Periodic Disclosure 2023

APG EME Multi Client 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 EME Multi Client Pool
Legal entity identifier: 549300D87F2ANS41IR30

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 include 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

Did this financial product have a sustainable investment objective?	
☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___% ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☐ It made **sustainable investments with a social objective:** ___%	☐ 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 ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☐ with a social objective ☒ 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 promoted the following environmental and/or social characteristics[1]:

Corporate Exclusion Policy
The Corporate Exclusion Policy was applied to this product. The product did not invest in companies involved in the production, sale or distribution of:
- Cluster munitions;
- Anti-personnel mines;
- Nuclear, chemical or biological weapons.

Furthermore, the product did not invest in companies involved in the production of:
- Tobacco.

In the reporting year, there were no breaches of the Corporate Exclusion Policy in this product.

Corporate Inclusion Policy
The Corporate Inclusion Policy was applied to this product. The portfolio managers of the investments in the product engaged with companies which - based on the Corporate Inclusion Policy methodology – are not considered to be leading on ESG based on our normative or relative ESG standards. The Corporate Inclusion Policy classifies companies as:
- Leaders;
- Potential improvers; or
- Laggards.

We distinguish between three different types of potential improvers:
- Those with which we engage and where the outlook for becoming a leader is positive;
- Those where we believe we can achieve meaningful change but not necessarily enough for them to become a leader, and;
- Those where the impact of achieving the change at these companies could be significant and material, and change is expected to be achievable over time.

In order to invest in a laggard, the portfolio managers of this product have an obligation to engage with the company. Once engagement is initiated, the company is reclassified into a potential improver. When engagement is successful, the company is reclassified into a leader. When engagement is not successful and is not expected to be successful in the future, the company is divested from.

Sustainable Development Investments[1]
This product actively seeks investments in the investable UN Sustainable Development Goals (SDGs). An ambition has been set for this product to invest 7% of assets under management in Sustainable Development Investments (SDIs) by 2025.

[1] Please note that Sustainable Development Investments do not constitute sustainable investments as defined by SFDR.

How did the sustainability indicators perform?

Sustainability indicators				
Indicator	*Metric*		*Explanation*	*Outcome over reporting period*
PAI # 1	GHG emissions	Scope 1 and 2 GHG emissions	Scope 1 and 2 emissions of the investments in this product are measured and monitored. Reference value: the carbon footprint baseline value.	The average **GHG emission** for the portfolio, over the reporting period was: 230.630 **tCO2e.**
		Scope 3 GHG emissions	Scope 3 emissions of the investments in this product are measured and monitored. Reference value: the carbon footprint baseline value.	The average **Carbon Footprint** for the portfolio, over the reporting period was: 1.489.716 **tCO2e/mEUR.**
PAI # 2	Carbon footprint	Carbon footprint	Based on our carbon footprint target[2], we measure how much carbon is emitted by companies this product invests in and how much of this is attributable to these companies (scope 1+2+3)	The average **Carbon Footprint** for the portfolio, averaged over the reporting period was: 919 **tCO2e/mEUR.**
PAI # 4	Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	A number of companies active in the fossil fuel sector will be sold based on the Corporate Inclusion Policy. These concern energy and utility companies that we believe to be lagging on climate change. These companies will be divested and subsequently excluded from the benchmark. Reference value: 0 energy companies lagging on climate in portfolio.	2.4% of the portfolio was invested in the Energy sector (Oil, Gas and 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.
PAI # 10	Violations of UN Global Compact principles and	Share of investments in investee companies that have been	Based on the Corporate Inclusion Policy this product does not invest in	No investments in companies involved in violations of the

[2] For more information about the carbon reduction target, please see: [Responsible investment, good pension in a sustainable world | APG]

	Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises.	companies involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises. Reference value: 0 investments in UNGC violators in the product.	UNGC principles.
PAI # 13	Board Gender Diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members.	Board gender diversity is considered through the APG Corporate Governance Framework and Voting Policy[3]. The average ratio of female to male board members in investee companies is addressed in our voting behaviour which is based on our expectations around board composition and diversity. Reference value: there is no reference value for this metric.	1 vote against management, when electing a new board member, because of board diversity concerns.
PAI # 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	Based on the Corporate Exclusion Policy, this product does not invest in companies involved in the production, sale or distribution of controversial weapons.	**0** companies. All the companies involved in the production, sale or distribution controversial weapons have been excluded from the portfolio and the benchmark.

