Periodic Disclosure 2023

APG Developed Markets Equity 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 Developed Markets Equity Pool
Legal entity identifier: 549300EK1T36E33I1O54

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?

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:** ____%	☒ It **promoted Environmental/ Social (E/S) characteristics** and while it did not have a sustainable investment as its objective, it had a proportion of 1,1% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
☐ It made **sustainable investments with a social objective:** ____%	☐ with a social objective
	☐ 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 characteristics[1]:

Corporate Exclusion Policy
The Corporate Exclusion Policy applies 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: MSCI;
- External Managers involved in this product;
- APG Internal portfolio managers.

In the reporting year, there was a breach in the portfolio regarding the Corporate Exclusion Policy. Between June 5th and July 17th the portfolio contained a position in a company which is on the exclusion list based on involvement in the production, sale or distribution of nuclear weapons. The holding was purchased by an external manager.

After the holding had been detected on July 14th, the external manager was immediately instructed to sell the holding. The sale was completed on July 17th.

Corporate Inclusion Policy
The Corporate Inclusion Policy was applied to this product. The portfolio managers of the product engaged with companies which - based on the Corporate Inclusion Policy methodology – are not considered to be leading on ESG based on our normative or relative ESG standards. The Corporate Inclusion Policy classifies companies as:

- Leaders;
- Potential improvers; or
- Laggards.

We distinguish between three different types of potential improvers:

- Those with which we engage and where the outlook for becoming a leader is positive;
- Those where we believe we can achieve meaningful change but not necessarily enough for them to become a leader, and;
- Those where the impact of achieving the change at these companies could be significant and material, and change is expected to be achievable over time.

In order to invest in an laggard, portfolio managers of this product have an obligation to engage with the company. Once engagement is initiated, the company is reclassified into a potential improver. When engagement is successful, the company is reclassified into a leader. When engagement is not successful and is not expected to be successful in the future, the company is divested from.

In the reporting year, there were no Inclusion Policy breaches.

Sustainable Development Investments[2]

This product actively seeks investments in the investable UN Sustainable Development Goals (SDGs). An ambition has been set for this product to invest 20% of assets under management in Sustainable Development Investments (SDIs) by 2025. The value of the SDIs as percentage of total NAV of the pool was 19,2%, for the reference period.

In addition to the above E/S characteristics, the product considers several PAI indicators:

PAI indicators	
Environmental	
Indicator	*Metric*
PAI # 1	GHG emissions scope 1+2
PAI # 2	Carbon footprint
PAI # 4	Exposure to companies active in the fossil fuel sector
Social	
Indicator	*Metric*
PAI # 10	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises
PAI # 13	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members.
PAI # 14	Share of investments in investee companies involved in the manufacture or selling of controversial weapons.

How did the sustainability indicators perform?

Sustainability Indicators[1]					
Environmental					
Indicator	*Metric*		*Explanation*	2023	2022
PAI # 1	GHG emissions	Scope 1 and 2 GHG missions	Scope 1 and 2 emissions of the investments in this product are measured and monitored.	The average **GHG emission** for the portfolio, averaged over four quarters was: **233.014 tCO2e**	The **GHG emission** for the portfolio, per end of 2022 was: **235,291 tCO2e**[2]
		Scope 3 GHG emissions	Scope 3 emissions of the investments in this product are measured and monitored.	The average **GHG emission** for the portfolio, averaged over four quarters was: **3.995.397 tCO2e**	Not measured in previous reporting period
PAI # 2	Carbon footprint	Carbon footprint	Based on our carbon footprint target3 , we measure how much carbon is emitted by companies this product	The average **Carbon Footprint** for the portfolio, averaged over four quarters	The **Carbon Footprint** for the portfolio,per end of 2022 was **467**

[1] Reported data for PAI #1, #2, #3 and #5 has been assessed for GRESB participants only. These entities comprise 84% of exposure within this financial product as per year end 2022. The reference period for GRESB data is lagged by 1 year.

