

March 28, 2024

Periodic Disclosure 2023

APG Emerging Markets Debt 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 Emerging Markets Debt Pool

Legal entity identifier: 54930083ZPJ1Q49UCC72

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: _____% <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



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 characteristics¹:

Sovereign Exclusion Policy

The Sovereign Exclusion Policy has been applied to this product. The sustainability indicator to measure adherence to the Exclusion Policy is the absence of investments in bonds issued by countries that are subject to an arms embargo by the UN Security Council and/or European Union. Absence of investments in bonds issued by countries that are among the 10% worst performers on Voice & Accountability in the World Bank's governance indicators.

Corporate Exclusion Policy

The Corporate Exclusion Policy was applied to this product. The product does 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 does not invest in companies involved in the production of:

- tobacco

The exclusion lists have been updated twice a year and communicated with:

- The benchmark provider JPMorgan;
- External Managers involved in this product;
- APG Internal portfolio managers.

During the reference period, there were no exclusion breaches.

Corporate Inclusion Policy

The Corporate Inclusion Policy was applied to this product. The product invested in companies which are classified under the policy as leaders and has excluded or engaged with companies which are classified as laggards. The sustainability indicator to measure adherence to the Corporate Inclusion Policy is the share of leaders in the product, based on the Corporate Inclusion Policy methodology.

Sustainable Development Investments²

The product invests partly in Green, Social and Sustainable bonds which contribute to the UN Sustainable Development Goals. The exposure to countries and government related bonds which contribute to the UN Sustainable Development Goals (SDGs) are measured for this product. The sustainability indicator to measure SDIs is the % of investments classified as SDIs versus the overall NAV of this product.

¹ For more information about the Corporate and Sovereign Exclusion Policy, Corporate Inclusion Policy and the Sustainable Development Investments approach, please see: [Responsible investment, good pension in a sustainable world | APG](#).

² Please note that Sustainable Development Investments do not constitute sustainable investments as defined by SFDR.

Corporates

- The following principal adverse impact indicators are considered:

Sustainability and social indicators	
Indicator	Characteristics
PAI # 10	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
PAI # 14	Exposure to controversial weapons

- This product applies an active engagement policy to engage on key governance topics among which matters related to social and employee, respect for human rights, anti-corruption and anti-bribery.

Sovereigns

- This product excludes bonds issued by countries that are on the EU and UN weapon embargo list and excludes bonds issued by countries that are among the 10% worst performers on Voice & Accountability in the World Bank’s governance indicators.
- This product measures and monitors the carbon footprint of the portfolio, which relates to PAI # 15 although the formula used is materially different than prescribed by the SFDR.
- Climate risk for sovereigns is measured and monitored at client portfolio level. As part of this process, this product measures and monitors climate risk exposure in the form of physical and transition risks.

How did the sustainability indicators perform?

Sustainability Indicator	Description	Metric	Observations over reporting period	Observations over prior reporting period
Corporate and Sovereign Exclusion Policy	The sustainability indicator to measure adherence to the Corporate and Sovereign Exclusion Policy is the absence of excluded products, companies or countries in this financial product.	Share of portfolio in excluded products, companies or countries.	We applied the Corporate and Sovereign Exclusion policy and did not make any investments in the excluded products, companies or countries. The share of portfolio in excluded products, companies or countries was at all time 0% during the year 2023.	In 2022 we applied the Sovereign Exclusion Policy and did not make any investments in the excluded countries. The share of portfolio in excluded countries was at all time 0% during the year 2022.
Corporate Inclusion Policy	This product applies an active engagement policy to engage on key	The sustainability indicator to measure adherence to	On average in 2023, issuers with a Leader classification amounted to 2.2%	In 2022, the sustainability indicator to measure adherence to the Corporate

	governance topics among which matters related to social and employee, respect for human rights, anti-corruption and anti-bribery.	the Corporate Inclusion Policy is the share of leaders in the product, based on the Corporate Inclusion Policy methodology.	of the overall NAV.	Inclusion Policy was the share of companies classified as Laggards or No Data in the product, based on the Corporate Inclusion Policy methodology. It was 0%.
Sustainable Development Investments	The exposure to countries and government related bonds which contribute to the UN Sustainable Development Goals (SDGs) are measured for this product.	The sustainability indicator to measure SDIs is the % of investments classified as SDIs versus the overall NAV of this product.	1,8% (Reference date Q3 2023) Average over four quarters	Not measured in reference year 2022.

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

Refer to the table above for a comparison with the previous period. No significant differences exist compared to previous periods.

● **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.

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 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?

