies. For example, the coverage of an indicator for *investee companies* cannot exceed the proportion of assets invested in companies. The proportion of assets under management per investment category, and thus the highest possible coverage, is stated above the relevant tables.

Some numbers for 2024 were slightly underestimated in the PAI statement of June 2025 and were therefore corrected to enable a fair comparison with the numbers for 2025.

## INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES

The share of assets under management invested in companies is 57.5% (reference year 2024: 62.2%) of the net asset value. The coverages shown in the table below can therefore not exceed this percentage.<sup>3</sup> Since no regulatory definition has been established for ‘companies’, it is not possible to determine exactly which part of the portfolio is invested in companies. We consider all investments ‘companies’ excluding government bonds, liquid commodities, unlisted real estate funds, mortgage- and asset-backed securities, cash, money market funds, currencies and interest rate products.

ADVERSE SUSTAINABILITY INDICATOR		METRIC	IMPACT 2025 [Coverage]	IMPACT 2024 [Coverage]	EXPLANATION	ACTIONS TAKEN, AND ACTIONS PLANNED AND TARGETS SET FOR THE NEXT REFERENCE PERIOD	
<b>CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS</b>							
1	<b>Greenhouse gas emissions</b>	Greenhouse gas emissions	Scope 1 GHG emissions	6,456,363 tCO <sub>2</sub> e [42.3%]	8,343,059 tCO <sub>2</sub> e [46.8%]	<p><b>Analysis</b> Both the absolute emissions (scope 1, 2 &amp; 3) and the data coverage decreased. This is mainly caused by the transition from internal management of (mainly) developed market equities investments to external management.</p> <p>The way APG AM calculates its CO<sub>2</sub>-footprint is described <a href="#">here</a>. The values calculated show strong similarities with the values in this statement. Under 2.2 ‘Historical comparison’ we explain the differences in more detail.</p> <p><b>Data source<sup>4</sup></b> For capital market investments: ISS ESG.</p>	<p><b>GENERAL</b> In line with our <a href="#">Climate Transition Plan</a> we continued our commitment to contribute to the goal of the Paris Climate Agreement and aim for a Net Zero emissions portfolio by 2050 or sooner by:</p> <ul style="list-style-type: none"> <li>- Measuring the CO<sub>2</sub>-footprint of our investments</li> <li>- Steering the portfolio towards Net Zero emissions</li> </ul> <p>In 2025 APG AM, on behalf of our clients, took the final investment decision to proceed with the bioenergy with carbon capture and storage (BECCS) project in Stockholm. This will be one of the first commercial BECCS facilities in Europe. The installation is expected to capture and permanently remove up to 800,000 tonnes of biogenic CO<sub>2</sub> per year, exceeding the annual emissions from road traffic in the city.</p>
			Scope 2 GHG emissions	1,603,973 tCO <sub>2</sub> e [42.3%]	2,120,123 tCO <sub>2</sub> e [47.0%]		
			Scope 3 GHG emissions	52,594,294 tCO <sub>2</sub> e [41.0%]	81,814,898 tCO <sub>2</sub> e [45.1%]		
			Total GHG emissions	60,654,630 tCO <sub>2</sub> e	92,278,080 tCO <sub>2</sub> e		
2		Carbon footprint	Carbon footprint	295.1 tCO <sub>2</sub> e per million EUR invested [40.8%]	354.7 tCO <sub>2</sub> e per million EUR invested [44.7%]	<p><b>Analysis</b> Both the carbon footprint and the data coverage decreased.</p> <p>There is a difference between the absolute footprint reported in this statement and our other disclosures</p>	<p><b>ENGAGEMENT</b> In 2025, APG AM actively addressed climate change and encouraged investee companies in high climate impact sectors to reduce their CO<sub>2</sub>-emissions as part of our engagement efforts on behalf of our clients.</p>

<sup>3</sup> For example, in 2025 we invested 57.5% of all assets under management in ‘investee companies’. Indicators 1-14 are only applicable to investee companies. The coverage for scope 1 GHG emissions relative to all assets under management, including not-applicable investments like sovereign bonds, is 42.3%. The coverage for scope 1 GHG emissions only relative to investments in investee companies is higher:  $42.3 / 57.5 = 74\%$ . Hence, we have data for scope 1 GHG emissions for 74% of the assets under management that are invested in investee companies.

<sup>4</sup> For the data sources used for Private Market Investments, please see chapter 2.1 ‘PAI data collection’.

						<p>about carbon footprint (see 2.2 ‘Historical comparison’).</p> <p><b>Data source</b> For capital market investments: ISS ESG.</p>	<p>For the listed equity and corporate bond investments on behalf of clients we set the following requirements for companies in high climate impact sectors:</p> <ol style="list-style-type: none"> <li>1. Evidence of (sufficient) targets to reduce carbon emissions</li> <li>2. Disclosure of carbon emissions</li> <li>3. Restricted revenues from coal mining, oil sands, and arctic oil and gas</li> <li>4. No evidence of expansion of coal-fired power production capacity</li> <li>5. No evidence of severe climate-related controversies</li> </ol> <p>In 2025, we engaged with 109 companies about climate-related topics on behalf of our clients and expanded the scope of our minimum expectations around climate to also cover emerging markets and corporate bonds.</p> <p>Climate-related engagement in 2025 focused on the following sectors: car manufacturers, banks, chemicals, utilities, food retail, and cement companies. We expect these companies to publish their scope 1, scope 2 and material scope 3 emissions by 2030.</p> <p>In 2026, on behalf of our clients, we will continue our engagement activities with companies on climate-related topics.</p> <p><b>VOTING</b></p> <p>Over the course of the 2025 shareholder season, APG AM continued to apply the enhanced voting policy on climate on behalf of our clients. Based on our expectation of investee companies in high climate impact sectors to publish clear emission-reduction targets and net-zero ambitions, and provide transparency on climate impact, we voted against the chair of the non-executive/ supervisory board at companies that do not provide sufficient transparency around climate change.</p> <p>Furthermore, where possible, we supported climate-related shareholder resolutions and only voted in favor of climate strategies with concrete emission reduction goals. At shareholder meetings of companies in high-</p>
3		GHG intensity of investee companies	GHG intensity of investee companies	1,287.9 tCO <sub>2</sub> e per million EUR revenue [39.6%]	1,056.0 tCO <sub>2</sub> e per million EUR revenue [44.5%]	<p><b>Analysis</b></p> <p>The GHG intensity increased and the data coverage decreased. The increased intensity is mostly due to some newly reporting private market investments. Further contributions come from changes in the asset allocation and changed GHG-intensities reported by investee companies.</p> <p>There is a difference between the absolute footprint reported in this statement, and our other disclosures about GHG emissions (see 2.2 ‘Historical comparison’).</p> <p><b>Data source</b> For capital market investments: ISS ESG.</p>	