[2] The 2022 figures are adjusted compared to previous reporting period in order to improve comparability.

			invests in and how much of this is attributable to these companies (scope 1+2+3).	was: **558 tCO2e/ mEUR**	**tCO2e/ mEUR**[3]
PAI # 4	Exposure to companies active in the fossil fuel sector.	Share of investments in companies active in the fossil fuel sector.	A number of companies active in the fossil fuel sector will be sold based on the Corporate Inclusion Policy. These concern energy and utility companies that we believe to be lagging on climate change. These companies will be divested and subsequently excluded from the benchmark. Reference value: 0 energy companies lagging on climate in portfolio.	2.0% of the portfolio was invested in the Energy sector, of which 1.8% in the subsector Oil, Gas and Consumable Fuels. Within this sector, no investments were held in energy companies which were marked as companies lagging on climate during 2023 as described in the inclusion policy.	All the **Energy** companies which are marked as companies **lagging on climate** have been divested in 2022. This is part of the inclusion policy. For those companies the exposure is **0.**

Sustainability Indicators[4]					
Social					
Indicator	*Metric*		*Explanation*	*2023 information*	*2022 information*
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.	Based on the Corporate Inclusion Policy this product does not invest in companies involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises. Reference value: 0 companies involved in violations of the UNGC or OECD Guidelines in the portfolio.	No investments in companies involved in violations of the UNGC principles.	**0** companies. All the UNGC companies involved in violations of the UNGC and OECD Guidelines have been divested in 2022. We have reviewed on any UNGC violators twice a year, during the same frequency as the benchmark adjustments. June 1st and December 1st.
PAI # 13	Board gender diversity	Average ratio of female to male board	Board gender diversity is addressed through the APG Corporate	272 votes against management	608 votes against management

[3] The 2022 figures are adjusted compared to previous reporting period in order to improve comparability.
[4] Reported data for PAI #1, #2, #3 and #5 has been assessed for GRESB participants only. These entities comprise 84% of exposure within this financial product as per year end 2022. The reference period for GRESB data is lagged by 1 year.

		members in investee companies, expressed as a percentage of all board members.	Governance Framework and Voting Policy[5]. The average ratio of female to male board members in investee companies of this product is addressed in our voting behavior which is based on our expectations around board composition and diversity. Reference value: the is no minimum reference value for this metric.	when electing a new board member, because of board diversity concerns.	when electing a new board member, because of board diversity concerns.
PAI # 14	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	Based on the Corporate Exclusion Policy, this product does not invest in companies involved in the production, sale or distribution of controversial weapons. Reference value: 0 investments in companies involved in the production, sale or distribution of controversial weapons.	Please see previous question. There has been a temporary holding in a company involvement in the production, sale or distribution of nuclear weapons. After the holding had been detected the holding was sold.	0 companies. All the controversial weapon producers have been excluded from the portfolio and the benchmark. We have reviewed the universe on product based exclusions twice a year, during the same frequency as the benchmark adjustments. June 1st and December 1st.

... 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.

[5] For more information about the APG Corporate Governance Framework and Voting Policy, please see: https://apg.nl/en/about-apg/asset-management/responsible-investment/

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

While this product is not committed to make sustainable investments, we are obliged to report on the Taxonomy-aligned investments in this product as the product promotes environmental characteristics. Taxonomy-aligned investments, also qualify as sustainable investments under the SFDR and contribute to one of the environmental objectives specified in the Taxonomy Regulation. The Taxonomy aligned investments in the product contributed to climate change mitigation objective.

At this moment, a methodology to measure sustainable investments is under development.

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

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

For Taxonomy-aligned investments the "do no significant harm test" is vested in the Technical Screening Criteria of the Taxonomy Regulation. All Taxonomy-aligned investments meet these criteria.

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

In addition to the Technical Screening Criteria, the Minimum Safeguards of the Taxonomy Regulation have been applied to ensure that all relevant principal adverse impact indicators are taken into account to assess the do no significant harm test. For more information about the extent to which the sustainable investments with an environmental objective were Taxonomy-aligned see: *"To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?"* By applying the exclusion policy for this product, it is ensured that the product is not exposed to manufacture or selling of controversial weapons.

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

By applying the Minimum Safeguards of the Taxonomy Regulation to the Taxonomy-aligned investments in this product we ensure that these investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights through compliance with the requirement around the Minimum Safeguards for Taxonomy-aligned investments. This means that the Taxonomy-aligned investments in this product have implemented appropriate due diligence and remedy procedures to ensure the alignment with the standards for responsible business conduct mentioned in the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights.