Sustainability Indicators				
Indicator	Metric		Explanation	Observations/data over the reporting period
PAI # 10	Violations of UN Global Compact principles and Organisation for Economic cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD guidelines for Multinational Enterprises	The requirements under the Corporate Inclusion Policy for this product are based on the UNGC principles. The product cannot invest in issuers not meeting these requirements.	No investments were made in companies that violated the UNGC principles and OECD Guidelines.
PAI # 14	Exposure to controversial weapons	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	Based on the Exclusion Policy, no investments in controversial weapons are made.	No investments in controversial weapons were made.
Related to PAI # 15	Sovereign bond carbon footprint	Sum of sovereign emissions within the product, multiplied by the share of PPP-adjusted GDP.	PCAF is an industry led initiative for GHG accounting and reporting. PCAF has issued a global standard (PCAF Global) for carbon footprint measurement and disclosure in 2020 for a number of asset classes. This standard is widely used in the industry and especially among Dutch financial institutions. Within the Dutch Climate Commitment, Dutch pension funds agreed to use PCAF Global as the standard for carbon footprint measurement to ensure comparability.	2023: 1,138,284 tCO ₂ e 2022: 1,391,702 tCO ₂ e ³

³ 2022 figures are adjusted compared to previous reporting period in order to improve comparability



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

What were the top investments of this financial product?

#	Largest investments	Sector	Country	% Assets
1	Federative Republic of Brazil	Government	Brazil	8.9%
2	Republic of Indonesia	Government	Indonesia	8.3%
3	United Mexican States	Government	Mexico	7.3%
4	Republic of South Africa	Government	South Africa	6.7%
5	Federation of Malaysia	Government	Malaysia	6.4%
6	Republic of Colombia	Government	Colombia	6.2%
7	Republic of Poland	Government	Poland	4.2%
8	Federal Home Loan Bank Discount Notes	Financial Institutions	United States	4.2%

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

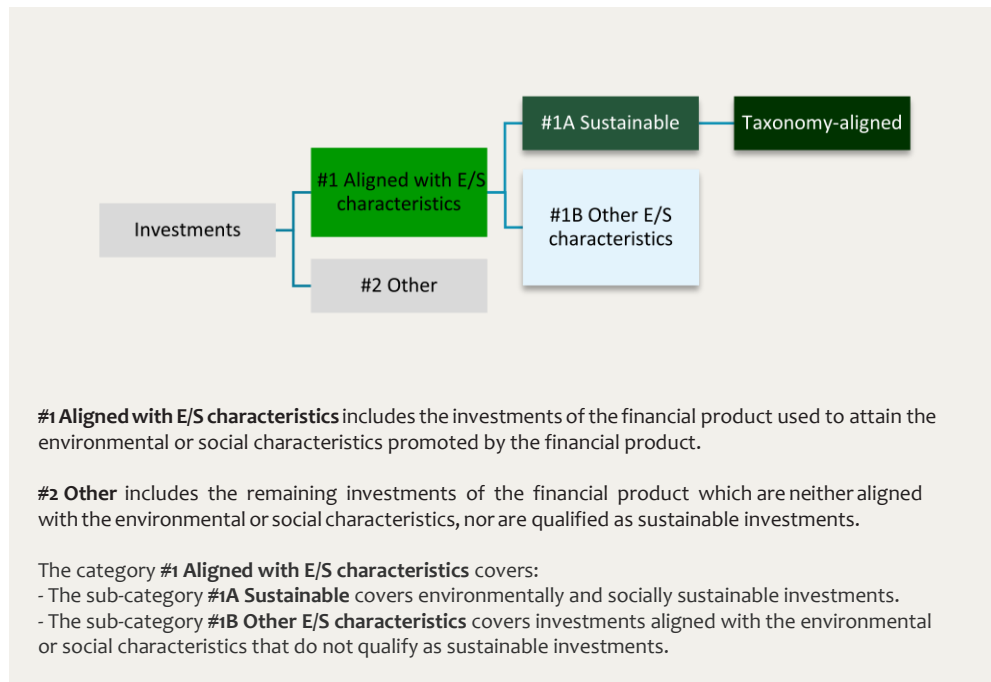


Asset allocation describes the share of investments in specific assets.

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.



In which economic sectors were the investments made?

Sector	Subsector	% Assets
Financial Institutions		8.7%
Government		91.3%

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.

