Mandatory Website Disclosure
APG Developed Markets Equity Pool

January 2025

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Mandatory website sections

a) ‘Summary’

Investment strategy

The Developed Markets Equity Pool seeks to outperform the benchmark by combining fundamental and quantitative investment strategies. The Pool will seek diversification by holding stocks in various industries and countries, and by applying a multi-strategy approach both internally and externally managed.

Based on the Good Governance Practices (GGP) test, investee companies in this financial product are (pre-)screened on controversies related to sound management structures, employee relations, tax compliance and remuneration of staff.

SFDR GGP	Metric	GGP Test
1. Sound management structures	• No controversies related to **Business Ethics** practices in direct operations and supply chains	Sustainalytics: Controversy 4 & 5, confirmed by APG AM research
2. Employee Relations	• No controversies related to **Employees' Human Rights** practices in direct operations and supply chains	
3. Employee Relations	• No controversies related to **Labor Relations** in direct operations and supply chains	
4. Tax Compliance	• No controversies related to **Accounting & Taxation** practices.	
5. Remuneration of Staff	• No controversies related to **Staff Remuneration**	MSCI: Controversy observed (binary data) confirmed by APG AM research

No sustainable investment objective

This Pool promotes environmental and/or social characteristics but does not have sustainable investments as its objective.

Proportion of investments

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

Environmental and/or social characteristics

The Pool promote the following E/S characteristics:

1. Exclusions
2. CO_2-reduction
3. Reduction of fossil fuel exposure
4. Contribution to SDGs
5. ESG-integration

Monitoring and methodologies for E/S characteristics

The monitoring and methodologies used to measure the attainment of the E/S characteristics vary per characteristic as summarized below:

1. Exclusions: monitoring by semi-annual review and update of the Exclusion list, and publication on clients' websites.

2. CO$_2$-reduction: carbon footprint is calculated on a regular basis in line with the 1.5 °C scenarios of the IPCC and the IEA to determine the reduction target for the listed equity and credits portfolio. CO$_2$-footprint is calculated according to the Global GHG Accounting and Reporting Standard for the Financial Industry, developed by PCAF. Progress on CO$_2$-reduction is monitored by the Investment Committee.
3. Reduction of fossil fuel exposure: the Pool does not invest in companies that generate >5% of their turnover from coal mines and/or >1% of their turnover from tar sand extraction. Investments in the extraction of coal and tar sands will be phased-out before the end of 2025.
4. Contribution to the SDGs: identification of SDIs by portfolio management based on the SDI-AOP Taxonomy & Guidance and monitoring on SDI-dashboard.
5. ESG integration: Inclusion classifications are systematically evaluated and validated every six months in so-called Major Revisions. The list of Inclusion classifications is input to (a) the list of securities delivered to the index provider, and (b) the list of securities delivered to internal investment teams/ external managers to determine which companies they can invest in.

Data sources and processing

To attain the E/S characteristics promoted by this Pool we use data from different sources such as Sustainalytics, MSCI, ISS, Global Coal Exit List (GCEL), proprietary research and the SDI-AOP.

Limitations to methodologies and data

Sustainability-related data is still less mature than regular financial data and qualitative performance assessments are often translated into numeric values. Generally, we recognize the limitations of the methodologies and data sources for sustainability-related data such as the lack of consistent and transparent measurement methodologies and data assessment processes, and the limited availability, comparability and quality of data. The use of estimated data is limited and does not affect how the E/S characteristics promoted by the Pool are met.

Due diligence

The first line Operational Due Diligence (ODD) function is responsible for the ODD activities in relation to external mandates. The first line ODD function comprises the portfolio managers and ODD Team, with the former having ultimate responsibility for the external mandates they manage on behalf of APG AM's clients.

Engagement policies

Portfolio managers of APG AM and external managers perform the engagement activities with the investee companies in this Pool in line with the responsible investment and engagement policies of clients. Proxy voting at the annual general and special shareholder meetings of the investee companies in this financial product is done by APG AM in line with clients' voting policies

Designated reference benchmark

Not applicable.

b) 'No sustainable investment objective'

This Pool promotes environmental and/or social characteristics but does not have sustainable investments as its objective.

c) 'Environmental or social characteristics of the financial product'

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

1. Exclusions
2. CO$_2$-reduction

3. Reduction of fossil fuel exposure
4. Contribution to the Sustainable Development Goals
5. ESG-integration

d) ‘Investment strategy’

The Pool seeks to outperform the benchmark by combining fundamental and quantitative investment strategies. The Pool will seek diversification by holding stocks in various industries and countries, and by applying a multi-strategy approach both internally and externally managed.

