

Periodic Disclosure for the APG Private Equity Pool 2022-2023

July 2023



23. APG Private Equity Pool 2022-2023

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 Private Equity Pool 2022-2023

Legal entity identifier: 54930081NK2SAK8XC310

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	
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: ___% <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 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 <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 promoted E/S characteristics, but did not make any sustainable investments



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 characteristics¹:

Corporate Exclusion Policy

The Corporate Exclusion Policy applies to this product². This product does not invest in the following, based on the exclusion policy:

- Controversial and nuclear weapons;
- Tobacco.

Sustainable Development Investments³

The exposure to companies which contribute to the UN Sustainable Development Goals (SDGs) is measured for this product.

UNGC Principles

Investments in this product adhere to the UN Global Compact Principles (Human Rights, Labor, Environment and Anti-Bribery). APG expects General Partners to take into account the UN Global Compact Principles in legal documentation when making investments.

ESG Integration and Transparency

This product promotes ESG integration and reporting by external managers in their investment processes.

- ESG Integration
This product assesses ESG integration by managers through diligence and ongoing engagement with managers. Progress is tracked in our ESG Assessment tool and updated at each new underwriting⁴.

	ESG Integration at GP & Portfolio Levels	Measuring impact, monitoring, & reporting	Best practice responsible investment standards	SDIs	Climate Change	Diversity
Max. Total Points	40	30	15	5	5	5
Good Practice Threshold	26.4	19.1	9.5	2.9	3.3	3.3

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

2) 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.

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

4) Progress tracking via our internal ESG Assessment Tool is carried out for the portion of the portfolio that considers E&S characteristics; the "Other" portion of the portfolio is not scored.

The ESG assessment scores are comprised of the following aspects:

- **ESG Transparency**
This product requires annual reporting by external managers on ESG integration.

Managers are also encouraged to include ESG Data Convergence Project data as part of their reporting. The ESG Data Convergence Project's objective is to streamline the private investment industry's historically fragmented approach to collecting and reporting ESG data to create a critical mass of meaningful, performance-based, comparable ESG data from private companies. This allows General Partners and portfolio companies to benchmark their current position and generate progress toward ESG improvements while enabling greater transparency and more comparable portfolio information for Limited Partners. Reporting categories include: greenhouse gas emissions, renewable energy consumption, board diversity, work-related injuries, net new hires, and employee engagement.

PRI Signatories

This product encourages external managers to become signatories to the UN Principles for Responsible Investment.

Identification of Severe ESG Incidents

This product uses an external service provider platform to identify severe ESG incidents. Also this product requires the external managers to report any controversies or material incidents relating to ESG. The external managers are also requested to provide information on any corrective action that has been taken in respect thereof, following up with regular updates until the incident has been resolved.



How did the sustainability indicators perform?

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

Sustainability Indicator	Measurement	Performance
Exclusion Policy ⁵	The sustainability indicator to measure adherence to the Exclusion Policy is the absence of excluded products/ companies in this financial product.	In 2022, there were no instances of excluded assets invested, i.e., 0% of the portfolio ⁶ is exposed to assets on the exclusion list.
Sustainable Development Investments	The sustainability indicator to measure SDIs is the % of investments classified as SDIs versus the overall NAV of this product.	SDIs makeup 8.1% of the portfolio, as measured by NAV ⁷ .

5) The Exclusion Policy for this product refers to the policy in place at inception; updates to the policy after inception cannot be guaranteed

6) As measured on a total asset allocation level i.e., both investments that promote E&S characteristics and "Other" investments

7) Ibid

UNGC Principles	The sustainability indicator to measure this E/S characteristic is the share of managers who agreed to take into account the UN Global Compact Principles when making fund investments.	100% of managers ⁸ have agreed to take into account the UN Global Compact Principles.
ESG Integration	The sustainability indicator to measure attainment of this E/S characteristic is whether the manager's score has achieved a Good Practice score or is improving towards a Good Practice score.	Out of 13 managers ⁹ , 5 managers have achieved a Good Practice score (Comprehensive or above), and 8 managers are improving their score towards this goal (current score of Limited).
ESG Transparency	The sustainability indicator to measure the attainment of this E/S characteristic is the percentage of managers reporting to us on ESG in a separate report, and the percentages of managers reporting to us on ESG Data Convergence Project metrics.	77% of managers ¹⁰ provide separate ESG reporting, and 69% ¹¹ are providing ESG Data Convergence Project metrics.
PRI Signatories	The sustainability indicator to measure this E/S characteristic is the share of managers who are signatories to the UN Principles for Responsible Investment.	62% of managers ¹² are signatories to the UN Principles for Responsible Investment.
Identification of Severe ESG Incidents	On a quarterly basis, this product reports the aggregated number of severe incidents to the clients.	Over 2022, there were 0 severe incidents reported affecting this product ¹³ .

8) As measured on the proportion of investments that promote E&S characteristics only

9) Ibid

10) Ibid

11) Ibid

12) Ibid

13) As assessed on the proportion of investments that promote E&S characteristics only



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?

