

Pre Contractual Disclosure for the APG Infrastructure Pool 2017 II¹

September 2023

1) The disclosures in this document solely relate to APG AM's alternative investment funds ('Pools') and is prepared in accordance with art. 10 of the Sustainable Finance Disclosure Regulation (EU/2019/2088).



APG Infrastructure Pool 2017 II

Pre-contractual 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 2017 II

Legal entity identifier: 549300LC3HEYB7QPNS35

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	
Does this financial product have a sustainable investment objective?	
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <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 will make a minimum of sustainable investments with a social objective: ___%	<input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <ul style="list-style-type: none"> <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 promotes E/S characteristics, but will not make any sustainable investments



What environmental and/or social characteristics are promoted by this financial product?

This product promotes the following environmental and/or social characteristics²⁾:

Exclusion Policy

The Exclusion Policy applies to this product.

GRESB

The GRESB Infrastructure Asset Assessment³⁾ (GRESB Infra) score of investments in this product.

Sustainable Development Investments³⁾

Across all APG Infrastructure products an ambition applies to invest 35% of the portfolio in Sustainable Development Investments, though exact percentages per product may vary.

Controversy screening

Investments in this product are structurally monitored on (severe) controversies.

Climate risk

Exposure 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.

Sustainability indicators

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

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

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

2) For more information about the Exclusion Policy and the Sustainable Development Investments approach, please see: [Responsible investment, good pension in a sustainable world | APG.](#)

3) [Infrastructure Asset Assessment | GRESB](#)

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

In addition to the above sustainability indicators, this product considers the following principal adverse impact indicators:

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

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.

Sustainability indicators			
Indicator	Metric		Explanation
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 2 GHG emissions	
PAI # 2	Carbon footprint	Carbon footprint	Carbon footprint of the investments in this product are measured and monitored and quantified how much is attributable to this product, where measured data is available.
PAI # 3	GHG intensity of investee companies.	GHG intensity of investee companies.	GHG intensity of the investments in this product is measured and monitored.
PAI # 4	Exposure to companies active in the fossil fuel sector.	Share of investments in companies active in the fossil fuel sector.	Exposure to companies active in fossil fuel sector is monitored.
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.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

n/a

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

n/a

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

n/a

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

Details: n/a



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

- Yes, this product considers PAI # 1, 2, 3, 4, and 5.
- No

- **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

1. Compliance with the APG Responsible Investment Implementation Guidelines for the Infrastructure asset class, which covers the Exclusion Policy amongst others.
2. Sustainability performance will be benchmarked through the GRESB Infrastructure assessment.

● **What is the policy to assess good governance practices of the investee companies?**

The following good governance practices around sound management structures, employee relations, remuneration of staff and tax compliance are considered before making a new investment in this product. Additional good governance practices are assessed as part of the due diligence and assessment processes for investments in this product.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

Good Governance Practice	Metric	Explanation
Sound management structures	Investments take into account the UN Global Compact Principles, including Principle 10 on Anti-Corruption.	We expect all new investments to contractually commit to take into account the UN Global Compact Principles.
Employee Relations	Investments take into account the UN Global Compact Principles, including Principles 1-6 on Human Rights and Labour.	We expect all new investments to contractually commit to take into account the UN Global Compact Principles.
Tax Compliance	Investments have no significant controversies related to tax compliance.	We screen for whether investee companies have been involved in significant controversies related to accounting and taxation.
Remuneration of Staff	Investments have no significant controversies related to staff remuneration.	We screen for whether investee companies have been involved in significant controversies related to staff remuneration.



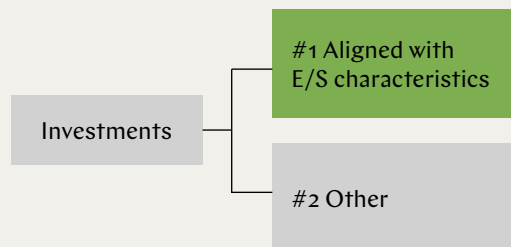
What is the asset allocation planned for this financial product?

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

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of the revenue from green activities of investee companies
- **capital expenditure** (CapEx) shows 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.



#1 Aligned with E/S characteristics includes the investment 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.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are only used for efficient portfolio management and risk management purposes in accordance with the Dutch Pension Act (*Pensioenwet*).

● **What investments are included under “#2 Other”, what is their purpose and are 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.



Where can I find more product specific information online?

More product-specific information can be found on the website: apg.nl.