All the E/S characteristics this Pool promotes are binding elements of the investment strategy.

Good governance practices (GGP) around sound management structures, employee relations, remuneration of staff and tax compliance are considered before making a new investment in this Pool.

Based on the Good Governance Practices (GGP) test, investee companies in this financial product are (pre-)screened on controversies related to sound management structures, employee relations, tax compliance and remuneration of staff. The Pool does not invest in companies which do not pass the GGP test, i.e. where GGP controversies are flagged.

SFDR GGP	Metric	GGP Test
1. Sound management structures	• No controversies related to **Business Ethics** practices in direct operations and supply chains	Sustainalytics: Controversy 4 & 5, confirmed by APG AM research
2. Employee Relations	• No controversies related to **Employees’ Human Rights** practices in direct operations and supply chains	
3. Employee Relations	• No controversies related to **Labor Relations** in direct operations and supply chains	
4. Tax Compliance	• No controversies related to **Accounting & Taxation** practices.	
5. Remuneration of Staff	• No controversies related to **Staff Remuneration**	MSCI: Controversy observed (binary data) confirmed by APG AM research

e) ‘Proportion of investments’

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

f) ‘Monitoring of environmental or social characteristics’

The E/S characteristics this Pool promotes and the sustainability indicators used to measure the attainment thereof are described below:

1. **Exclusions**

The Exclusion list is updated twice per year (per 1 December and 1 June). The Responsible Investment Execution team reviews corporate involvement assessments of external research providers and, based on its proprietary analysis, recommends any necessary changes to the Exclusion list. Based on this proposal, two months before December or June 1st, the Responsible Investment Committee (RIC) decides on any changes to the Exclusion list to allow for internal decision making, client reconfirmation, and adequate ability to sell new additions to the Exclusion list. Upon approval, the Exclusion list is formally communicated by the CIO to the organization and the teams responsible for external managers. Relevant benchmarks are subsequently updated per December and June and the updated Exclusion list is published on clients' websites.

2. CO_2-reduction

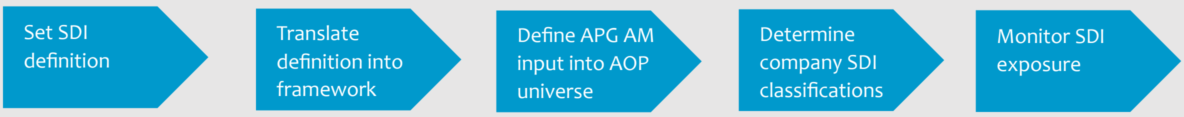
The carbon footprint reduction target of 50% in 2030 (compared to 2019) in the listed equity and credit portfolios considers direct and indirect emissions of a company's own activities (scope 1 and 2). In line with our commitment to contribute to limiting global warming to 1.5 °C, we use the 1.5 °C scenarios (with limited or no overshoot) developed by the International Panel on Climate Change (IPCC) and the International Energy Agency (IEA) to determine the reduction target for the listed equity and credits portfolios. CO_2-footprint is calculated on a regular basis for the purpose of monitoring progress against the carbon reduction targets, and integrated into key portfolio management systems. CO_2-footprint is calculated according to the Global GHG Accounting and Reporting Standard for the Financial Industry, developed by PCAF. The carbon footprint of applicable portfolios is calculated. Progress against the carbon reduction targets as established by clients is monitored by the Investment Committee.

3. Reduction of fossil fuel exposure

The Pool does not invest in companies that generate >5% of their turnover from coal mines[1] and/or >1% of their turnover from tar sand extraction, and is phasing out investments in the extraction of coal and tar sands before the end of 2025.

4. Contribution to the United Nations Sustainable Development Goals (SDGs)

Portfolio managers identify investments that qualify as Sustainable Development Investments (SDIs), guided by the SDI Taxonomy & Guidance. The SDI methodology was established by a multidisciplinary team, with representatives from the investments teams, legal, risk and fiduciary management. The Responsible Investment Board approves the SDI methodology, which is re-assessed at least once a year. The end-to-end process regarding SDIs looks as follows:



This end-to-end SDI process contains the following elements:

- Setting an SDI definition and translating it into the assessment framework;
- Classifying SDIs (companies/assets) either using externally or internally generated data;
- Monitoring and Reporting of SDI exposure.

Once the SDI classification is confirmed, the investment teams will implement the SDI classification in their portfolios as part of their general portfolio management activities. The methodology applied in determining whether a company can be classified as an SDI consists of several steps as further described in the SDI AOP Taxonomy and Guidance.

