Periodic Disclosure 2023

APG Emerging 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 Emerging Markets Equity Pool
Legal entity identifier: NM7LXPIWW7XBP5RMO417

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]:

Corporate Exclusion Policy
The Corporate Exclusion Policy applied to this product. In the reporting year, the product did not invest in companies involved in the production, sale or distribution of:

- cluster munitions;
- anti-personnel mines;
- nuclear, chemical or biological weapons;

Furthermore, in the reporting year, the product did not invest in companies involved in the production of:

- tobacco

There were no breaches of the Corporate Exclusion Policy in this product.

Corporate Inclusion Policy
The Corporate Inclusion Policy applied to this product. The portfolio managers of the investments in this 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;
- Laggards.

Sustainable Development Investments[2]
In the reporting year, this product actively sought investments which contribute to the investable UN Sustainable Development Goals (SDGs). An ambition has been set for this product to invest 7% 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 9,1% for the reference year. The SDI ambition is therefore met, before the targeted date of 2025.

[1] For more information about the Corporate Exclusion Policy, Corporate Inclusion Policy and the Sustainable Development Investments approach, please see: https://apg.nl/en/about-apg/asset-management/responsible-investment/.
[2] Please note that Sustainable Development Investments do not constitute sustainable investments as defined by SFDR.

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 – Environmental					
Indicator	*Metric*		*Explanation*	*Observations/data over the current reporting period (2023)*	*Observations/data over the prior reporting period (2022)*
PAI # 1	GHG emissions	Scope 1 and 2 GHG emissions	Scope 1 and 2 emissions of the investments in this product are measured and monitored. Reference value: this is the carbon footprint baseline value as the product is steered based on carbon footprint.	The average **GHG emission** for the portfolio, averaged over four quarters was: **3.256.779 tCO2e.**	The **GHG emission** for the portfolio per end of 2022 was **2,099,647 tCO2e.**[3]
		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: **22.093.254 tCO2e.**	Not measured in 2022
PAI # 2	Carbon footprint	Carbon footprint	Based on our carbon footprint target[4], we measure how much	The average **Carbon Footprint** for the portfolio, averaged over	The **Carbon Footprint** for the portfolio, per end of 2022 quarters was **433**

[3] The 2022 figures are adjusted compared to previous reporting period in order to improve comparability.
[4] For more information about the carbon reduction target, please see: https://apg.nl/en/about-apg/asset-management/responsible-investment/

			carbon is emitted by companies this product invests in and how much of this is attributable to these companies (scope 1+2+3).	four quarters was: **704 tCO2e/mEUR. OBV**	**tCO2e/mEUR.**[5]
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.	2.1% of the portfolio was invested in the Energy sector (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 – Social

Indicator	*Metric*		*Explanation*	*Observations over the current reporting period*	*Observations/data over the prior 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.	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 UNGC violators in the portfolio.	No investments in companies involved in violations of the UNGC principles.	**0** companies. All the companies involved in violations of the UNGC have been divested in 2022. We reviewed on any UNGC violations 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 members in investee companies, expressed as a percentage of all board members	Board gender diversity is considered through the APG Corporate Governance Framework and Voting Policy[6]. The average ratio of female to male	**499** votes against management, when electing a new board member, because of board diversity concerns.	**535** votes against management, when electing a new board member, because of board diversity concerns.

[5] The 2022 figures are adjusted compared to previous reporting period in order to improve comparability.
[6] For more information about the APG Corporate Governance Framework and Voting Policy, please see: Responsible investment, good pension in a sustainable world | APG

			board members in investee companies of this product is addressed in our voting behaviour which is based on our expectations around board composition and diversity. Reference value: there is no minimum reference value for this metric.		
PAI # 14	Exposure to controversial 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 controversial weapons. Reference value: 0 investments in companies involved in the production, sale or distribution of controversial weapons.	**0** companies. All the companies involved in the production, sale or distribution controversial weapons have been excluded from the portfolio and the benchmark.	**0** companies. All the companies involved in the production, sale or distribution controversial weapon 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.

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.

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?

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 the table at the following question: "How did the sustainability indicators perform?"

What were the top investments of this financial product?

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

#	Largest investments	Sector	Country	% Assets
1	Taiwan Semiconductor Manufacturing Co Ltd	Information Technology	Taiwan	6.9%
2	Samsung Electronics Co Ltd	Information Technology	Korea, Republic of	5.0%
3	Tencent Holdings Ltd	Communication Services	China	4.5%
4	Alibaba Group Holding Ltd	Consumer discretionary	China, Hong Kong	3.2%
5	Ping An Insurance Group Co of China Ltd	Financials	China	1.3%
6	Meituan	Consumer discretionary	China	1.3%
7	Reliance Industries Ltd	Energy	India	1.2%
8	HDFC Bank Ltd	Financials	India	1.1%
9	MediaTek Inc	Information Technology	Taiwan	1.0%
10	ICICI Bank Ltd	Financials	India	1.0%
11	SK Hynix Inc	Information Technology	Korea, Republic of	1.0%
12	Vale SA	Materials	Brazil	0.9%
13	China Construction Bank Corp	Financials	China	0.9%
14	JD.com Inc	Consumer Discretionary	China	0.8%
15	China Kweichow Moutai Winery Group Co Ltd	Consumer Staples	China	0.8%

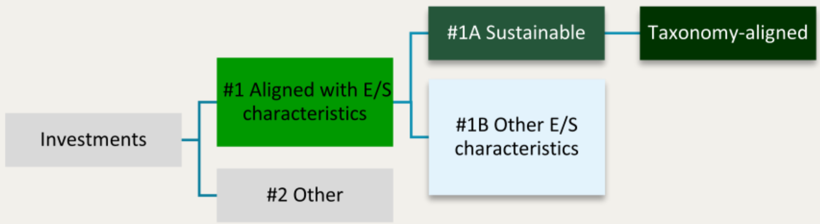
The top investments are calculated based on a quarterly average as a percentage of Net Asset Value. The country is the country of domicile.