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 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%

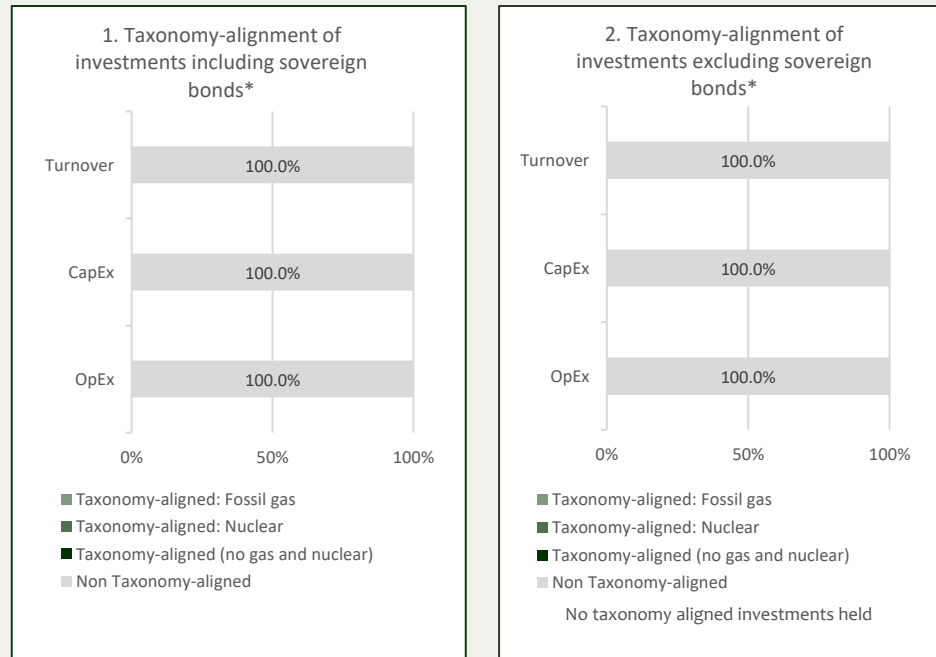
The figures provide the share of taxonomy aligned activities as a share of turnover. The taxonomy-alignment percentages are calculated based on a quarterly average. In limited cases in which the company did not publicly report on their taxonomy-alignment, equivalent information where obtained from a 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 Taxonomy⁴?***

- 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**.



* 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?

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. 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.

 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?**

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 in “other” are related to derivative exposure. Derivatives are only used for efficient portfolio management and risk management purposes in accordance with the Dutch Pension Act (*Pensioenwet*). Safeguards are not applicable for these products.



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

Sovereign Exclusion

Countries on the exclusion list are not invested in by this product. During the reporting period APG AM updated the exclusion list on June 1st and December 1st.

Corporate Exclusion

The exclusion list has been updated, this takes place twice a year. The list of companies involved in the production, sale or distribution of controversial weapons, or the production of tobacco is then updated and communicated with the benchmark provider and external managers.

Corporate Inclusion

The Corporate inclusion policy applies to bonds issued by quasi-sovereign issuers. Actions taken in 2023 are in line with the policy principles:

- Laggards are not invested in
- “Belofte” are engaged with when risk and return characteristics are attractive
- When engagement is unsuccessful, the companies are divested from.
- UNGC violators are marked as permanent laggards and are divested from.

In 2023, in line with the corporate inclusion policy applicable, we conducted engagement actions with one of the quasi-sovereign issuers in our universe. Actions taken were related to the strengthening of safety management policies, to encourage the company to adopt a robust approach to the health and safety of its employees and be able to reduce the number of accidents.

SDI ambition

Responsible investing is integrated in the investment process by preferring SDI investments above non-SDI investments if it does not lead to a material deterioration of the risk/return characteristics or increase the costs of the product. Government Bonds can increase SDIs by investing in labelled bonds and/or by investing in issuers which have internal SDI classifications. Labelled bonds (such as Green, Social and Sustainable Bonds) can contribute to the UN Sustainable Development Goals. Green, Social and Sustainable bonds are use of proceeds issuances where the proceeds are used to finance or refinance green or social (or a combination) projects or activities.

In current year the product was, where possible, seeking to invest in Sustainable Development Investment without interfering with the risk/return characteristics of the product. When possible, the product chose an SDI investment over a non-SDI investment, when risk/return characteristics were aligned between the two investments. These kind of choices have been made during the year for numerous investments. The product contributed to the SDI ambition of clients and had actively increased the number of SDI investments throughout the year.

Carbon footprint

The product is able to report on Carbon Footprint, but is not able to reduce or to significantly mitigate the carbon footprint as the mandate guidelines of the portfolio do not allow to deviate significantly from the selected benchmark.



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 reference benchmark is tailored to take into account corporate and sovereign exclusions. It is thus continuously aligned with the E/S characteristics promoted.

● *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?*

The index composition is by JPMorgan, and further tailored to reflect the promotion of E/S characteristics resulting from the application of the Corporate and Sovereign Exclusion Policy, which results in exclusions of issuers from the investment universe of the 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	11,2%	10,1%	1,0%

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

Period	Product performance (annualized EUR)	Benchmark market index	Excess return (annualized EUR)
YTD 2023	11,2%	8,3%	2,9%