To monitor progress against SDI ambitions, investment teams have access to the SDI dashboard which provides an overview of the latest (and historic) SDI exposure. In addition to the teams being able to monitor their SDI exposure directly, the Responsible Investment Committee also monitors progress against the ambitions at a total and asset class level and, if deemed necessary, provides an update to the management teams of the investments.

[1] This concerns the extraction of coal for electricity production (thermal coal). Coal for production of steel (metallurgical coal) is not included.

5. ESG integration

Based on the Inclusion methodology, Inclusion classifications categorize companies based on their ESG practices into distinct groups. Classifications are based on actual and verifiable reported company-specific data in the public domain or collected by data providers and evidence of ESG controversies that reveal companies conduct over time.

Under Inclusion, companies are systematically evaluated and validated every six months in so-called Major Revisions. The list with Inclusion classifications is input to (a) the list of securities delivered to the index provider, and (b) the list of securities delivered to internal investment teams/ external managers to determine which companies they can invest in. The index provider uses the Inclusion classification list to not include companies in the index classified as 'Laggards'.

g) 'Methodologies for environmental or social characteristics'

1. Exclusions

The Pool does not invest in companies that carry out certain (undesirable) activities. The excluded activities include the following:

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

This also relates to companies indirectly involved through corporate ownership in excluded companies, if: a) the company has a stake of more than 20% in an entity that is directly involved in the production, development, sale or distribution of prohibited weapons; or b) more than 50% of the company's capital is held by an entity that is directly involved in the production, development, sale or distribution of prohibited weapons. If the boards of the former and the latter are near-identical, and/ or the parent entity is not listed, a lower threshold of 20% applies.

- Exposure to companies involved in the production of tobacco.

2. CO_2-reduction

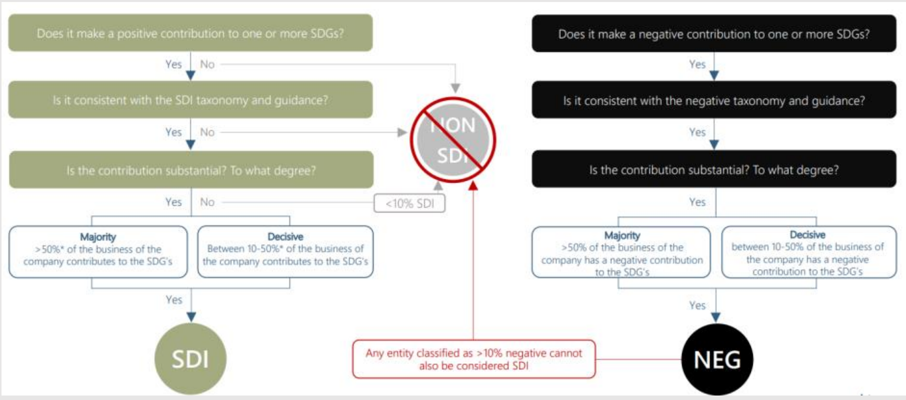
The carbon footprint reduction target of 50% in 2030 (compared to 2019) in the listed equity and credit portfolios considers direct and indirect emissions of a company's own activities (scope 1 and 2). In line with our commitment to contribute to limiting global warming to 1.5 °C, we use the 1.5 °C scenarios (with limited or no overshoot) developed by the International Panel on Climate Change (IPCC) and the International Energy Agency (IEA) to determine the reduction target for the listed equity and credits portfolios. The CO_2-footprint is calculated according to the Global GHG Accounting and Reporting Standard for the Financial Industry, developed by PCAF, and calculated on a regular basis for the purpose of monitoring progress against the carbon reduction targets, and integrated into key portfolio management systems.

3. Reduction of fossil fuel exposure

Companies or investments that: a) generate more than 5% of revenues from coal mining and/or, b) generate more than 1% of revenues from oil sands, are not included in the Index.

4. Contribution to Sustainable Development Investments

Portfolio managers assess if the products and services of 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. The assessment by portfolio managers of Sustainable Development Investments (SDIs) is based on the methodology as set out in the SDI AOP Taxonomy and Guidance. The SDI methodology was established by a multidisciplinary team, with representatives from the investments teams, legal, risk and fiduciary management. When companies contribute to these goals with their products and services, our investments in those companies are considered to be Sustainable Development Investments (SDIs).



