

Pre-Contractual Disclosure

January 2026

APG Multi-Client Emerging Markets Equity Pool



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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 Multi-Client Emerging Markets Equity Pool

Legal entity identifier: 549300D87F2ANS41R30

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: ____% <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 did not have as its objective a sustainable investment, it will have a minimum 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 promotes E/S characteristics, but will not make any sustainable investments

Sustainability indicators

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



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

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

1. Exclusion policy

Based on the Corporate Exclusion Policy, we do 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).

Involvement is defined as production, sale and/or distribution of the core weapon system, or components/services of the core weapon system that are considered tailor made (or dedicated) for the weapon or weapons system and essential (key) for the lethal use of the weapons. Regarding nuclear weapons, we exclude companies involved in the production, development, sale and/or distribution of the core weapon system.

We also consider companies a) involved in the production, development, sale and/or distribution, b) deriving revenues from components or services that are considered tailor-made (or dedicated) for the weapon or weapon system and components or services that are considered essential (key) for the lethal use of the weapon or weapon system.

Related to PAI-indicator 14.

- Companies involved in the production of tobacco

Involvement is defined as manufacturing and producing tobacco products such as cigars, cigarettes, e-cigarettes, beedi, kretek, smokeless tobacco, reconstituted tobacco leaf, snuff, snus, and chewing tobacco. Exclusion also applies to companies that grow or process raw tobacco leaves.

2. CO₂-reduction

APG AM aims to reduce the absolute CO₂-footprint of the listed equity and corporate credits portfolios by 50% in 2030 (compared to 2019). The target considers direct and indirect emissions of a company's own activities (scope 1 and 2).

Related to PAI-indicator 1 and 2.

3. Reduction of fossil fuel exposure

The production of coal and tar sands is associated with large CO₂-emissions. Therefore, we aim to further reduce our investments in companies which derive (part of) their turnover from the extraction of coal and/or tar sands. The turnover limits are set at 5% for coal and 1% for tar sands.

Related to PAI-indicator 4.

4. Contribution to SDGs

We assess how the products and services of our investments contribute to the achievement of the Sustainable Development Goals (SDGs), such as sustainable energy, safe and sustainable cities, decent work and economic growth, and health and well-being. When companies contribute to these goals with their products and

services, our investments in those companies are considered Sustainable Development Investments (SDIs).

5. ESG integration

Based on our Inclusion policy for our listed equity and corporate bond investments we assess whether companies meet our minimum ESG criteria on:

- Climate
- Nature & Biodiversity
- Human Rights
- Business Integrity
- Shareholder Alignment

Our minimum ESG criteria set sector and market-specific expectations of companies to assess whether there is evidence that our investee companies (do not) meet these criteria.

We only invest in companies that pass all the minimum ESG-criteria ('average performers' and 'leaders'), or in companies with whom we can engage ('engaged laggards').

Investments in this product are regularly screened for violations of the UNGC Principles and/or OECD Guidelines.

Related to PAI-indicator 10 and 11.

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.

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

We use the following sustainability indicators to measure the attainment of the environmental and/or social characteristics of this product:

E/S characteristic	#	Sustainability Indicator	Description
1. Exclusion policy	1	Exposure to companies involved in the production, sale or distribution of controversial weapons (cluster munitions, anti-personnel mines, and chemical and biological weapons). <i>Related to PAI indicator 14.</i>	No investments in companies involved in controversial weapons (cluster munitions, anti-personnel mines, and chemical and biological weapons).

	2	Exposure to companies involved in the production, development, sale and/or distribution of nuclear weapons or key components thereof.	No investments in companies involved in the production, development, sale and/or distribution of nuclear weapons or key components thereof.
	3	Exposure to companies involved in the production of tobacco.	No investments in companies involved in the production of tobacco.
2. CO2-reduction	4	Greenhouse gas emissions (scope 1, 2). <i>Related to PAI indicator 1 and 2.</i>	We measure this indicator for listed equities and corporate credits: - 2025: an absolute CO ₂ -footprint reduction of 30% compared to 2019. - 2030: an absolute CO ₂ -footprint reduction of 50% compared to 2019.
3. Reduction of fossil fuel exposure	5	Exposure to fossil fuel producers. <i>Related to PAI indicator 4.</i>	We measure this indicator for our total portfolio: - No investments in companies which derive (part of) their turnover from the extraction of coal (5%) and/or tar sands (1%).
4. Contribution to SDGs	6	Percentage of Sustainable Development Investment (SDIs).	We measure this indicator for our total portfolio: - of investments in SDIs
5. ESG-integration	7	Number of companies in the portfolio that do not meet our minimum ESG-criteria.	No investments in companies that do not meet our minimum ESG criteria.
	8	Violations of the UNGC Principles and/or the OECD Guidelines on Multinational Enterprises. <i>Related to PAI indicator 10 and 11.</i>	We measure this indicator for our total portfolio: - Number of companies in violation of the UNGC Principles and/or the OECD Guidelines.

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?

Not applicable.

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?

Not applicable.

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

Not applicable.

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

Not applicable.

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 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 EU 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.



