Periodic Disclosure 2023

APG Private Equity Pool 2016-2017

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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 Private Equity Pool 2016-2017
Legal entity identifier: 549300KGX0BBEIHQ9V94

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 ___% 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]:

Sustainable Development Investments[2]

An ambition applies to the product to invest in Sustainable Development Investments (SDIs) and to increase investments in SDIs as part of the total NAV (Net Asset Value) of the mandate. Investing in SDIs is part of the mandate's investment strategy and decision-making process in the sense that the mandate actively seeks investments in SDIs and if an SDI has a similar risk/return profile as an investment without the relevant SDI classification, then the SDI is preferred over the non-SDI investment. Further, the team may seek to lower minimum size requirements in order to invest in an SDI relative to a non-SDI investment. By means of this assessment per investment decision, the ambition is to achieve the highest possible percentage of SDIs as part of the total NAV of the Pool. The exposure to companies which contribute to the UN Sustainable Development Goals (SDGs) is therefore measured for this product.

UNGC Principles

Investments in this product take into account the UN Global Compact Principles (Human Rights, Labor, Environment and Anti-Bribery). APG expects General Partners to take into account the UN Global Compact Principles when making investments, as agreed in legal documentation.

ESG Integration and Transparency

This product promotes ESG integration and reporting by external managers in their investment processes.

ESG Integration

- This product assesses ESG integration by managers through diligence and ongoing engagement with managers. Progress is tracked in our ESG Assessment tool and updated at each new underwriting.[3]
- The ESG assessment scores are comprised of the following aspects:

[1] For more information about 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.

[3] The ESG Assessment Tool was launched in December 2016. Therefore, not all investments in this pool were evaluated using the Tool. Managers in this pool that were not evaluated in 2016 with the Tool are evaluated if new investments are made in subsequent pools. Progress tracking via our internal ESG Assessment Tool is carried out for the portion of the portfolio that considers E&S characteristics; the "Other" portion of the portfolio is not scored.

	ESG Integration at GP & Portfolio Levels	*Measuring impact, monitoring & reporting*	*Best practice responsible investment standards*	*SDIs*	*Climate change*	*Diversity*
Max. Total Points	40	30	15	5	5	5
Good Practice Threshold	26.4	19.1	9.5	2.9	3.3	3.3

<u>ESG Transparency</u>
This product requires annual reporting by external managers on ESG integration.

Managers are also encouraged to include ESG Data Convergence Project data as part of their reporting. The ESG Data Convergence Project's objective is to streamline the private investment industry's historically fragmented approach to collecting and reporting ESG data in order to create a critical mass of meaningful, performance-based, comparable ESG data from private companies. This allows General Partners and portfolio companies to benchmark their current position and generate progress toward ESG improvements while enabling greater transparency and more comparable portfolio information for Limited Partners. Reporting categories include: greenhouse gas emissions, renewable energy consumption, board diversity, work-related injuries, net new hires, and employee engagement.

PRI Signatories
This product encourages external managers to become signatories to the UN Principles for Responsible Investment.

Identification of Severe ESG Incidents
This product uses an external service provider platform to identify severe ESG incidents. Also this product requires the external managers to report any controversies or material incidents relating to ESG. The external managers are also requested to provide information on any corrective action that has been taken in respect thereof, following up with regular updates until the incident has been resolved.

How did the sustainability indicators perform?