5. ESG Integration

Under the Inclusion policy, companies are systematically evaluated and validated every six months in so-called Major Revisions. The list with Inclusion classifications is input to (a) the list of securities delivered to the benchmarks/ index providers, and (b) the list of securities delivered to internal investment teams/ external managers to determine which companies they can invest in. Based on the Inclusion policy this Pool only invests in companies that meet our clients' minimum ESG-criteria on:

a) Climate
b) Nature, Circularity & Biodiversity
c) Human & Labour rights
d) Business Integrity, and
e) Investor Alignment

We set sector and market-specific criteria for companies, broadly in line with the OECD guidelines, to test whether there is evidence that our investee companies (do not) meet our expectations. The index provider uses the Inclusion classification list to not include companies in the index classified as 'Laggards'.

h) 'Data sources and processing'

To attain the E/S characteristics promoted by this Pool we use data from different sources. The table below shows the sources and limitations per data source.

E/S characteristic	Data source	Data limitations
Exclusions	Proprietary research, Sustainalytics, ISS ESG	Negligible.
CO_2-reduction		For carbon data, we follow the PCAF standard. The PCAF standard describes a data quality hierarchy and a scorecard ranging from 1-5 (with 1 being the highest quality emission data, and 5 the poorest). In line with the PCAF standard, we prefer emission figures that are reported by companies themselves and that are verified by an independent third party.

	ISS ESG	If no reported data is available, we accept estimates. Estimates can either be provided by third parties (e.g. data vendors) or made in-house. These estimates can be based on peer analysis, sector average carbon intensities or sector benchmarks. **Listed equities** The data quality indicator for listed equity (weighted by invested capital) is 2.
Reduction of fossil fuel exposure	Sustainalytics, ISS ESG	Negligible.
Contribution to the SDGs	SDI: SDI-Asset Owner Platform	Limitations in coverage, quality and consistency of the data. The data is made accessible with a delay.
ESG-integration	Sustainalytics, MSCI, ISS, Global Coal Exit List (GCEL)	Limitations in coverage, quality and consistency of the data. The data is made accessible with a delay.

Measures taken to ensure data quality
Before data vendors are selected, several aspects are checked, including the data quality of the vendor, methodologies used, coverage and completeness of data. During the reporting process, sanity checks are performed to ensure data quality and completeness before incorporation in sustainability disclosures. Data providers are assessed annually.

Data Processing
The collection and processing of data is done in multiple ways. It often requires the collection of data from a variety of sources, both internal and external. Integrating different sources into a consistent dataset can be complicated, especially when it comes to different data formats. In general, processes are automated as much as possible to reduce operational risks.

Proportion of data that is estimated
The use of estimated data is limited and does not affect how the E/S characteristics promoted by the Pool are met.

i) 'Limitations to methodologies and data'

Sustainability-related data is still less mature than regular financial data and qualitative performance assessments are often translated into numeric values. Generally, we recognize the limitations of the methodologies and data sources for sustainability-related data such as the lack of consistent and transparent measurement methodologies and data assessment processes, and the limited availability, comparability and quality of data.

The limitations to the methodologies and data used to attain the E/S characteristics promoted by the Pool are described above in section h: data sources and processing. Such limitations do not affect how the E/S characteristics promoted by the financial product are met.

j) 'Due diligence'

The first line Operational Due Diligence (ODD) function is responsible for the ODD activities in relation to external mandates. The first line ODD function comprises the portfolio managers and ODD Team, with the former having ultimate responsibility for the external mandates they manage on behalf of clients. The most important steps while carrying out an ODD are:

- Trigger: new investment proposal, a scheduled periodic ODD, or an ad hoc request.
- Carry out a financial economic crime due diligence (FEC DD) check by the ODD Desk on external party.
- Prepare and submit a due diligence questionnaire and additional information.
- Conduct profound desk research to assess the organizational set-up of the external party.
- Prepare an ODD agenda and have ODD interviews with senior management of the external party.
- Draft an ODD report based on insights gained via prior steps.
- If the report was drafted by portfolio managers, a peer review will be carried out by a specialist of the 1st line ODD Desk to ensure quality and a consistent approach across asset classes.
- Finalize the ODD report.

Further sustainability-related due diligence processes which apply to this Pool involve those described in the RI Implementation Guidelines for Developed Equities, and the internal Business Process Manuals for clients' RI policies that apply to this Pool. These set out the sustainability-related due diligence and monitoring processes and tools for the underlying assets.

k) 'Engagement policies'

Portfolio managers of APG AM and external managers perform the engagement activities with the investee companies in this Pool in line with the responsible investment and engagement policies of clients. Proxy voting at the annual general and special shareholder meetings of the investee companies in this financial product is done by APG AM in line with client's voting policy. The Corporate Governance Frameworks and Voting Policy are published on the client's website. See: bpfBOUW Corporate Governance Raamwerk *(in Dutch)* and bpfBOUW Global Voting Policy. Voting decisions are also made publicly available shortly after the shareholder meeting has taken place.

l) 'Designated reference benchmark'

Not applicable.