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



Yes, this product considers PAI 1, 2, 4, 10, 11, and 14. Please refer to the E/S characteristics section on further details on how these PAI indicators are considered. More information on the principal adverse impacts considered by this financial product will be made available in the periodic report pursuant to Article 11(2) of Regulation (EU) 2019/2088.



No



What investment strategy does this financial product follow?

The Pool will invest in a combination of investment strategies that capture the growth in emerging economies and equity markets. The Pool will seek diversification by investment philosophy and process (i.e. fundamental versus quantitative, bottom-up versus top-down), investment horizon and style (value, growth, quality). The Pool is divided into the following strategies: Core Fundamental, Core Quant, High Conviction and an RI Index Strategy. The Pool seeks to outperform the benchmark by combining internally and externally managed strategies. The Pool targets to be beta and style neutral for most risk factors; main risk contribution should come from Country, Stock and Sector positioning. The pool is actively managed against the benchmark.

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



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?

All the elements described in the E/S characteristics section are considered binding elements.



What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

Not applicable.

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

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

The following good governance practices test is applied to assess the governance practices of investee companies.

In the event that an investee company is linked to a GGP controversy we will research this to establish the severity and assess the solvability of the issue through engagement with the respective investee company. If the severity and solvability of the GGP issue is confirmed, and APG AM wishes to stay invested in the company, then an engagement trajectory will be initiated to address and resolve the issue. Such an engagement will be aimed at a transition by the company to a good governance practice, i.e. passing the Good Governance Practice Test.

SFDR GGP	Metric	Explanation	Thresholds for failing the GGP Test
Sound management structures	Controversies related to Business Ethics practices in direct operations and supply chains	This indicator assesses whether a company has been involved in business ethics-related controversies.	Sustainalytics: Controversy of category 4&5, confirmed by APG research.
Employee Relations	Controversies related to Employees' Human Rights practices in direct operations and supply chains	This indicator assesses whether a company has been involved in human rights-related controversies with its employees (e.g., forced labor).	Sustainalytics: Controversy of category 4&5, confirmed by APG research.
Employee Relations	Controversies related to Labor Relations in direct operations and supply chains	This indicator assesses whether a company has been involved in labor relations controversies (e.g., labor standards).	Sustainalytics: Controversy of category 4&5, confirmed by APG research.
Tax Compliance	Controversies related to Accounting & Taxation practices.	This indicator assesses whether a company has been involved in accounting and taxation related controversies.	Sustainalytics: Controversy of category 4&5, confirmed by APG research.
Remuneration of Staff	Controversies related to Staff Remuneration	This indicator assesses whether a company has been involved in significant controversies related to staff remuneration.	MSCI: Controversy observed (binary data), confirmed by APG research.

**Asset allocation**

describes the share of investments in specific assets.

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.

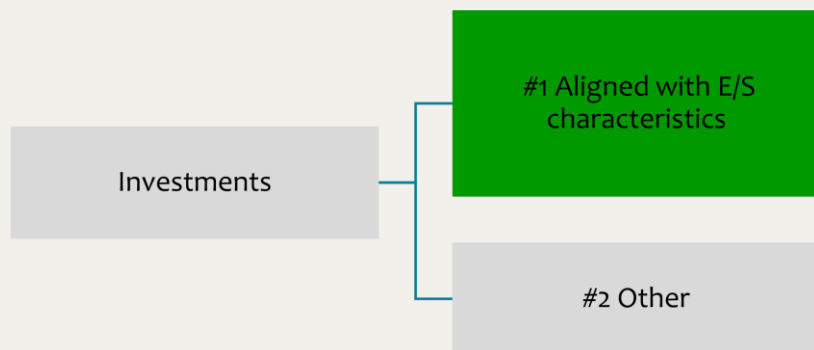
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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.

What is the asset allocation planned for this financial product?

The E/S characteristics apply to all investments in this product, with the exception of derivatives. The product will mainly invest in equities.



#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.

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*). Derivatives use shall comply with APG AM's counterparty policy, collateral policy, liquidity policy and market risk policy.



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

Not applicable.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?**

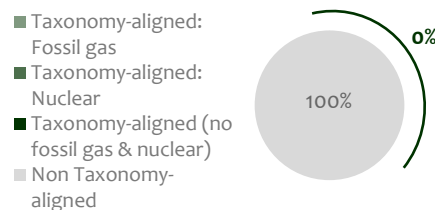
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

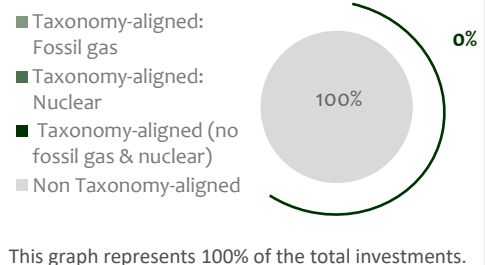
☒ No

The two graphs below show in green the minimum percentage of investments that are 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.

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



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

¹ 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



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.



What is the minimum share of investments in transitional and enabling activities?

Not applicable.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable.



What is the minimum share of socially sustainable investments?

Not applicable.



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



Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No.



Where can I find more product specific information online?

More product-specific information can be found on the APG AM website: [Our financial products | Homepage - Asset Management \(apg.nl\)](https://www.apg.nl/our-financial-products).