

# Periodic Disclosure for the APG Infrastructure Pool 2011

July 2023



## 12. APG Infrastructure Pool 2011

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 Infrastructure Pool 2011

**Legal entity identifier:** 549300HE34BQ1NEA9W857

**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.

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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics	
<b>Did this financial product have a sustainable investment objective?</b>	
<input type="checkbox"/> <b>Yes</b>	<input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective:</b> ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It made <b>sustainable investments with a social objective:</b> ___%	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have a sustainable investment as its objective, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <input checked="" type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



## 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<sup>1</sup>:

### **Exclusion Policy<sup>2</sup>**

Investments in this product adhere to the Corporate Exclusion Policy<sup>3</sup>.

### **GRESB**

Participation in the Global Real Estate Sustainability Benchmark (GRESB) Infra and the GRESB Infra scores of the investments in the financial product.

### **Sustainable Development Investments<sup>4</sup>**

An ambition applies to the pool to invest in Sustainable Development Investments (SDIs) and to increase investments in SDIs as part of the total NAV (Net Asset Value) of the pool.

Investing in SDIs is part of the pool's investment strategy and decision-making process in the sense that the pool actively seeks investments in SDIs. If a SDI has the same risk/return profile as an investment without the relevant SDI classification, then the SDI is preferred over the non-SDI investment. By means of this assessment per investment decision, the ambition is to achieve the highest possible percentage of SDIs as part of the total NAV of the pool.

### **Controversy screening**

Investments in this product are structurally monitored on (severe) controversies through a dedicated application, RepRisk, where a watchlist has been set up for this financial product. Controversies, ESG incidents, and other relevant news items with high headline risk are flagged and subsequently followed upon with the respective company. For those controversies that have been identified during the reporting period, a standard engagement framework applies and the engagement process is followed.

### **Climate risk**

We have structured monitoring and measurement of exposure in place to individual physical climate risk hazards for investments within this product.

### **Responsible Investment Policy**

Presence of an RI Policy in line with the Principles of the UN Global Compact and the relevant IFC Standards.

The following sustainability indicators are used to measure attainment of each of the environmental or social characteristics promoted by this financial product:

- The absence of excluded products/ companies in this financial product;

1) For more information about the Corporate Exclusion Policy, Corporate Inclusion Policy and the Sustainable Development Investments approach, please see: <https://apg.nl/en/about-apg/asset-management/responsible-investment/>.

2) APG Corporate Exclusion Policy applies to this product. Based on this policy, this product does not invest in controversial weapons, nuclear weapons and tobacco.

3) Only exclusions that were in place at the time of this product's inception are applicable; amendments to the Exclusion Policy cannot be effected retrospectively.

4) Please note that Sustainable Development Investments do not constitute investments as defined by SFDR.

- The GRESB Infra score of investments in this product is being compared to the GRESB benchmark at both investment as well as aggregated across all APG Infrastructure products;
- The 6% of investments classified as SDIs versus the overall NAV of this product;
- Structured monitoring and quarterly reporting on (severe) controversies for investments within this product;
- Structured monitoring and measurement of exposure to individual physical climate risk hazards for investments within this product;
- The share of investments with an RI Policy in place.

**How did the sustainability indicators perform?**

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

Sustainability Indicator	Observations over reporting period
The absence of excluded products/companies in this financial product.	There were no excluded products in the pool.
The GRESB Infra score of investments in this product is being compared to the GRESB benchmark at both investment as well as aggregated across all APG Infrastructure products.	On a NAV basis, 84% of investments in this product participated in GRESB. Average GRESB Infra performance score for the investments in this product is 82, which compares to an average 79 score of all GRESB Infra participants.
The % of investments classified as SDIs versus the overall NAV of this product.	6% of NAV is considered an SDI.
Structured monitoring and quarterly reporting on (severe) controversies for investments within this product.	During the reporting period, no severe controversies have been identified.
Structured monitoring and measurement of exposure to individual physical climate risk hazards for investments within this product.	We make use of 427 and VeriskMaplecroft, through which we have set up an overview for this product. Risks are flagged and subsequently followed up on by our team.
The share of investments with an RI Policy in place.	60% of investments have a RI policy in place.