Principal Adverse Sustainability Indicator		Explanation	Observations over reporting period
PAI # 4	Exposure to companies active in the fossil fuel sector	No investments in companies active in the exploration and/or production of fossil fuels are made.	No new investments with exposure to the fossil fuel sector were made i.e., 0% additional exposure ¹⁴ .
PAI # 10	Violations of UN Global Compact principles and Organization for Economic Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Companies are monitored using a third party data provider for violations of the Global Compact and OECD Guidelines.	There were 0 companies in violation of the UN Global Compact and OECD Guidelines that APG was made aware of.
PAI # 11	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Based on legal documentation (i.e. side letter provisions) external managers have agreed to take into account the UN Global Compact Principles in connection with each portfolio investment, subject to its fiduciary obligations to the partnership and its obligations under the express terms of the partnership agreement.	No investments were made over the period for which this obligation was waived. Furthermore, there have been 0 investments identified by GPs which are in violation of the UN Global Compact and OECD Guidelines.
PAI # 14	Exposure to controversial weapons	Based on the Corporate Exclusion Policy, no investments in controversial weapons are made.	No new investments with exposure to controversial weapons were made i.e., 0% exposure ¹⁵ .

14) This product has no pre-existing exposure to companies active in the fossil fuel sector

15) This product has no pre-existing exposure to controversial weapons

16) As measured on a total asset allocation level i.e., both investments that promote E&S characteristics and "Other" investments



The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 2022

What were the top investments of this financial product?

Primary and Secondary fund investments are made into blind pools of capital where exact sectoral and geographic composition of the final fund makeup can't be known until after the fund is fully deployed. Most managers invest across multiple geographies and sectors, subject to contractually agreed investor specific exclusions. Note that this closed-end product may still be in its investment phase. Top investments represent commitments made to date. The investment period of

#	Largest investments	Sector	% Commitments	Country
1	The Veritas Capital Fund VIII, L.P.	Various	16.3%	USA
2	Bridgepoint Europe VII A LP	Various	11.0%	UK
3	EQT X (No.1) EUR SCSp	Various	11.0%	UK
4	Francisco Partners VII -C, L.P.	Various	8.8%	USA
5	Nordic Capital XI Alpha, SCSp	Various	6.0%	Sweden
6	The Eighth Cinven Fund L.P.	Various	6.0%	UK
7	Arlington Capital Partners VI, L.P.	Various	5.5%	USA
8	Undisclosed Co-investment 1	Various	4.9%	Germany
9	Undisclosed Co-investment 2	Various	4.9%	USA
10	Undisclosed Co-investment 3	Various	4.7%	UK
11	Silver Lake Partners VII, L.P.	Various	4.4%	USA
12	Ambienta IV SCSp	Various	3.6%	Italy
13	Undisclosed Co-investment 4	Various	2.9%	USA
14	Francisco Partners Agility III	Various	2.7%	USA
15	Undisclosed Co-investment 5	Various	1.6%	USA

funds is typically 4-7 years.

Please be advised that FGR 2022-23 is its early stages and the composition of the



Asset allocation describes the share of investments in specific assets.

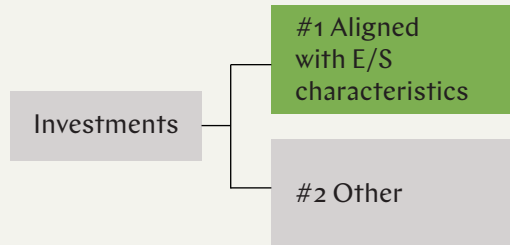
top 15 will change significantly as time passes.

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” (>95%) and “other” (<5%). As this fund is new, we expect allocation to fluctuate until it is fully invested.

All investments aligned with E&S characteristics are held indirectly (i.e., via funds),



#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?

As this product is new, and made up of fund investments that are blind pool in nature, it is not possible to disclose meaningful economic sector distributions at this time. This product will be in its investment period for several years, and sector allocation information will only be meaningful on an aggregate level from

GICS Sector	% of Invested Capital
Energy	-
Materials	-
Industrials	-
Consumer Discretionary (Consumer Cyclical)	-

Consumer Staples (Consumer Defensive)	-
Health Care	-
Financials	-
Information Technology	-
Communication Services	-
Utilities	-
Real Estate	-

approximately year 4 of the product.



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

In this pool, <5% of committed capital falls under “#2 Other.” These investments may be managed by an external manager who does not explicitly consider E/S characteristics, nor claims to seek sustainable investments. Other investments included under “#2 Other” would be Secondary Investments where E/S characteristics cannot be enforced on the undrawn commitment element of a Secondary Investment (0% allocation in this product currently). We do seek to extend our ESG legal requirements to Secondary investments, but this may not be successful.

Furthermore, as derivatives are allowed as per the Approved Instrument List, and can be used for efficient portfolio management and risk management; when present in the portfolio, they would fall under “#2 Other”. There is currently no material derivative exposure in the portfolio.



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

- Manager due diligence (including ESG due diligence questionnaire completed at each underwriting)
- ESG score per internally developed model – the APG PE ESG Assessment Tool
- Manager engagement on various topics, including providing best practices and suggestions (e.g., encouragement to become UN PRI signatory, provision of ESG Data Convergence data, etc.)
- Periodic monitoring of investments for identification of severe ESG incidents (RepRisk)