

Periodic Disclosure 2024

APG Strategic Real Estate 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 Strategic Real Estate Pool

Legal entity identifier: 549300DQ4JJXMOS6JC24

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

Sustainability indicators

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



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

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

1. Exclusion policy

The Pool does not invest in:

- companies involved in the production, sale and/or distribution of controversial weapons (anti-personnel mines, cluster munitions, and nuclear, chemical and biological weapons).

Related to PAI-indicator 14.

- companies involved in the production of tobacco.

There were no breaches of the exclusion policy in 2024.

Sustainability indicators 1, 2 and 3 relate to this E/S characteristic.

2. CO₂-reduction and energy-efficient real estate

CRREM publishes science-based decarbonization pathways for various property types per country consistent with a 1.5 degrees scenario. We steer our portfolio towards our 2030 goal that on average the real estate portfolio is Paris-aligned based on the CRREM pathways in terms of energy intensity and carbon intensity.

Related to PAI indicator 1, 2, 3 and 18.

At the mandate level the product is 42.3% CRREM aligned¹.

Sustainability indicator 4 relates to this E/S characteristic.

3. Contribution to Sustainable Development Goals (SDGs)

CRREM-alignment is considered an indicator for real estate investments contributing to the Sustainable Development Goals (SDGs). These are considered to be Sustainable Development Investments (SDIs).

At the mandate level the product is 42.3% CRREM-aligned.

Sustainability indicator 5 relates to this E/S characteristic.

4. ESG-integration

We require our external managers to adopt the UN Global Compact (UNGC) Principles. For listed real estate we monitor UNGC Violator Flags according to RepRisk. Any UNGC breach will be followed up with an engagement.

Related to PAI-indicator 10 and 11

In 2024, no investments were made in companies involved in violations of the UNGC principles.

¹ This is the share of total exposure that is CRREM aligned today plus the investment exposure that is not CRREM aligned but has a Science-Based Target (SBT) approved plan in place. No adjustment is made for data coverage which means that certain sectors where no CRREM pathways currently exist will always show up as 'not aligned'.

Reference Benchmark

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



How did the sustainability indicators perform?

E/S characteristic	#	Sustainability Indicator	Observations over reporting period	Observations over prior reporting period
1. Exclusion Policy	1	Exposure to controversial weapons (anti-personnel mines, cluster bombs, landmines, chemical and biological weapons). <i>Related to PAI indicator 14.</i>	No investments were made in companies involved in the production, sale and/or distribution of controversial weapons (anti-personnel mines, cluster bombs, landmines, chemical and biological weapons).	No investments were made in companies involved in the production, sale and/or distribution of controversial weapons (anti-personnel mines, cluster bombs, landmines, chemical and biological weapons).
	2	Exposure to companies involved in the production, sale and/or distribution of nuclear weapons or key components thereof.	No investments were made in companies involved in the production, sale and/or distribution of nuclear weapons or key components thereof.	No investments were made in companies involved in the production, sale and/or distribution of nuclear weapons or key components thereof.
	3	Exposure to companies involved in the production of tobacco.	No investments were made in companies involved in the production of tobacco.	No investments were made in companies involved in the production of tobacco.
2. CO₂-reduction & energy-efficient real estate	4	CRREM-alignment (Energy Intensity & Carbon Intensity) and/or SBTi approved targets in place. <i>Related to PAI indicator 1, 2, 3 and 18.</i>	At the mandate level the product is 42.3% CRREM-aligned ² . CRREM Alignment = investment is on average compliant with both GHG and energy pathways or has an Approved SBT.	At the mandate level the product is 34.9% CRREM-aligned. CRREM Compliance = investment is on average compliant with both GHG and energy pathways.
3. Contribution to SDGs	5	Percentage of Sustainable Development Investment according to the SDI-AOP methodology, which includes CRREM-alignment.	SDI = CRREM Aligned At the mandate level the product is 42.3% CRREM aligned . CRREM Alignment = investment is on average compliant with both GHG and energy pathways OR has an Approved SBT.	54.6% of NAV is considered a SDI according to the previous methodology (SDI = GRESB 4/5 star). As of January 1st 2024, a new methodology came into effect where SDI = CRREM aligned. Following that approach 34.9% of the NAV is considered SDI (CRREM aligned).
4. ESG integration	6	Violations of the UN Global Compact Principles or the OECD Guidelines. <i>Related to PAI indicator 10 and 11.</i>	No investments were made in companies involved in violations of the UNGC principles. Monitored via RepRisk watchlist. No violations detected.	No investments were made in companies involved in violations of the UNGC principles. Monitored via RepRisk watchlist. No violations detected.