... and compared to previous periods?

This product is newly established in 2023, as such the comparison with the previous period is not applicable.

[3] For more information about the APG Corporate Governance Framework and Voting Policy, please see: Responsible investment, good pension in a sustainable world | APG.

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.

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.

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?

Following the inclusion policy, portfolio managers engaged with companies which are not considered to be leading on ESG standard (laggards and potential improvers). Furthermore, based on the APG Corporate Governance Framework and Voting Policy, a vote is submitted against management, when electing a new board member, because of board diversity concerns.

Please also see the table titled: “How did the sustainability indicators perform?”

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: **2023.**

#	Largest investments	Sector	Country	% Assets
1	Taiwan Semiconductor Manufacturing Co Ltd	Information Technology	Taiwan, Province of China	8.9%
2	Samsung Electronics Co Ltd	Information Technology	Korea, Republic of	8.2%
3	HDFC Bank Ltd	Financials	India	2.0%
4	SK Hynix Inc	Information Technology	Korea, Republic of	1.7%
5	Reliance Industries Ltd	Energy	India	1.6%
6	MediaTek Inc	Information Technology	Taiwan, Province of China	1.4%
7	ICICI Bank Ltd	Financials	India	1.2%
8	KB Financial Group Inc	Financials	Korea, Republic of	1.0%
9	Suzuki Motor Corp	Consumer Discretionary	India	1.0%
10	Tencent Holdings Ltd	Communication Services	China	0.9%
11	B3 SA - Brasil Bolsa Balcao	Financials	Brazil	0.9%
12	Tata Sons Pvt Ltd	Information Technology	India	0.9%
13	Vale SA	Materials	Brazil	0.9%
14	Alibaba Group Holding Ltd	Consumer Discretionary	China, Hong Kong	0.9%
15	State Bank of India	Financials	India	0.9%

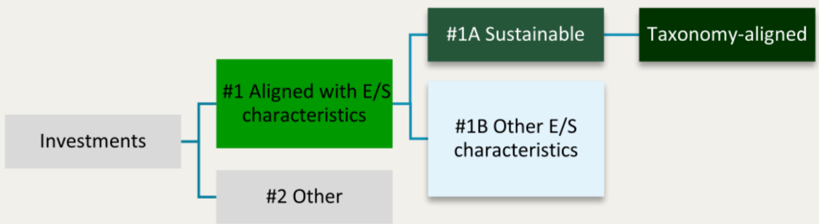
The top investments are calculated based on a quarterly average as a percentage of Net Asset Value. The country is the country of domicile.

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%) and "other" (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	Subsector	% Assets
Materials		5.6%
Consumer Staples		6.5%
Energy	Energy Equipment & Services	0.0%
	Oil, Gas & Consumable Fuels	2.4%
Financials		24.2%
Healthcare		3.5%
Industrials		3.9%
Information Technology		33.4%
Consumer Discretionary		10.2%
Utilities		2.1%
Real Estate		2.6%
Telecommunication		2.6%
Transport		3.0%

The sectors are calculated based on a quarterly average as a percentage of Net Asset Value. As required by the SFDR regulation, the subsectors related to fossil fuel are provided.

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.

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

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.

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%

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 requirements laid down in Article 3 of Regulation (EU) 2020/852 were neither subject to an assurance provided by an auditor nor reviewed by a third party.