							<p>impact sectors with no climate approach, we voted against the reappointment of directors and did not support remuneration proposals if the remuneration policy lacks sustainability-related performance objectives.</p> <p>In 2025, on behalf of our clients, 1180 votes were submitted against management at companies with a high climate impact for failing our clients' expectations around climate change.</p> <p>In 2026, we will continue our voting activities around climate and environment in line with the voting policy of our clients and disclose all voting decisions on a continuous basis in the <a href="#">voting dashboard</a> on the APG AM website.</p>
4		Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	5.4% [45.6%]	5.7% [51.4%]	<p><b>Analysis</b> The definition of fossil fuel exposure of SFDR differs from the definition used by our clients.<sup>5</sup> The adverse impact and the data coverage decreased.</p> <p><b>Data source</b> For capital market investments: ISS ESG and MSCI.</p>	<p>In 2025, on behalf of one of our clients, we committed to invest up to EUR 250 million in Dutch energy business SkyNRG to enable the development and adoption of Sustainable Aviation Fuel (SAF) worldwide. The funding will support the continued growth of SkyNRG's platform. Its first SAF production facility will be built in Delfzijl, the Netherlands.</p>
5		Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources,	61.7% [39.7%]	64.1% [42.1%]	<p><b>Analysis</b> The adverse impact and the data coverage decreased. The improved performance on this indicator is mostly due to a different asset allocation, but also to improvements at investee companies.</p> <p><b>Data source</b> For capital market investments: MSCI.</p>	<p>Through our co-investment program, together with four leading Swiss pension funds we invested more than EUR 250 million in Swiss assets in critical infrastructure projects. These include, among others, investments in Pattern Energy, a US leader in renewable energy and transmission infrastructure, and TenneT, Germany's largest electricity transmission system operator. The cooperation, launched in October 2024, represents a structural innovation in international collaboration between pension funds and forms part of APG's Asset Owner Partnership (AOP).</p> <p>In 2025, we committed more than EUR 560 million to the leading sustainable energy platform OASIS of Octopus</p>

<sup>5</sup> In accordance with the SFDR, a company is considered to be active in the fossil fuel sector when it derives revenues from the exploration, mining, extraction, production, processing, storage, refining or distribution, including transport, storage and trade, of fossil fuels as defined in Article 2(62) of Regulation (EU) 2018/1999 of the European Parliament and of the Council. Any income from fossil fuels leads to the entire investment being considered 'active in the fossil fuel sector'.

			expressed as percentage					
6	Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector		[total 37.9%]	[total 43.8%]	<p><b>Analysis</b> Since reporting is done per sector, the coverage per sector is low. The coverages can at most amount to the share of the assets invested in that sector, which means that individual companies can have a significant impact on the value (outliers).</p> <p>Given this uncertainty, the intensity per sector is stable, with a relatively high value for 'Electricity, Gas, Steam and Air Conditioning Supply'.</p> <p>The total coverage, including the companies outside the high impact climate sectors, decreased.</p> <p><b>Data source</b> For capital market investments: MSCI.</p>	<p>Australia. This portfolio includes wind energy, solar energy and battery storage, contributing to the energy transition.</p> <p>In 2025, APG AM, on behalf of one of its clients, committed to investing EUR 300 million in Return, an independent energy storage provider that develops and builds large scale battery systems, leasing their capacity to energy companies and traders. Its batteries help resolve temporary imbalance between electricity supply and demand and alleviate grid congestion.</p>	
		Agriculture, Forestry and Fishing	0.0 GWh per million EUR invested	[0.5%]	0.1 GWh per million EUR invested			[0.4%]
		Mining and Quarrying	1.4 GWh per million EUR invested	[0.3%]	1.4 GWh per million EUR invested			[0.3%]
		Manufacturing	0.3 GWh per million EUR invested	[7.8%]	0.3 GWh per million EUR invested			[12.1%]
		Electricity, Gas, Steam and Air Conditioning Supply	4.6 GWh per million EUR invested	[3.0%]	5.0 GWh per million EUR invested			[2.5%]
		Water Supply; Sewage, Waste, Management and Remediation Activities	0.8 GWh per million EUR invested	[0.2%]	0.7 GWh per million EUR invested			[0.3%]
		Construction	0.4 GWh per million EUR invested	[0.6%]	0.2 GWh per million EUR invested			[0.5%]
		Wholesale and Retail Trade	0.1 GWh per million EUR invested	[1.5%]	0.1 GWh per million EUR invested			[2.2%]
		Transportation and Storage	0.4 GWh per million EUR invested	[2.5%]	0.6 GWh per million EUR invested			[1.8%]
		Real Estate Activities	0.9 GWh per million EUR invested	[5.9%]	0.7 GWh per million EUR invested			[4.6%]

7	<b>Biodiversity</b>	Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	6.9% [40.4%]	8.6% [44.7%]	<p><b>Analysis</b> Both the adverse impact and the data coverage decreased. The improved performance on this indicator is due to improvements within the infrastructure portfolio and specific divestments.</p> <p><b>Data source</b> For capital market investments: MSCI.</p>	<p><b>GENERAL</b> APG AM supports the <a href="#">Partnership for Biodiversity Accounting Financials (PBAF)</a>. This partnership has developed an open-source standard for financial institutions to measure and report the impact of their loans and investments on biodiversity.</p> <p>APG AM is a member of the TNFD Forum of the <a href="#">Taskforce on Nature-related Financial Disclosures (TNFD)</a> and signed the <a href="#">Finance for Biodiversity Pledge</a>. The participating parties commit to contribute to the conservation of biodiversity through their investments, including by collaborating and engaging with companies in which they invest.</p>
8	<b>Water</b>	Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as weighted average	0.17 metric tonnes per million EUR invested [5.7%]	0.04 metric tonnes per million EUR invested [3.3%]	<p><b>Analysis</b> Partly due to the low coverage, this indicator is sensitive to outliers and does not fully represent the actual adverse impact.</p> <p>Both the adverse impact and the coverage increased. The increased impact comes from positions for which data was previously unavailable, with dominant contributions from Suez and Veolia.</p> <p><b>Data source</b> For capital market investments: MSCI.</p>	<p>Our clients have set objectives around nature and biodiversity for 2030: the investment portfolio must contribute to discontinuing and reversing biodiversity loss.</p> <p>In 2025, APG AM, on behalf of one of our clients, acquired a majority stake in a sustainable forestry project covering 70,000 hectares in the United States. This forestry project is expected to sequester nearly two million tonnes of carbon over the next fifteen years. Together with Molpus Woodlands Group, an impact-oriented performance mechanism has been put in place to strengthen accountability for climate and biodiversity outcomes.</p>
9	<b>Waste</b>	Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0.8 metric tonnes per million EUR invested [36.9%]	1.3 metric tonnes per million EUR invested [41.7%]	<p><b>Analysis</b> Both the adverse impact and the data coverage of this indicator decreased. The improved performance can be traced back to a company in an externally managed portfolio reporting a significantly reduced waste generation.</p> <p><b>Data source</b> For capital market investments: MSCI.</p>	<p>APG AM also invested EUR 75 million in a blue bond issued by Italian utility A2A to modernize water infrastructure. The investment supports water-conservation and water-quality improvements by financing upgrades such as pipelines, meters, and sensors, enabling significant reductions in water loss and contributing to cleaner, more efficient water systems.</p> <p><b>ENGAGEMENT</b> In 2025, APG AM engaged with 64 listed companies with a (potentially) high impact on biodiversity loss about nature / biodiversity.</p>

