

Mandatory Website Disclosure for the APG Infrastructure Asset Owner Fund I C.V.

September 2023

APG Infrastructure Asset Owner Fund I C.V.

Mandatory website sections

a) 'Summary'

The Fund is a co-investment vehicle designed for like-minded investors and asset owners who wish to invest alongside APG Asset Management NV ('APG AM') and its clients. The Fund's primary objective is to provide exposure to global non-listed infrastructure investments across various asset styles, sectors, and regions over a long-term horizon.

The Fund, structured as a Dutch Limited Partnership, will invest directly or indirectly in infrastructure projects that fulfil specific criteria. These criteria include long-term duration, low volatility, low correlation to other asset classes, involvement in natural monopolies with high entry barriers and limited alternatives, resilience to technological obsolescence, predictable and stable cash flows, preferably linked to inflation, and a strong emphasis on sustainability.

The AOP Fund aims to enable investors to access infrastructure investments that align with their long-term investment goals and risk appetite. The Fund will have one Limited Partner representing the asset owner partner and one General Partner, an APG AM subsidiary responsible for managing the Fund's operations.

SFDR classification and environmental and/or social (E/S) characteristics

The APG Infrastructure Asset Owner Fund I C.V. is identified as an SFDR Art. 8 product (light green). The Fund promotes environmental and social characteristics but does not have sustainable investments as its objective (SFDR Art. 9).

This Fund promotes the following environmental and/or social (E/S) characteristics:

- Corporate Exclusion Policy
- GRESB
- Sustainable Development Investments¹
- Controversy screening
- Climate risk
- Responsible Investment Policy

b) 'No sustainable investment objective'

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

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

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

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

- Corporate Exclusion Policy
- GRESB
- Sustainable Development Investments²
- Controversy screening
- Climate risk
- Responsible Investment Policy

d) 'Investment strategy'

The purpose of the Fund is to provide exposure to global non-listed investments in infrastructure across the different asset styles ('minimal', 'constrained', 'relatively high volatility' contract styles), sectors and regions over the long-term. The Fund will, either directly or indirectly, only invest in and make commitments to investments that meet at least some of the following criteria: long-term duration, low volatility and low correlation to other asset classes, natural monopolies with high barriers to entry and limited alternatives, low sensitivity to technological obsolescence, predictable, stable and preferably inflation linked cash flows, and a high sustainability value.

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 Fund. Additional good governance practices are assessed as part of the due diligence and assessment processes for investments in this Fund.

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.

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

e) 'Proportion of investments'

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.

f) 'Monitoring of environmental or social characteristics'

The Responsible Investment (RI) Implementation Guidelines for the asset classes this Fund invests in, outline the different RI policies and approaches which apply to this specific Fund.

When available prior to investment, E/S characteristics and the sustainability indicators are documented in the investment memo, that is submitted for review to all sign-off departments, and for approval to the Investment Committee. The E/S characteristics that this Fund promotes and the sustainability indicators are also measured on an annual basis and discussed during annual review sessions in which all sign-off departments are present.

g) 'Methodologies for environmental or social characteristics'

The Fund applies the following methodologies to measure how the E/S characteristics are met:

- The GRESB Infra score of investments in this Fund is compared to the GRESB benchmark at both investment and Fund level;
- Sustainable Development Investments (SDIs) are monitored and measured in accordance with the SDI Asset Owner's Platform approach;
- Structured monitoring and quarterly reporting on (severe) controversies for investments within this Fund;
- Structured monitoring and measurement of exposure to individual physical climate risk hazards for investments within this Fund;
- The share of investments with an RI policy in place.

h) 'Data sources and processing'

To attain the E/S characteristics promoted by this Fund we use data from external data providers such as GRESB, SDI Asset Owner Platform (AOP), RepRisk, Verisk Maplecroft and Moody's.

APG AM has internal Business Processes in place for each of the RI policies which set out in detail how the consistent and effective implementation of these policies - and the methodologies used - is monitored and ensured. This includes a description of how the data quality is ensured, how data is processed, and where relevant what proportion of this data is estimated.

i) ‘Limitations to methodologies and data’

Private market data is still less mature than regular public market data and data is not always available. Additionally, 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 to 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.

j) ‘Due diligence’

The Infrastructure team’s approach to sustainability risk consideration is extensive and asset specific due to the variety of asset types that fall within the asset class. Sustainability risks are considered both ex-post and ex-ante at the outset of an investment and during subsequent monitoring and engagement.

1. A high-level ESG due diligence scope is agreed in cooperation with the Global Responsible Investment & Governance (GRIG) team that covers both standard and project-specific items that cover the 5 main categories of the APG AM ESG Risk Management Policy;
2. A standard reputational risk assessment is made through external provider RepRisk;
3. SDI enabling investments are evaluated using the Infrastructure SDI Methodology;
4. Physical climate risk is considered (where data is available) using the approach defined in the Infrastructure Climate Risk Approach.

All findings are documented in the investment memo, which is submitted for review to all sign-off departments and then sent to the Investment Committee for approval.

k) ‘Engagement policies’

The engagement policies which apply to this Fund are described in the APG AM Responsible Investment & Stewardship Policy which sets out how APG AM carries out its stewardship responsibilities such as engagement, monitoring, voting, collaboration and market engagement. The APG AM Responsible Investment & Stewardship Policy, which can be found on our website, also describes the governance and management of responsible investing. The management of sustainability-related controversies in this Fund is predominantly covered by regular engagement, both ad hoc and as board members, or as members of the advisory boards of investee companies.

l) ‘Designated reference benchmark’

Not Applicable.