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?

Following the inclusion policy, portfolio managers engaged with companies which are not considered to be leading on ESG standard (laggards and potential improvers). Furthermore, based on the APG Corporate Governance Framework and Voting Policy, votes are submitted against management, when electing a new board member, because of board diversity concerns.

Please also see table at the following question: 'How did the sustainability indicators perform?'

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	Apple Inc	Information Technology	United States	4.2%
2	Microsoft Corp	Information Technology	United States	3.5%
3	Alphabet Inc	Information Technology	United States	2.3%
4	Amazon.com Inc	Consumer Discretionary	United States	1.6%
5	NVIDIA Corp	Information Technology	United States	1.3%
6	Ferguson PLC	Industrials	United Kingdom	1.0%
7	Meta Platforms Inc	Information Technology	United States	1.0%
8	West Pharmaceutical Services Inc	Healthcare	United States	0.9%
9	Tesla Inc	Consumer Discretionary	United States	0.8%
10	UnitedHealth Group Inc	Healthcare	United States	0.8%
11	Disco Corp	Information Technology	Japan	0.8%
12	Rollins Inc	Industrials	United States	0.8%
13	STERIS PLC	Healthcare	United States	0.8%
14	MSA Safety Inc	Industrials	United States	0.7%
15	Visa Inc	Financials	United States	0.7%

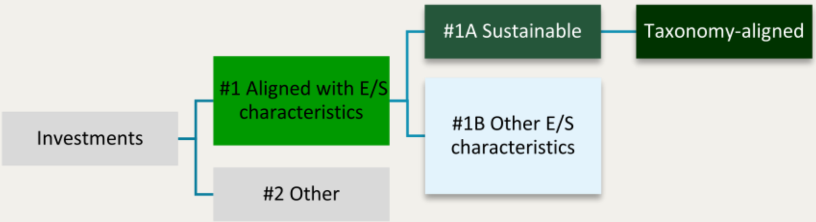
The top investments are calculated based on a quarterly average as a percentage of Net Asset Value. The country is the country of domicile.

What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

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.



#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.

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.

In which economic sectors were the investments made?

Sector	Subsector	% Assets
Basic Materials		4.6%
Energy	Energy Equipment & Services	0.2%
Energy	Oil, Gas & Consumable Fuels	1.8%
Financials		13.4%
Healthcare		13.9%
Industrials		12.6%
Information Technology		25.2%
Consumer Discretionary		12.7%
Utilities		2.3%
Real Estate		1.6%
Telecommunication		1.5%
Transport		2.0%
Other		1.5%

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?

Through its investments, the product contributes to the following environmental objectives as set out in article 9 of the EU Taxonomy:

- climate change mitigation: 1.0%
- 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.

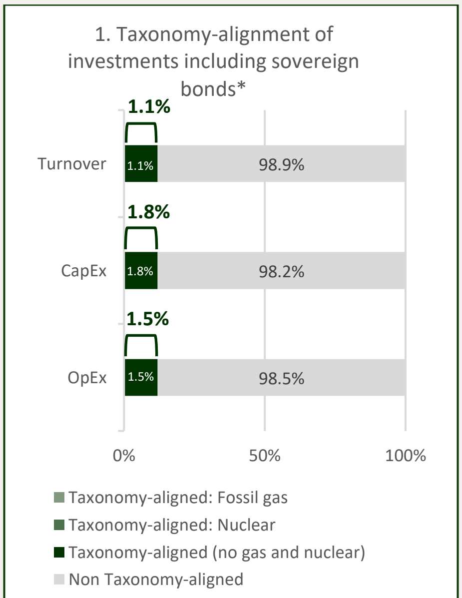
- ***Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[6]?***