						<p>In 2025, we further increased investments contributing to the following Sustainable Development Goals (SDG) related to nature and biodiversity:</p> <ul style="list-style-type: none"> <li>- SDG 12: Responsible consumption and production</li> <li>- SDG 14: Life below water</li> <li>- SDG 15: Life on land</li> </ul> <p>In the next reference period, for our listed equities and corporate bond investments on behalf of clients, we will continue focusing our engagement efforts on investee companies in sectors where biodiversity risks may arise, whereby we will focus on the following matters:</p> <ul style="list-style-type: none"> <li>- Management: clearly embedded responsibility within management for the environment and biodiversity;</li> <li>- Objectives: objectives for responsible water consumption and the use of certified raw materials at companies in certain sectors;</li> <li>- Performance: emissions reduction and responsible water use by companies in certain sectors;</li> <li>- Risk management: prevention of deforestation by producers of soy, beef and palm oil.</li> <li>- Involvement in incidents: we monitor all companies on their involvement in nature- and biodiversity-related incidents.</li> </ul> <p>Furthermore, in our engagements with producers of packaged food and food retail companies in the next reference period we will focus on encouraging:</p> <ul style="list-style-type: none"> <li>- producers of packaged food to reduce their negative impact on deforestation;</li> <li>- food retail companies to commit to offering more plant-based products and less animal products.</li> </ul> <p><b>VOTING</b></p> <p>We expect companies with a (potentially) high impact on biodiversity loss to measure, prevent and reduce their negative impact. In the voting policy we apply on behalf of our clients, we focus on companies in high-risk sectors. This means that in 2025 we voted against the</p>
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							<p>reappointment of the chairman of the supervisory/non-executive board at:</p> <ul style="list-style-type: none"> <li>- companies active in meat (processing), cocoa, coffee, paper, palm oil, soy and forestry that have no policy to combat deforestation</li> <li>- pharmaceutical companies that do not have a 3R policy to replace animal testing with non-animal testing, reduce it where possible or improve it to avoid animal discomfort (3R methods)</li> <li>- mining companies that do not have a strong environmental management system.</li> </ul> <p>In 2025, we submitted 68 votes against management at companies with a (potentially) high impact on biodiversity loss that did not meet our expectations.</p> <p>In 2026, we will continue our voting activities around biodiversity in line with the voting policy of our clients and disclose all voting decisions on a continuous basis on the <a href="#">voting dashboard</a> on the APG AM website.</p>
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS							
10	<b>Social and employee matters</b>	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.0% [41.3%]	1.8% [48.1%]	<p><b>Analysis</b></p> <p>Both the adverse impact and the data coverage decreased. The improved performance originates from a changed methodology of our data provider: previously classified violators are no longer classified as such or no longer in the APG AM portfolio. Examples include Amazon and Alphabet. Additionally, we reduced our position in a remaining violator, resulting in a rounded adverse impact of 0.0%.</p> <p><b>Data source</b></p> <p>For capital market investments: ISS ESG.</p>	<p><b>GENERAL</b></p> <p>In our investment decision-making process and exercising our stewardship activities on behalf of clients, APG AM is guided by public standards and guidelines such as the:</p> <ul style="list-style-type: none"> <li>- Organization for Economic Cooperation and Development (OECD) Guidelines</li> <li>- UN Guiding Principles on Business and Human Rights</li> <li>- UN Global Compact Principles</li> </ul> <p>APG AM is one of the initiators of the Corporate Human Rights Benchmark (CHRB), which is part of the World Benchmarking Alliance. The CHRB compares the human rights performance of companies in high-risk sectors and is an important source of information about companies in which we invest or may invest. In addition, APG participates in PRI Advance, a global initiative for responsible stewardship led by the Principles for Responsible Investment (PRI).</p>
11		Lack of processes and compliance mechanisms to monitor	Share of investments in investee companies without policies	17.3% [35.7%]	21.4% [41.5%]	<p><b>Analysis</b></p> <p>Both the adverse impact and the data coverage decreased. The improved performance originates from a changed methodology of our data provider: a</p>	

		<p>compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises</p>	<p>to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises</p>			<p>significant share of the investee companies previously assessed to lack relevant processes and compliance mechanisms are now considered to have these.</p> <p><b>Data source</b> For capital market investments: ISS ESG.</p>	<p><b>ENGAGEMENT</b></p> <p>The policies of our clients for investments in listed equities and corporate bond investments are based on the UN Global Compact themes (human rights, labor, environment and anti-corruption) and the expectations of investors and companies based on the OECD Guidelines.</p> <p>In 2025, we engaged with companies aimed at preventing and mitigating violations of the principles of the UN Global Compact and the OECD Guidelines and promoting procedures and compliance mechanisms for monitoring compliance with these principles.</p> <p>Over the course of 2025, we engaged with car manufacturers, food producers, companies in the agricultural sector and companies involved in renewable energy on human rights. Our engagements with companies were aimed at encouraging:</p> <ul style="list-style-type: none"> <li>- car manufacturers to commit to prevent human rights violations in the extraction of materials for electric cars;</li> <li>- food producers and companies in the agricultural sector to commit to ensuring that the people who (indirectly) work for them receive a living wage;</li> <li>- renewable energy companies to take into account the rights of all parties involved in the development of new projects.</li> </ul> <p>In our standard legal provisions in our agreements with managers and/or in the due diligence process of private market investments we establish if managers take into account the UN Global Compact Principles in connection with each (portfolio) investment and expect managers to immediately notify APG AM of any significant incident or controversy related to a violation of the Principles.</p> <p>In 2025, we engaged with 106 listed companies about human rights.</p>
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							<p>In 2026, we will continue our engagement efforts with companies on human rights issues around living wage, the extraction of transition minerals and artificial intelligence. This mainly involves companies in the following sectors: food producers, supermarkets, restaurants, car manufacturers using transition minerals, companies that are active in artificial intelligence, and companies involved in renewable energy.</p> <p><b>VOTING</b></p> <p>In 2025, we applied our clients' voting policy on human rights by voting against the reappointment of the chair of the supervisory board/non-executive board of companies that do not have sufficient due diligence mechanisms in place to prevent violations of human rights, as expressed in a score of 0 (zero) or 1 (one) on the CHRB-standard 'human rights due diligence'.<sup>6</sup></p> <p>In 2025, we submitted 80 votes against management for failing our expectations around human rights.</p> <p>In 2026, we will continue our voting activities around human rights in line with the voting policy of our clients and disclose all voting decisions on a continuous basis on the <a href="#">voting dashboard</a> on the APG AM website.</p>
12		Unadjusted gender pay gap	Average unadjusted gender-pay gap of investee companies	14.5% [35.8%]	14.7% [39.6%]	<p><b>Analysis</b></p> <p>This percentage means that men earn 14.5% more than women (in terms of average gross hourly wage; averaged over the APG AM portfolio for which there is coverage).</p> <p>The adverse impact remained fairly stable, and the data coverage decreased.</p> <p><b>Data source</b></p> <p>For capital market investments: ISS ESG and MSCI.</p>	<p><b>GENERAL</b></p> <p>The average unadjusted gender pay gap of investee companies has not been a specific focus area for APG AM in 2025.</p>

<sup>6</sup> This only applies to companies that have been assessed by CHRB since 2019. This contributes to the credibility and quality of the scores. For details on the CHRB methodology see: [Corporate Human Rights Benchmark | World Benchmarking Alliance](#).