**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 this financial product consider principal adverse impacts on sustainability factors?

Sustainability Indicators <sup>5</sup>				
Indicator	Metric		Explanation	Observations/data over the reporting period
PAI # 1	GHG emissions	Scope 1 GHG emissions	Scope 1 and 2 GHG emissions of the investments in this product are measured and monitored.	Scope 1: <b>51,492 tCO<sub>2</sub>e</b> Scope 2: <b>39,329 tCO<sub>2</sub>e</b>
		Scope 2 GHG emissions		
PAI # 2	Carbon footprint	Carbon footprint	Carbon footprint of the investments in this product are measured, monitored and quantified to determine how much is attributable to this product. GHG intensity in this product is multiplied by NAV, where measured data is available.	<b>929,757.01 tCO<sub>2</sub>e</b> attributed to APG NAV
PAI # 3	GHG intensity of investee companies	GHG intensity of investee companies	GHG intensity of the investments in this product is measured in terms of GHG by NAV.	<b>0.000341 tCO<sub>2</sub>e</b> per unit of GAV
PAI # 4	Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	This product is not allowed to invest in companies active in the fossil fuel sector.	<b>11%</b>
PAI # 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, expressed as a percentage of total energy sources	Share of non-renewable energy consumption is generally available to the extent that entities report to GRESB.	<b>45.7%</b>

5) Reported data for PAI #1, #2, #3 and #5 has been assessed for GRESB participants only. These entities comprise 84% of exposure within this financial product as per year end 2022. The reference period for GRESB data is lagged by 1 year.



The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 2022 (average four quarters)

## What were the top investments of this financial product?

#	Largest investments	NAV (%)	Country	Sector
1	LBJ Expressway Dallas	22%	US	Transport
2	NTE 3A/3B	18%	US	Transport
3	I-66 (Virginia)	14%	US	Transport
4	Connecteast	12%	Australia	Transport
5	North Tarrant Expressway Dallas	12%	US	Transport
6	LBC Tank Terminals	11%	US	Energy
7	Madrid Transit Hubs	2%	Spain	Transport
8	M6 Duna	1%	Hungary	Transport
9	Paris Justice Court	1%	France	Social
10	Mallorca Hospital	1%	Spain	Social



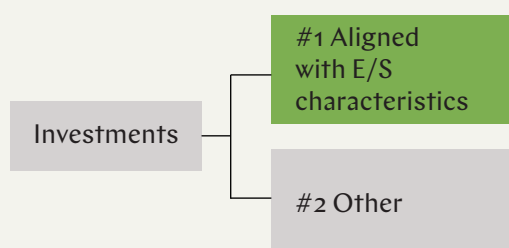
**Asset allocation** describes the share of investments in specific assets.

## What was the proportion of sustainability-related investments?

The vast majority of investments in this financial product meet the environmental or social characteristics promoted by the financial product. Certain investments of the financial product could constitute investments which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

### ● What was the asset allocation?

The asset allocation of this product is split between investments “aligned with E&S characteristics” (84%) and “other” (16%).



**#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.

● ***In which economic sectors were the investments made?***

The purpose of the pool is to provide exposure to global non-listed investments in infrastructure across the different asset styles ('minimal', 'constrained', 'relatively high volatility' contract styles), sectors and regions over the long-term (>10 years). The majority of investments are in North America (74%), in transport (c. 82%), with relatively high volatility contract styles (52%).



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

Derivatives and investments that are subject to engagement as they do not meet the environmental and/or social characteristics promoted by this financial product. In this pool, 16% of committed capital falls under “#2 Other”. Minimum environmental and/or social safeguards are not relevant for this financial product.



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

Due diligence (including ESG due diligence questionnaire completed at each underwriting). We mandate GRESB Infra reporting (an annual private markets survey) as a condition and use this to track ESG integration and key ESG metrics in our portfolio. Periodic monitoring of investments for identification of severe ESG incidents (RepRisk) as well as monitoring of Physical Climate Risk (427/Verisk Maplecroft).