Sustainability Indicator	Measurement	Observations over reporting period	Observations over prior reporting period
Sustainable Development Investments	The sustainability indicator to measure SDIs is the % of investments classified as SDIs versus the overall NAV of this product.	SDIs make up 13.9% of the portfolio, as measured by NAV[4].	SDIs make up 15.8% of the portfolio, as measured by NAV[4].
UNGC Principles	The sustainability indicator to measure this E/S characteristic is the share of managers who agreed to take into account the UN Global Compact Principles when making investments.	100% of managers[5] have agreed to take into account the UN Global Compact Principles.	100% of managers[5] have agreed to take into account the UN Global Compact Principles.
ESG Integration	The sustainability indicator to measure attainment of this E/S characteristic is whether the manager's score has achieved a Good Practice score or is improving towards a Good Practice score.	Out of 29 managers[5], 10 achieved a Good Practice score (Comprehensive and above), 18 are improving their score towards this goal (17 managers score Limited and 1 manager is not scored).	Out of 29 managers[5], 11 achieved a Good Practice score (Comprehensive and above), 18 are improving their score towards this goal (17 managers score Limited and 1 manager is not scored).
ESG Transparency	The sustainability indicator to measure the attainment of this E/S characteristic is the percentage of managers reporting to us on ESG in a separate report, and the percentages of managers reporting to us on ESG Data	In 2023, 100% of managers[5] provide separate ESG reporting, and 79%[5] are providing ESG Data Convergence Project metrics.	In 2022, 97% of managers[5] provide separate ESG reporting, and 59%[5] are providing ESG Data Convergence Project metrics.

[4] As measured on a total asset allocation level i.e., both investments that promote E&S characteristics and "Other" investments

[5] As measured on the proportion of investments that promote E&S characteristics only

	Convergence Project metrics.		
PRI Signatories	The sustainability indicator to measure this E/S characteristic is the share of managers who are signatories to the UN Principles for Responsible Investment.	In 2023, 2 new managers in this product signed up to the UN PRI relative to 2022. In 2023, 79% of managers[6] are signatories to the UN Principles for Responsible Investment.	In 2022, 62% of managers[6] are signatories to the UN Principles for Responsible Investment.
Identification of Severe ESG Incidents	On a quarterly basis this product reports the aggregated number of severe incidents to the clients.	Over 2023, there were 4 severe reputational incidents reported. Of these incidents, 3 incidents were resolved[7] and 1 incident remains open for engagement. All items from 2022 were either closed or severity was downgraded.	Over 2022, there were 6 severe reputational incidents reported. Of these incidents, severity was subsequently downgraded for 3; and 3 incidents were resolved[8].

... and compared to previous periods?

Please refer to 'Observations over reporting period' above for a comparison with 2022.

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.

[6] As measured on the proportion of investments that promote E&S characteristics only
[7] As assessed on the proportion of investments that promote E&S characteristics only
[8] As assessed on the proportion of investments that promote E&S characteristics only

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.

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 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		*Explanation*	*Observations/data over the reporting period*
PAI # 10	Violations of UN Global Compact principles and Organization for Economic Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Cooperation and Development (OECD) Guidelines for Multinational Enterprises.	Companies are monitored using a third party data provider for violations of the Global Compact and OECD Guidelines.	There were 0 companies in violation of the UN Global Compact and OECD Guidelines that APG was made aware of.
PAI # 11	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises.	Based on legal the documentation (i.e. side letter provisions) external managers have agreed to take into account the UN Global Compact Principles in connection with each portfolio investment, subject to its fiduciary obligations to the partnership and its obligations under the express terms of the partnership agreement.	No investments were made over the period for which this obligation was waived. Furthermore, there have been no investments identified by GPs which are in violation of the UN Global Compact and OECD Guidelines. All managers are deemed to have processes in place in order to sufficiently monitor compliance.
PAI # 14	Exposure to controversial weapons.	Based on the Corporate Exclusion Policy, no new investments in controversial weapons are made.	No new investments with exposure to controversial weapons were made i.e., 0% exposure.

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	Carlyle Partners VII, L.P.	Various	United States	9.7%
2	Insight Venture Partners (Delaware) X, LP	Various	United States	8.1%
3	Apollo Overseas Partners (Delaware) IX, L.P.	Various	United States	7.0%
4	The Veritas Capital Fund VI, L.P.	Various	United States	6.3%
5	New Mountain Partners V, L.P.	Various	United States	5.9%
6	BE VI 'E' LP	Various	United Kingdom	5.4%
7	Silver Lake Partners V, L.P.	Various	United States	4.3%
8	EQT VIII (No.1) SCSp	Various	Luxembourg	3.4%

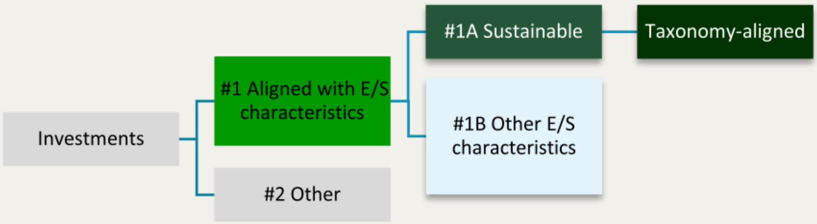
The top investments are calculated based on a quarterly average as a percentage of Net Asset Value. The country is the country of domicile.