13		Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	29.8% [42.6%]	30.7% [46.5%]	<p><b>Analysis</b> This indicator shows gender diversity on the board (i.e. the percentage of female board members of all board members). For this indicator, a lower value, as opposed to other indicators, means more adverse impact.</p> <p>The adverse impact remained fairly stable, and the data coverage decreased.</p> <p><b>Data source</b> For capital market investments: ISS ESG and MSCI.</p>	<p><b>VOTING</b> We require companies to consider board diversity when appointing directors. The management board, the supervisory board, and the executive committee (if applicable) should be composed in such a way that the company has an appropriate degree of diversity in terms of expertise, experience, competencies, other personal qualities, gender or gender identity, age, nationality, and (cultural) background.</p> <p>As a result of our client’s voting policy, we voted against or withheld votes from nominating committee members if the board was not at least 30% diverse in terms of gender. At companies with no formal nominating committee, we also voted against or withheld votes from incumbent members of the nominating committee.</p> <p>In 2025, we submitted 987 votes against management due to a lack of gender diversity on the board.</p> <p>In 2026, we will continue our voting activities around board gender diversity in line with the voting policy of our clients and disclose all voting decisions on a continuous basis on the <a href="#">voting dashboard</a> on the APG AM website.</p>
14		Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.0% [43.2%]	0.0% [50.1%]	<p><b>Analysis</b> The adverse impact remained stable at 0.0% (rounded) and the data coverage decreased.</p> <p><b>Data source</b> For capital market investments: ISS ESG and MSCI.</p>	<p><b>EXCLUSION</b> APG AM, on behalf of our clients, does not invest in companies involved in controversial weapons. To that end, we do not invest in companies that are involved in the production, sale or distribution of:</p> <ul style="list-style-type: none"> <li>- cluster munitions;</li> <li>- anti-personnel mines;</li> <li>- nuclear, chemical or biological weapons.</li> </ul>

Table 5: Mandatory indicators applicable to investee companies

## ADDITIONAL INDICATORS APPLICABLE TO INVESTEE COMPANIES

ADVERSE SUSTAINABILITY INDICATOR		METRIC	IMPACT 2025 [Coverage]	IMPACT 2024 [Coverage]	EXPLANATION	ACTIONS TAKEN, ACTIONS PLANNED AND TARGETS SET FOR THE NEXT REFERENCE PERIOD	
4	<b>Emissions</b>	Investments in companies without carbon emissions reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	49.1% [44.0%]	48.2% [47.7%]	<p><b>Analysis</b> The adverse impact increased and the data coverage decreased. An example of a company that now reports to have a carbon reduction initiative is NVIDIA</p> <p><b>Data source</b> For capital market investments: ISS ESG.</p>	<b>GENERAL</b> We refer to the 'actions taken and actions planned' as described under mandatory PAIs 1-6 above.
9	<b>Human Rights</b>	Lack of a human rights policy	Share of investments in entities without a human rights policy	31.3% [39.6%]	41.2% [41.9%]	<p><b>Analysis</b> Both the adverse impact and the data coverage decreased. More companies in which we invest report to have a human rights policy or are no longer in the APG AM portfolio. Examples include JPMorgan Chase, Visa, and Mastercard.</p> <p><b>Data source</b> For capital market investments: ISS ESG.</p>	<b>GENERAL</b> We refer to the 'actions taken and actions planned' as described under mandatory PAI 10 and 11 above.
10	<b>Human Rights</b>	Lack of due diligence	Share of investments in entities without a due diligence process to identify, prevent, mitigate and address adverse human rights impacts	28.7% [35.9%]	34.5% [41.7%]	<p><b>Analysis</b> Both the adverse impact and the data coverage decreased. More companies report to have a human rights due diligence process or are no longer in the APG AM portfolio. Examples include JPMorgan Chase and Disco Corp.</p> <p><b>Data source</b> For capital market investments: ISS ESG.</p>	
16	<b>Anti-corruption and anti-bribery</b>	Cases of insufficient action taken to address breaches of standards of anti-corruption and anti-bribery	Share of investments in investee companies with identified insufficiencies in actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery	0.4% [38.1%]	0.5% [44.1%]	<p><b>Analysis</b> Both the adverse impact and data coverage decreased. The adverse impact is caused by a few companies, with dominant contributions from CVS Health Corp and Elevance Health Inc.</p> <p><b>Data source</b> For capital market investments: ISS ESG.</p>	

Table 6: Additional indicators applicable to investee companies

## INDICATORS APPLICABLE TO INVESTMENTS IN SOVEREIGNS AND SUPRANATIONALS

Investments in sovereigns and supranationals make up 27.4% (reference year 2024: 23.7%) of all assets under management based on net asset value. Therefore, the coverages provided within the following table should be smaller or equal to this percentage.