² This is the share of total exposure that is CRREM aligned today plus the investment exposure that is not CRREM aligned but has a SBT approved plan in place. No adjustment is made for data coverage which means that certain sectors where no CRREM pathways currently exist will always show up as 'not aligned'.

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.

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

● **... and compared to previous periods?**

The main difference is in terms of SDI definition. As of 2024, an investment is considered an SDI as long as it is CRREM aligned, instead of the previous definition of a GRESB score of 4/5 stars. Furthermore, the definition of CRREM alignment now includes investments that have an approved SBT (Science-Based Target) for carbon reduction aligned with net zero. The CRREM-aligned exposure is the share of total exposure that is CRREM aligned today plus the investment exposure that is not CRREM-aligned but has a Science-Based Target (SBT) approved plan in place. No adjustment is made for data coverage which means that certain sectors where no CRREM pathways currently exist will always show up as ‘not aligned’.

● **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.

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

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

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



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

This product considers PAI 1, 2, 3 and 18 through CRREM-alignment. Further, PAI 10, PAI 11 and PAI 14 are considered. Please refer to the E/S characteristics section for further details on how these PAI indicators are being considered.



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

What were the top investments of this financial product?

#	Largest investments	Sector	Country	% Assets
1	Prologis Inc	Logistics	United States	4.5%
2	VIA Outlets BV	Outlet Centers	Netherlands	3.0%
3	Goodman Hong Kong Fund	Logistics	Cayman Islands	3.0%
4	Digital Realty Trust Inc	Data Center	United States	2.7%
5	Scape Living Limited	Student Housing	United Kingdom	2.4%
6	Citizenm Holding BV	Hotels	Netherlands	2.3%
7	TH European Outlet Mall Fund	Outlet Centers	Luxembourg	2.0%
8	Equinix Inc	Data Center	United States	2.0%
9	Steen and Strøm	Retail	Sweden	1.9%
10	Goodman Group	Logistics	Australia	1.8%
11	Goodman Trust Australia	Logistics	Australia	1.8%
12	APG Australian IH Trust	mixed	Australia	1.7%
13	Alexandria Real Estate Equities Inc	Healthcare	United States	1.7%
14	e-Shang (COMP)	mixed	Cayman Islands	1.6%
15	Archer Hotel Capital BV	Hotels	Netherlands	1.6%