- ***Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[4]?***

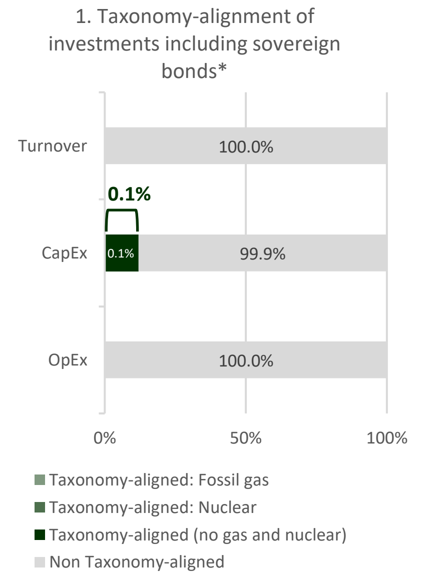
☐ Yes:

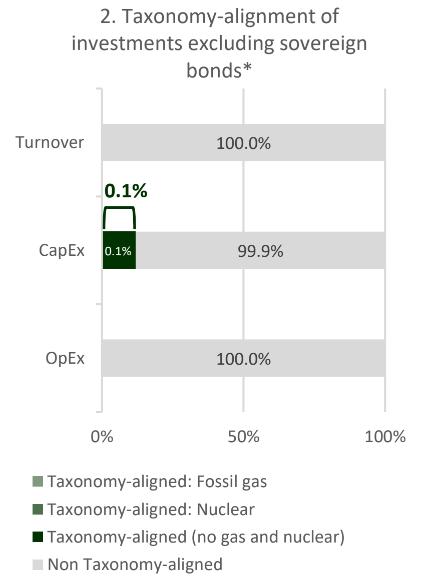
☐ In fossil gas ☐ In nuclear energy

☒ No

[4] 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**.





This graph represents 100.0% of the total investments.

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. The requirements laid down in Article 3 of Regulation (EU) 2020/852 were neither subject to an assurance provided by an auditor nor reviewed by a third party.

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

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.

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 where obtained from a third party data provider. The requirements laid down in Article 3 of Regulation (EU) 2020/852 were neither subject to an assurance provided by an auditor nor reviewed by a third party.

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

Not applicable.

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 and cash.

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

Several engagement trajectories have been undertaken in the reference period. In December, the BYD Working Group held its first internal meeting. APG AM participated in the meeting as a working group member and exchanged engagement takeaways with other institutional investors. The newly established group is still working on its engagement strategy with prioritized focuses on Board quality, supply chain management, and climate-related information disclosure. One of the takeaways was on Gender diversity: The company recently added a female director to the Board, which according to the IR, was only for aligning with HKEX's compliance requirement for its HK-listed body. There's however no evidence that the company will do anything else to increase the Board gender diversity in the short term.

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?

How does the reference benchmark differ from a broad market index?

The customized benchmark that has been designated for the purpose of attaining the E/S characteristics promoted by this product is aligned with the Corporate Inclusion Policy and the Corporate Exclusion Policy. This means that the benchmark for this product excludes the following investments:

Product based exclusions:
- Controversial weapons
- Tobacco production

Energy and utility companies that we believe to be lagging on climate change. We refer to the Net Zero Investor Framework and identify laggards as companies that have not yet "committed to align" to a net zero pathway. In practice, these are companies that have been found not to have quantitative long-term emissions reduction target.

How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?

Excluded from the benchmark:

- PAI 10 and PAI 14 are completely excluded in the benchmark;
- PAI 4 is partly incorporated in the benchmark, as energy companies which are not aligned with the Paris agreement are excluded from the benchmark. Leaving out a significant part of the fossil fuel producers;

Not excluded from the benchmark:

- PAI 1, PAI 2 and PAI 13 are not part of our benchmark exclusion procedures, but are promoted within the investment product.

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

Period	Product performance (annualized EUR)	Benchmark performance (annualized EUR)	Excess return (annualized EUR)
YTD 2023	5.0%	5.64%	-0.60%

How did this financial product perform compared with the broad market index?

Period	Product performance (annualized EUR)	Broad market index	Excess return (annualized EUR)
YTD 2023	5.00%	7.35%	-1.77%