ADVERSE SUSTAINABILITY INDICATOR		METRIC	IMPACT 2025 [Coverage]	IMPACT 2024 [Coverage]	EXPLANATION	ACTIONS TAKEN, ACTIONS PLANNED AND TARGETS SET FOR THE NEXT REFERENCE PERIOD	
15	<b>Environmental</b>	GHG intensity	GHG intensity of investee countries	248.9 tonnes per million EUR GDP [27.4%]	255.2 tonnes per million EUR GDP [23.6%]	<p><b>Analysis</b> The adverse impact decreased and the data coverage increased. The improved performance on this indicator is mostly due to a changed asset allocation but also to slight decreases of the GHG intensity of various countries incl. Germany, the United States, Belgium, Spain, and the United Kingdom.</p> <p>Note that the coverage for this indicator corresponds to 100% of our investments in sovereigns and supranationals. The coverage increased due to an increased share of our investments in sovereigns and supranationals.</p> <p><b>Data source</b> For capital market investments: ISS ESG.</p>	<p><b>GENERAL</b> APG AM invests in sustainable private credit alongside multilateral development banks and development finance institutions, financing projects in areas including renewable energy, inclusive finance, food security and sustainable infrastructure across African countries.</p> <p>In 2025, we updated the APG AM <a href="#">Guidelines for Green, Social, and Sustainable Bonds</a> ('labeled bonds').</p> <p><b>ENGAGEMENT</b> In 2026, we will continue to engage with issuers, syndicates, and market stakeholders like rating agencies and second-party opinion providers to express our expectations, safeguarding our clients' interests and improving market standards.</p> <p>APG AM encourages issuers to provide pre-issuance disclosure and post issuance allocation and impact reporting. Furthermore, we encourage issuers to report on the environmental and social impact over the life of the bond. We assess a country's performance on climate transition risk and most notably to the extent that climate policy action and commitment to the Paris agreement is aligned with potential green bond issuance. We will screen other labelled bonds for alignment between use-of-proceeds and government (in)action.</p> <p>APG AM is a member of the Institutional Investors Group on Climate Change (IIGCC) Bondholder Stewardship Working Group to help shape effective stewardship strategies and promote the scaling of sustainable finance.</p>
16	<b>Social</b>	Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative)	Absolute number: 4 Relative number:	Absolute number: 5 Relative number:	<p><b>Analysis</b> The adverse impact decreased and the data coverage increased. The improved performance on this indicator is due to divestment from Tunisia.</p> <p><b>EXCLUSION</b> We exclude government bonds issued by countries subject to an arms embargo by the UN Security Council and/or the European Union. With regard to EU arms embargoes, we refer to binding arms embargoes based on a decision of the Council of the EU. All bonds issued by</p>	

			number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	4.7% [26.3%]	5.8% [22.7%]	<p>Remaining investee countries subject to social violations are Turkey, Iraq, Guatemala, and Lebanon.</p> <p>Note that the coverage for this indicator corresponds to nearly 100% of our investments in sovereigns and supnationals. The coverage increased due to an increased share of our investments in sovereigns and supnationals.</p> <p><b>Data source</b> For capital market investments: MSCI.</p>	<p>sovereign and sub-sovereign issuers fall within the scope of the Exclusion Policy. These are bonds issued by provinces or municipalities.</p> <p>We will also not invest in green or social bonds from sovereign issuers that fall below our clients' minimum ESG thresholds specific to sovereign issuers.</p>
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Table 7: Mandatory indicators applicable to investments in sovereigns and supnationals

## INDICATORS APPLICABLE TO REAL ESTATE ASSETS

Investments in real estate assets make up 15.7% (reference year 2024: 14.3%) of all assets under management based on net-asset value. Therefore, the coverages provided in the following table should be smaller or equal to this percentage.

ADVERSE SUSTAINABILITY INDICATOR		METRIC	IMPACT 2025 [Coverage]	IMPACT 2024 [Coverage]	EXPLANATION	ACTIONS TAKEN, ACTIONS PLANNED AND TARGETS SET FOR THE NEXT REFERENCE PERIOD	
17	<b>Fossil fuels</b>	Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	0.5% [12.5%]	0.6% [9.8%]	<p><b>Analysis</b> There is virtually no exposure to fossil fuels through real estate assets.</p> <p><b>Data source</b> For capital market investments: ISS and MSCI. For private investments: SDDS sheet.</p>	<p><b>GENERAL</b> Based on the nature of our investments in real estate we consider the exposure to fossil fuels through real estate assets in the APG AM portfolio negligible.</p> <p>In 2025, we further improved and customized the APG Standard Data Delivery Sheet (SDDS) informed by the Investors in Non-Listed Real Estate Vehicles (INREV) ESG SDDS sheet<sup>7</sup>. We use the sheet to obtain more granular data for private real estate.</p> <p><b>ENGAGEMENT</b> The APG AM real estate team continued its multi-year global climate engagement program which includes both manager/company engagement and market engagement. These engagements are aimed at getting real estate investments to commit to CRREM-alignment and/or setting SBTi-approved targets. Furthermore, APG AM expects investments to set a clear and quantified decarbonization strategy that shows capital expenditures consistent with achieving net zero by 2050.</p> <p>In 2026, APG AM will continue its engagements with real estate investments on behalf of clients with the aim to achieve net zero emissions by 2050.</p>
18	<b>Energy efficiency</b>	Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	61.5% [8.0%]	62.2% [4.8%]	<p><b>Analysis</b> For a large part of the real estate portfolio, exposure to inefficient real estate assets is monitored through CRREM compliance, and not in accordance with the</p>	<p><b>GENERAL</b> In Real Estate, every asset undergoes climate risk analysis covering transition risks via the Carbon Risk Real Estate Monitor (CRREM) pathways and physical risks through proprietary hazard-based models using geo-coordinates. Managers are expected to assess location-specific risks and existing adaptation measures. Where</p>

<sup>7</sup> SDDS (Standard Data Delivery Sheet) | INREV

					<p>prescribed SFDR formula (EPC).</p> <p>The CRREM pathways are science based and it is assumed that these pathways are stricter than the SFDR formula. Furthermore, the SFDR formula can only be applied to investments in Europe, while the product includes investments globally. In APG AM's view, the CRREM methodology is a more conservative approach to assessing energy-inefficient real estate.</p> <p><b>Data source</b> For alternative investments, see chapter 2.</p>	<p>risks are material, they evaluate options such as flood defenses or resilience upgrades, with findings feeding into investment decisions.</p> <p>APG AM measures and reports the CO<sub>2</sub>-footprint of its real estate portfolio. Our 2030 goal is that on average the real estate portfolio is Paris-aligned based on the CRREM-pathways and/or SBTi-approved targets are in place. For new private investments in real estate, alignment with the CRREM-pathways and/or SBTi-approved targets is required and included in legal documentation. In listed real estate, we encourage real estate funds to align with the CRREM-pathways and disclose sufficient data for assessment or set SBTi-approved targets. The CRREM-pathways include both energy-intensity pathways and carbon-intensity pathways. Energy-inefficient real estate is assessed against the energy-intensity pathways.</p> <p><b>ENGAGEMENT</b> APG AM is a member of the Global Real Estate Engagement Network<sup>8</sup> (GREEN) since 2022. GREEN collectively engages with the real estate sector to reduce its carbon footprint and manage progress against science-based Paris-aligned targets, e.g. the CRREM pathways.</p> <p>In 2025, APG AM engaged with real estate companies on climate-related themes such as data coverage of scope 1, 2 and 3 emissions, CRREM-alignment and/or SBTi approved targets, and Green Building Certificates.</p> <p>GREEN appointed an APG AM representative to its board in 2024. Furthermore, GREEN and Leaders of the Urban Future (LOTUF) joined forces in order to increase climate risk management and speed up decarbonization within the real estate industry.</p> <p>In 2026, the two work streams focused on engagement of listed and non-listed real estate will continue as is.</p>
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Table 8: Mandatory indicators applicable to real estate asset

<sup>8</sup> GREEN: Global Real Estate Engagement Network ([green-engagement.org](https://green-engagement.org))

## 2.1 PAI data collection

Sustainability-related data and methodologies are still less mature than those for conventional financial indicators. Generally, we recognize the limitations of existing methodologies and data sources for sustainability-related data, e.g. the lack of consistent and transparent measurement methodologies and data assessment processes, as well as the limited availability, comparability and quality of sustainability data.