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

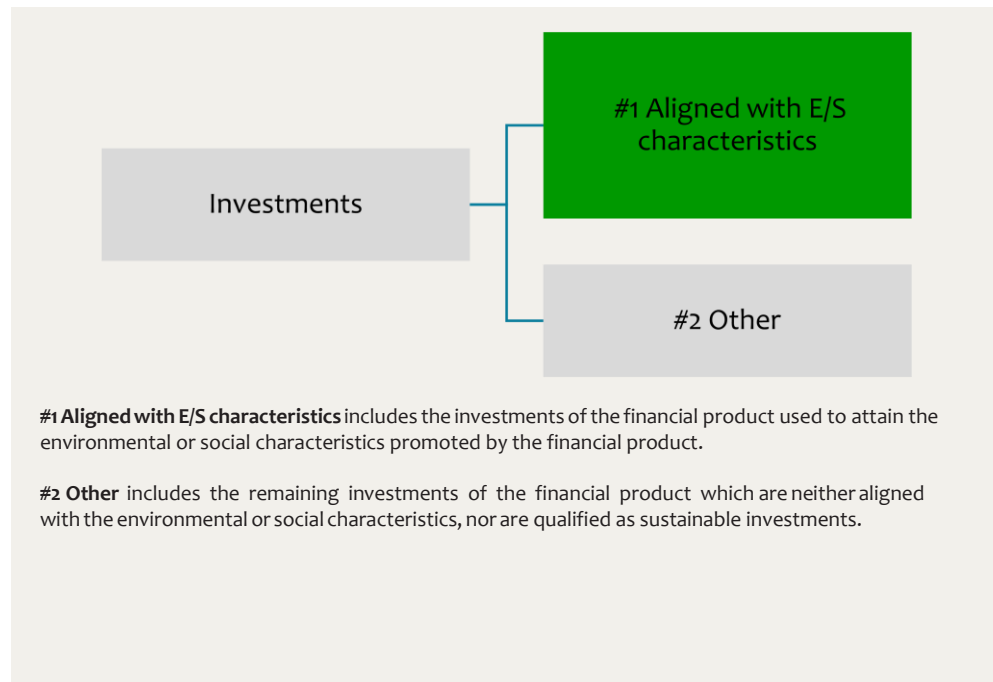


Asset allocation describes the share of investments in specific assets.

What was the proportion of sustainability-related investments?

What was the asset allocation?

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



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

Sector	% Assets
Residential	25.9%
Logistics	22.3%
Other	18.3%
Retail	18.2%
Office	8.5%
Hotels	6.8%

The sectors are calculated based on a quarterly average as a percentage of Net Asset Value. The product has no exposure to the fossil fuel sector.



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

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

- climate change mitigation: 0.9%
- climate change adaptation: 0.2%
- sustainable use and protection of water and marine resources: 0.0%
- transition to a circular economy: 0.0%
- pollution prevention and control: 0.0%
- protection and restoration of biodiversity and ecosystems: 0.0%

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

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

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

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

Taxonomy-aligned activities are expressed as a share of:

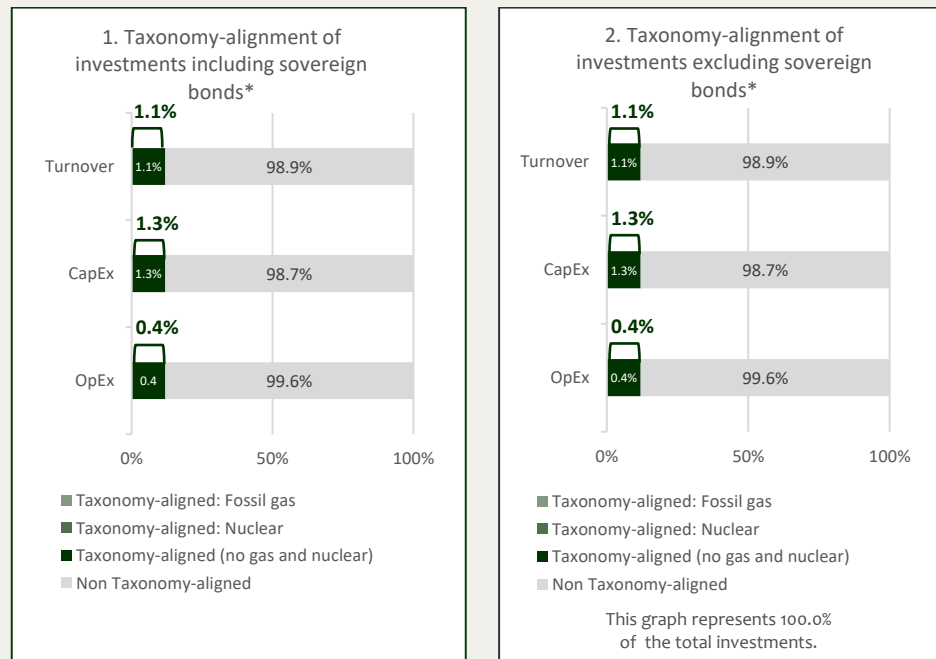
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities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

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

- ☐ Yes:
- ☐ In fossil gas ☐ In nuclear energy
- ☒ No

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

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



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

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

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

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

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

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



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

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

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

	2023	2022	2021	2020	2019
Turnover	0.9%	n.a.	n.a.	n.a.	n.a.
CapEx	1.1%	n.a.	n.a.	n.a.	n.a.
OpEx	0.6%	n.a.	n.a.	n.a.	n.a.



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

Not applicable.



What was the share of socially sustainable investments?

Not applicable.



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

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



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

In 2024, the focus has been the continued promotion of CRREM-alignment and Green Building certifications among the investees.



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?

Not applicable.