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" (88.2%) and "other" (11.8%). 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	% Assets
Basic Materials	4.4%
Consumer Discretionary	17.3%
Consumer Staples	4.7%
Energy	3.6%
Financial Institutions	9.6%
Health Care	14.0%
Industrial Companies	15.1%
Information Technology	22.8%
Real Estate	0.3%
Telecommunication	5.5%
Utilities	2.2%
Other	0.5%

The exposure to the fossil fuel sector equals to 3.5%.

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 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: 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 Taxonomy[9]?***

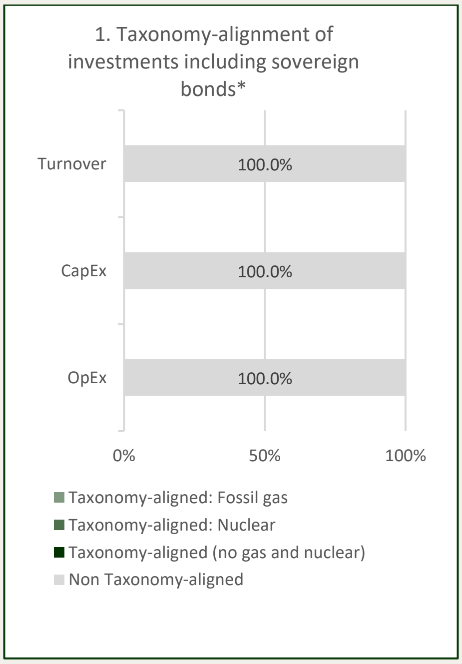
☐ Yes:

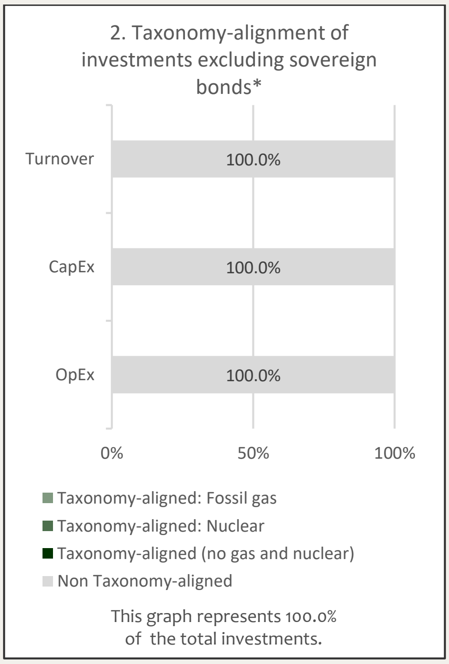
☐ In fossil gas ☐ In nuclear energy

☒ No

[9] 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?

In this Pool, 11.8 % of NAV falls under "#2 Other". These investments are managed by an external manager who does not explicitly consider E/S characteristics, nor claims to seek sustainable investments.

Furthermore, as derivatives are allowed as per the mandates' Approved Instrument List, and can be used for efficient portfolio management and risk management; when present in the portfolio, they would fall under "#2 Other". Saying this, all such derivatives would be considered for inclusion in the portfolio using the same considerations listed above.

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

- Manager due diligence (including ESG due diligence questionnaire completed at each underwriting
- ESG score per internally developed model – the APG PE ESG Assessment Tool
- Manager engagement on various topics, including providing best practice and suggestions (e.g., encouragement to become UN PRI signatory, provision of ESG Data Convergence data, etc.)
- Periodic monitoring of investments for identification of severe ESG incidents (RepRisk)

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?

Not applicable.

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?

Not applicable.

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

Not applicable.

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

Not applicable.