At a best effort basis, APG AM obtained principal adverse impact data of the investments in the portfolio. The numbers presented in this statement are weighted averages and summations based on the part of the portfolio universe for which we gathered and obtained data. The best efforts are further described below for capital market investments and private market investments.

### Capital Markets Investments

PAI data for capital market investments is obtained from two external data providers. Following in-depth and extensive assessments of, among others, the methodologies used, alignment with regulatory requirements, alignment with other reporting obligations, and the quality and quantity of the data, APG AM selected ISS ESG and MSCI to procure the PAI data from. Subsequently, per PAI indicator we decided to use the PAI data from one, or a combination of both, data provider(s).

### Private Market Investments

For private market investments, obtaining complete, standardized, and accurate PAI data or reliable estimation models from third-party data providers remains challenging. Further challenges include the lack of corporate disclosure (particularly for non-EU issuers) and evolving regulatory requirements. Over the course of 2025 and the first half-year of 2026, APG AM has made efforts to obtain as much relevant PAI data as possible for the identification and prioritization of the principal adverse impacts in this part of the portfolio. For private market investments, our efforts to collect PAI data consisted primarily of:

- (i) direct outreach to external managers and direct investments, using customized SFDR PAI-templates with data requests tailored to APG AM's and our clients' requirements.
- (ii) using third-party data providers (such as GRESB and Upright).
- (iii) making reasonable assumptions in cases where it was not possible to obtain PAI data for the 2025 reference period in any other way.

The overview below shows the approach per asset class to obtain PAI data on our investments.

ASSET CLASS	DATA SOURCES
Capital Market Investments	<p>External data vendors ISS ESG and MSCI.</p> <p>We assessed per indicator which combination of the data vendors provided the highest quality:</p> <ul style="list-style-type: none"> <li>- ISS ESG only: PAI 1, 2, 3, 10, 11, 15, and all four additional indicators</li> <li>- MSCI only: PAI 5, 6, 7, 8, 9, 16</li> <li>- Combining both vendors by taking the maximum (conservative approach): PAI 4, 14, 17</li> <li>- ISS ESG as primary source and gaps filled with MSCI: PAI 12, 13.</li> </ul> <p>These assessments were based on a detailed analysis of the coverage, alignment between regulatory definitions and vendor methodologies, and the comparability with other related reporting purposes.</p>
Real Estate	<p>Listed real estate – PAI data obtained via a third-party data provider, in line with how this data was collected for other capital markets investments, see above.</p>

	<p>Private real estate – Outreach to external managers and direct investments, using an APG Standard Data Delivery Sheet (SDDS, informed by INREV ESG SDDS) containing a data request tailored to real estate specific requirements.</p> <p>Additional data for PAI indicators 1, 2, and 18 – both for listed and private real estate – is obtained from the GRESB Real Estate Survey.</p>
Alternative Credits, Hedge Funds, Private Natural Capital	Outreach to external managers and direct investments using a customized PAI data collection template with a data request tailored to APG AM’s and our clients’ requirements.
Private Equity	Outreach to external managers as part of the ESG Data Convergence Initiative (EDCI).
Netherlands Energy Transition & Biodiversity Fund (ANEB)	PAI indicator estimates provided by Upright.
Infrastructure	Outreach to external managers undertaken through the GRESB Infrastructure SFDR Assessment, requesting PAI indicator data from underlying assets.
Mortgages	<p>Outreach to Dutch residential mortgage originators undertaken with a PAI data request tailored to APG AM’s and our clients’ requirements.</p> <p>Due to the nature of the US residential mortgage investments, we assumed them to have no fossil fuel exposure (as defined by SFDR) and assumed that data on EU energy labels cannot be reasonably obtained.</p>

Table 9: The approach per asset class for obtaining PAI data on our investments

## 2.2 Historical comparison

The calculation methodology has not changed compared to last year. However, some minor corrections to the 2024 figures were made due to a corrected calculation for certain PMI asset classes. Additionally, the list of portfolios was updated to exclude those portfolios that are not managed by APG AM and are therefore out of scope for this PAI statement. Differences may also arise between the carbon footprint reported here (PAI indicators 1 and 2) and what is reported in the APG AM annual report. These topics are elaborated below.

### Correction to 2024 figures

Some figures for 2024 were slightly underestimated in the PAI statement published in June 2025. This was due to incorrect handling of missing data points from externally managed funds of certain PMI asset classes. The affected numbers were corrected to enable a fair comparison between the two reference years reported in this PAI statement. These corrections are minor and do not affect any of the trends observed in this and the previous PAI statement.

### Excluding externally managed portfolios

Previously, the amount of assets which are not legally managed by APG AM and therefore not in scope for the APG AM PAI statement was limited. Over the course of 2025, more assets were transferred to external management. To further align with the regulatory requirements, we updated the scope of assets included in the APG AM PAI statement to only include portfolios managed by APG AM. This led to a lower total exposure, visible through the absolute emissions of PAI 1, and a minor decrease in coverage of the 2024 figures compared to the PAI statement published in June 2025.

### Carbon footprint

APG AM measures and reports the carbon footprint of our investments according to the Global GHG Accounting and Reporting Standard for the Financial Industry, developed by PCAF. CO<sub>2</sub>-footprint figures are also part of this PAI statement. Values between these two reports may differ.

We observe a difference in trends between this PAI statement and the latest annual report for the absolute scope 1+2 emissions (PAI 1.1-2) and the total relative carbon footprint (PAI 2). These differences mainly arise due to differences in methodology, data provider and timing.

#### *Methodology*

- **Private equity**

The methodology for obtaining and calculating carbon data for the private equity portfolio differs between the PAI statement and the annual report. This follows from the SFDR requirement to put in best efforts to - where possible - collect data directly from external managers and companies. Hence, for the PAI statement we performed an outreach via the ESG Data Convergence Initiative (EDCI). In contrast, carbon data for the private equity portfolio in the annual report is calculated based on sector averages.

- **Real estate and Dutch mortgages**

SFDR excludes certain investment categories (such as private real estate funds and Dutch mortgages) from PAI 1 and 2, while we do include carbon emissions from these categories in the annual reports.

#### *Data provider*

In the PAI statement we exclusively use ISS ESG as the data vendor for the carbon figures (PAI 1-3) of capital market investments. This includes data on the enterprise values required for the calculation of APG AM's attributable share. For the annual report we use a different source for the enterprise value.

#### *Timing*

SFDR requires the adverse impact to be reported as the average of the impacts on 31 March, 30 June, 30 September, and 31 December of the reference year. In contrast, the carbon figures in the annual report are based only on the impact on 31 December. A further timing difference comes from the SFDR requirement of using the most recent available (emission) data.