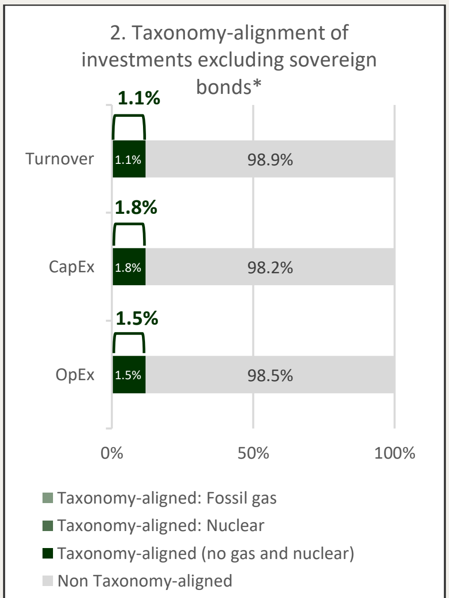
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

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**.





This graph represents 100.0% of the total investments.

** 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.*

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.

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.

[6] 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 was the share of investments made in transitional and enabling activities?

The product invested 0.9% of its investments in enabling activities and 0.1% 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 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.

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 included under "#2 Other" are derivates.

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

Inclusion
In summary, the Corporate Inclusion Policy was applied as follows:
- Laggards are not invested in by the investment teams
- Laggards are engaged with by the Fundamental teams 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;
- Companies lagging on climate are excluded;
- Companies excluded based on the inclusion policy are added to the exclusion list and communicated with the benchmark provider and with the external managers.

Many engagement trajectories been undertaken in 2023. In the reference period, for example, APG AM launched the Climate Focused Engagement Program aimed at fourteen companies in the following sectors: electricity supply, cars, cement.

Related to this program, APG AM met with various companies such as Akzo Nobel, CRH, JPMorgan and Toyota.

For example, Toyota increasingly focused on selling their hybrid cars. However, this type of car still has a combustion engine and is therefore not in line with our expectations for the transition to electric vehicles (EV). We have therefore asked the company to be open about the roadmap to net zero.

APG AM is furthermore responsible for leading the collective engagement for Samsung under the CA100+ initiative. APG AM organized the first engagement meeting in which executives of multiple business units also participated. The highlights of the meeting include:
- The company reaffirmed its 2050 net-zero commitment;
- An update on the latest collaborative efforts with peers on creating sector specific decarbonization pathways through the Semiconductor Climate Consortium (SCC);
- The company informed us of a carbon emission management system which is under development to manage enterprise-level GHG emissions.
- Several initiatives which are aiming at decarbonization of Scope 1 and 2 emissions

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.

SDI ambition
The product is working towards a longer term SDI ambition as per 2025 of 20% of AuM. In current year the product is, where possible, working towards that goal without interfering with the risk/return characteristics of the product. When possible the product will choose an SDI investment over a non-SDI investment, when risk/return characteristics are aligned between the two investments. These kind of choices have been made during the year for numerous investments.

Carbon footprint
The product steers towards a lower carbon footprint, to made the long term goal of the product. Current year the product also contributed to this long term goal. The aim of the product is to lower the carbon footprint, without changing risk / return characteristics of the product significantly. Investments are weighted against each other and investment with a lower carbon footprint and with the same risk / return characteristics are preferred as compared to alternative companies with the same risk / return characteristics. This weighting is performed on an ongoing basis, throughout the year.

How did this financial product perform compared to the reference benchmark?

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

How does the reference benchmark differ from a broad market index?

The index excludes all constituents that are on the APG Exclusion List on the basis of product related exclusions, and energy and utility companies which we believe are lagging on climate change.

Please see below an overview of the reference benchmark weights, split to sectors as compared to the regular benchmark. The regular benchmark is:

- 82% MSCI World index
- 18% MSCI World Mid Cap index

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 benchmark for this product was adjusted for those investments which are excluded based on the Exclusion Policy, or which are not invested in based on the Inclusion Policy.

How did this financial product perform compared with the reference benchmark?

Period	Product performance (annualized EUR)	Benchmark performance (annualized EUR) MSCI World ESG-A 82% / MSCI World Midcap ESG-A 18%	Excess return (annualized EUR)
YTD 2023	20.24%	19.90%	0.28%

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

Period	Product performance (annualized EUR)	Benchmark market index (annualized EUR) MSCI World 82% / MSCI World Midcap 18%	Excess return (annualized EUR)
YTD 2023	20.24%	18.80%	1.44%