The figures for relative greenhouse gas emissions from investments in governments and supranational institutions show great similarities between the 2025 annual report and this PAI statement.

We aim to limit and explain the differences between the footprints as much as possible in future publications.

### 3. Description of policies to identify and prioritize principal adverse impacts of investment decisions on sustainability factors

APG AM applies various policies and approaches to identify and prioritize principal adverse impacts which are tailored to the different investment strategies and financial products we manage on behalf of our clients. The responsible investment policies of our clients determine the prioritization of adverse impacts.

The way we identify and prioritize adverse impacts on sustainability factors in our investment processes is further described in the following policies and approaches that apply to the different types of investment strategies we execute on behalf of our clients.

- In the [Climate Transition Plan](#), APG AM describes how we measure the CO<sub>2</sub>-footprint of our investments, steer the portfolio towards Net Zero emissions in 2050 or sooner, and invest in solutions that contribute to the transition towards a low-carbon economy.
- The [Corporate Governance & Voting Policy](#) addresses ESG-related issues, including environmental, social, labor rights, human rights, and anti-corruption and anti-bribery through the way we vote on the annual general meetings of the companies in which we invest on behalf of our clients.
- Based on the [Exclusion Approach](#) which we apply on behalf of our clients, APG AM does not invest in companies involved in controversial weapons and companies involved in the production of tobacco. In addition to the exclusions applicable to corporates, we also exclude, on behalf of our clients invested in APG Pools, bonds issued by countries that are subject to an arms embargo by the UN Security Council<sup>9</sup> and/or European Union, or countries that are among lowest ranked on the perceived extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media.
- The [Inclusion Approach](#) which we apply on behalf of our clients, is based on the UN Global Compact themes (human rights, labor rights, environment, and anti-corruption) and the OECD Guidelines for investors and companies.
- Our [Sustainable Development Investments Approach](#) uses the UN Sustainable Development Goals (SDGs) as a guideline for investments with a positive influence on people and the environment or which contribute to a more sustainable economy. We actively seek investments for our clients that contribute to the SDGs and implement the agreed definition, taxonomy and rules to identify current and potential Sustainable Development Investments (SDIs) to meet our clients' SDI targets and ambitions.

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<sup>9</sup> <https://www.un.org/securitycouncil/sanctions/information>

The table below provides an overview of the extent to which the above APG AM policies and approaches apply to the different asset classes we invest in on behalf of our clients.

ASSET CLASS	CLIMATE TRANSITION PLAN	CG FRAMEWORK & VOTING POLICY	EXCLUSION APPROACH	INCLUSION APPROACH	SDI TAXONOMY
Listed equity	√	√	√	√	√
Credits	√		√	√	√
Real estate	√	√ (listed)	√	√ (listed)	√
Mortgages	√		√		√
Sovereign bonds	√		√		√ <sup>3</sup>
Private equity	√		√		√
Infrastructure	√		√		√
Alternative credits	√		√		√
Private natural capital	√		√		√ (forestry)
Hedge funds			√		√
Liquid commodities			√		

Table 10: Asset classes covered by APG AM policies and approaches

### **Prioritization of the main principal adverse impacts**

The prioritization of the main adverse impacts is based on the priority themes of our clients' responsible investment policies which can be summarized as follows:

1. Climate change
2. Nature & biodiversity
3. Circularity
4. Human rights
5. Labour conditions
6. Corporate Governance

Based on these priority themes, APG AM has identified and selected the most relevant principal adverse impact indicators on sustainability factors (PAIs). Based on the results of this identification, the following main PAIs have been prioritized by APG AM.

#### *PAIs related to the environment*

1. Greenhouse gas emissions (GHG or CO<sub>2</sub>-emissions) (PAI 1)
2. The carbon footprint (CO<sub>2</sub>-footprint PAI 2) and greenhouse gas intensity (CO<sub>2</sub>-intensity PAI 3) of companies
3. Exposure to companies active in the fossil fuel sector (PAI 4)
4. Activities with negative impact on biodiversity-sensitive areas (PAI 7)
5. Investments in companies without carbon emission reduction initiatives (additional environmental PAI 4).

#### *PAIs related to social and employee, respect for human rights, anti-corruption and anti-bribery matters*

1. Violations of the UN Global Compact, the UN Guiding Principles on Business and Human Rights or the OECD Guidelines for Business (PAI 10)
2. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises (PAI 11)
3. Exposure to Controversial Weapons (PAI 14)
4. Absence of a human rights policy (additional PAI 9)
5. Lack of due diligence (additional PAI 10)
6. Cases of insufficient action taken to address breaches of standards of anti-corruption and anti-bribery (additional PAI 16)

The table below shows the APG AM policies and approaches to identify and prioritize principal adverse impacts.

POLICY/ APPROACH	YEAR OF APPROVAL	MAIN DATA SOURCES USED	LINK TO PAIS
<b>Climate Transition Plan</b>	2026	CRREM, ISS ESG, and data derived from internal processes	Mandatory PAIs 1-3, 5-6, 15 & 18 Additional PAI 4
<b>Corporate Governance Framework &amp; Voting Policy</b>	2022	ISS, Transition Pathway Initiative, Corporate Human Rights Benchmark, S&P, Sustainalytics, and data derived from internal processes	Mandatory PAIs 1-3 & 13 Additional PAI 4
<b>Exclusion Approach</b>	2026	Sustainalytics, ISS, World Bank, Yale, AFM.	Mandatory PAIs 14 & 16
<b>Inclusion Approach</b>	2026	Sustainalytics, MSCI, ISS, Global Coal Exit List (GCEL), Climate Action 100+, CHRB, SPOTT, FAIRR, SBTI targets, Corporate Net Zero Benchmarks, Transition Pathway Initiative (TPI), Urgewald, and data derived from internal processes	Mandatory PAIs 1-11 & 13 Additional PAIs 9, 10 & 16
<b>Sustainable Development Investments</b>	2022	SDI AOP, and data derived from internal processes	Mandatory PAIs 1-8 & 15

Table 11: Asset classes covered by APG AM policies and approaches

### **Adaptation of the policies**

The APG AM policies and approaches for the identification and prioritization of principal adverse impacts on sustainability factors are regularly reviewed and updated if deemed necessary.



## 4. Engagement policies

APG AM strongly believes that effective stewardship benefits companies, investors and the economy, and reduces principal adverse impact on sustainability factors. Therefore, we actively engage with our investments on issues which we consider important for an investment's ability to create and sustain long-term value and reduce principal adverse impacts of sustainability factors.

### **Stewardship**

APG AM adheres to the Dutch Corporate Governance Code, which sets out expectations for asset managers with regard to fulfilling stewardship responsibilities. Engaging with investee companies and managers allows us to better understand their business challenges and ensures that sustainability risks and opportunities are being addressed. Our stewardship activities on behalf of our clients cover all asset classes whereby we apply our clients' focus areas and related expectations to investments. Based on our clients' RI priority themes and the most important principal adverse impact indicators, we engage with companies on matters around climate, nature & biodiversity, circularity, human rights, labour conditions, and corporate governance.

We regularly report on our website on the integration of ESG factors in our investment approach. Our policy documents are also available there, as well as sustainability disclosures. In 2025, we published our third [Stewardship Overview](#), providing an overview of engagement and voting activities in the preceding year.

### **Proxy Voting**

Exercising voting rights on behalf of our clients is a key element of our stewardship activities and an important link in the chain of accountability between a company and its shareholders. In making voting decisions APG AM takes into account the specific context and market in which the company operates, such as the provisions set out in national corporate governance codes as well as local laws and regulations, while encouraging the implementation of global best practice corporate governance and sustainability standards. APG AM's voting decisions are based on our clients' RI policy focus themes and aimed at addressing the most important principal adverse impact indicators.

In the [APG AM Voting Dashboard](#) we disclose all voting decisions on behalf of our clients.

### **Public policy engagement**

APG AM regularly engages with regulators, policymakers and government-related agencies in various markets on sustainability standards, corporate disclosures and other topics relevant to our, and our clients' role as global long-term responsible investors. Public policy engagement is often conducted collaboratively with other members of several investor organizations and associations of which APG AM is a member, such as the International Corporate Governance Network (ICGN), Eumedion, and the Asian Corporate Governance Association (ACGA).

### **Principal Adverse Impacts**

Within our engagement activities we focus on addressing the most important principal adverse impacts of our investments based on the focus themes of our clients' RI policies.

## 5. References to international standards

APG AM is actively involved in multiple investor organizations, networks and initiatives to support sustainability-related standards, long-term investing, and a more sustainable world. Within the context of these organizations and in collaboration with other investors, we advocate standards and principles that support long-term investing and engage with investments to protect and enhance sustainable long-term value.

APG AM adheres to the following responsible investment related codes, principles and internationally recognized standards for sustainability due diligence and reporting.

ORGANIZATION, STANDARDS OR PRINCIPLES		EXPLANATION	PAI INDICATORS USED TO MEASURE ADHERENCE/ ALIGNMENT
1	<b>Carbon Disclosure Project (CDP)</b>	APG AM is an active member of CDP and encourages investee companies to disclose environmental data under the project.	1-4, additional climate PAI 4
2	<b>Carbon Risk Real Estate Monitor (CRREM)</b>	APG AM is an active member of CRREM and supports its efforts to be the leading standard for operational de-carbonization of real estate assets.	1-6, 17-18
3	<b>Climate Commitment of the Dutch Financial Sector</b>	APG AM and its clients have signed the Climate Commitment of the Dutch Financial Sector. As part of this commitment, we support our clients in setting updated portfolio targets to reflect alignment with the Paris Agreement. As part of this commitment APG AM also reports on our emissions annually and has developed a climate action plan.	1-3, additional climate PAI 4
4	<b>Corporate Human Rights Benchmark</b>	APG AM is co-founder of the Corporate Human Rights Benchmark (CHRB). This benchmark provides insight into how companies in relevant sectors determine, prevent and address human rights.	Additional social PAI 7
5	<b>Dutch Stewardship Code</b>	APG AM adheres to the principles of the Dutch Stewardship Code which sets out expectations for asset managers to meet their stewardship responsibilities, and which is closely aligned with the revised EU Shareholder Rights Directive.	There are no PAI indicators used to measure adherence or alignment with this code.
6	<b>ESG Data Convergence Initiative (EDCI)</b>	APG AM is a founding partner and steers reporting of relevant assets towards abiding with the EDCI mandatory metrics.	1-3, 5-6, 13
7	<b>Finance for Biodiversity (FfB) Pledge</b>	APG AM has signed the FfB pledge and committed to collaborating, engaging, assessing own biodiversity impact, setting targets, and reporting on biodiversity matters.	7
8	<b>ICGN Global Corporate Governance Principles</b>	APG AM is an active member of the ICGN, and APG AM's responsible investment approach is based on the ICGN Global Corporate Governance Principles.	There are no PAI indicators used to measure adherence or alignment with these principles.
9	<b>ICGN Global Stewardship Principles</b>	APG AM is an active member of the ICGN and endorses the ICGN Global Stewardship Principles.	There are no PAI indicators used to measure adherence or alignment with these principles.
10	<b>ILPA Diversity in Action (DIA)</b>	APG AM is a DIA signatory.	12-13
11	<b>Institutional Investors Group on Climate Change (IIGCC)</b>	APG AM is an active member of the IIGCC and collaborates with other investors to create and implement policies, standards and benchmarks that address corporate climate risks reporting e.g through Climate Action 100+.	1-9, additional climate PAI 8
12	<b>Net Zero Investment Framework (NZIF)</b>	APG AM uses the NZIF as a blueprint for our target setting. It is developed by IIGCC, with APG AM being co-lead of the working group.	1-3, 5, 6, 15, 18, additional climate PAI 8

13	<b>OECD Guidelines for Multinational Enterprises</b>	APG AM's responsible investment approach is based on the OECD Guidelines for Multinational Enterprises.	10-11, additional social PAI 9, 10 and 16
14	<b>Partnership for Carbon Accounting Financials (PCAF)</b>	APG AM uses PCAF as a standard for the assessment and disclosure of greenhouse gas emissions associated with financial activities.	1
15	<b>Platform Biodiversity Accounting Financials (PBAF)</b>	APG AM supports PBAF which aims to set a uniform standard for biodiversity foot-printing.	7
16	<b>Principles for Responsible Investment (PRI)</b>	APG AM is a signatory and active member of the PRI and participates in the annual PRI survey.	There are no PAI indicators used to measure adherence or alignment with these principles.
17	<b>Taskforce on Climate-related Financial Disclosures (TCFD)</b>	APG AM follows the framework established by the TCFD. <sup>10</sup>	1-3, 5-6, 15, 18
18	<b>Taskforce on Nature-related Financial Disclosure (TNFD)</b>	APG AM is a member of the TNFD forum which aims to develop and deliver a risk management and disclosure framework for organizations to report and act on evolving nature-related risks.	7
19	<b>UN Guiding Principles on Business and Human Rights</b>	APG AM supports the UN Guiding Principles on Business and Human Rights (Principles)	Additional social PAI 10
20	<b>United Nations Global Compact</b>	APG AM is committed to the 10 principles of the UNGC.	1-13

Table 12: Responsible investment related codes, principles and internationally recognized standards for sustainability due diligence and reporting that APG AM Adheres to.

### Forward-looking climate scenarios

Our [Climate Transition Plan](#) sets out how we implement our clients' climate policies and deliver on their and our own ambitions over the next three years. This strategic direction guides APG's future work on climate transition in line with evolving stakeholder expectations.

<sup>10</sup> While we are aware that, following the merger with ISSB, the TCFD disbanded in October 2023, APG AM continues to use the TCFD recommendations.