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.



#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.

In which economic sectors were the investments made?

Sector	Subsector	% Assets
Materials		6.5%
Consumer Staples		7.2%
Energy	Oil, Gas & Consumable Fuels	2.1%
Financials		22.6%
Health Care		3.6%
Industrials		3.5%
Information Technology		29.4%
Consumer Discretionary		14.7%
Utilities		1.9%
Real Estate		2.2%
Telecommunication		1.8%
Transport		2.4%
Other		2.1%

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 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.

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.

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.

- ***Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[7]?***

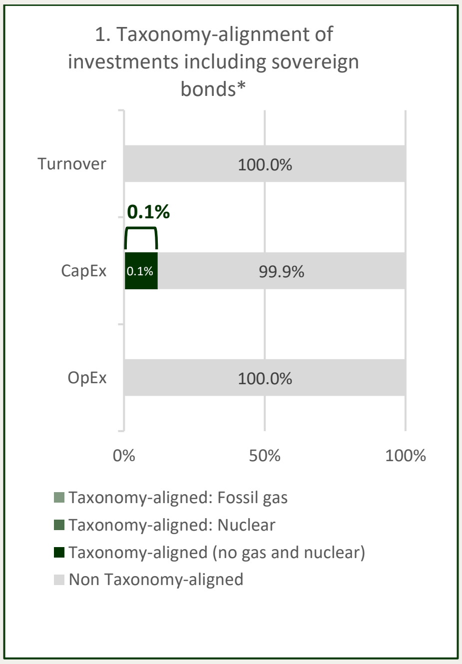
☐ Yes:

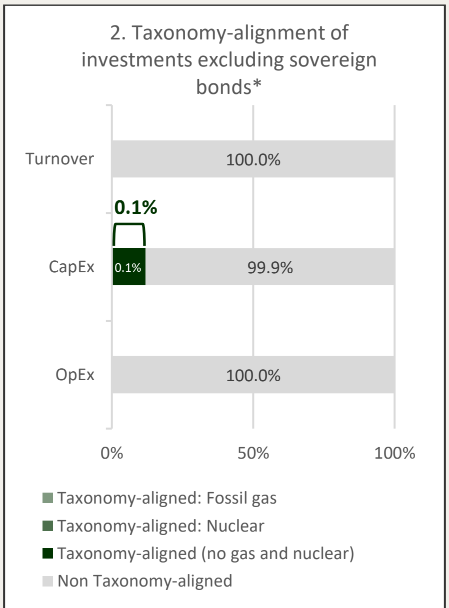
☐ In fossil gas ☐ In nuclear energy

☒ No

[7] 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**.





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.*

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 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.

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?

Derivatives, ETF's and cash. Safeguards are not applicable for these products.

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

Inclusion

- Laggards are not invested in by the investment teams;
- Laggards are engaged with by the Fundamental teams when risk and return characteristics are attractive. Fundamental teams do the stock selection based on the analysis of the intrinsic company value. When the analysis leads to an attractive risk/return profile of a laggard, the fundamental team may engage with the respective company;
- 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 have been undertaken in the reporting year. For example, APG AM is involved in industry-based engagement initiatives such as the China Solar Sector Engagement, rigorously investigating human rights related issues. The China Solar Engagement Plan was initiated in April 2023, targeting leaders in each sub-industry that has a material influence in global downstream solar power plants and rooftop solar panels.

During the reporting period, we commenced engagements with Tongwei Group, Longi Green Energy, Hangzhou First Applied Material, and Chengdu Guibao. Most companies that were visited expressed open views on human rights protection not only for their own employees but for the companies' stakeholders, which is positive from the supply chain perspective. Previously, due to the lack of awareness and transparency, many companies were unable to deliver relevant disclosures that meet APG AM's requirements.

In addition, APG AM is involved in the Climate Action 100+ for which APG AM is the lead engager for 3 companies, among which Tata Steel and Baosteel. The CA100+ BaoSteel working group was officially founded. APG AM submitted the group's first engagement strategy and plan as the lead investor, in which we emphasized the engagement objectives of: 1) aligning BaoSteel's net zero targets with 1.5°C goal under Paris Agreement, 2) linking the company's Capex with its climate-related targets, and 3) facilitating the company to commit to the principles of a Just Transition. The formal working group meetings and co-engagement activities will commence in early 2024.

In addition to the above many more engagement trajectories have been continued in 2023.

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, and companies involved in the production of tobacco is then updated and communicated with the benchmark provider and external managers.

SDI ambition
The product has been steering towards a longer term SDI ambition as per 2025 of 7% 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.

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 benchmark is adjusted based on the Corporate Exclusion Policy, and energy and utilities companies which we believe to be lagging on climate change. These policies are monitored via ongoing processes. The benchmark adjustments are effectuated on a bi-annual basis as per June 1st and December 1st.

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?

Excluded from the benchmark:
- PAI 10 and PAI 14 are completely excluded in the benchmark;
- PAI 4 is partly incorporated in the benchmark, as energy companies which are not aligned with the Paris agreement are excluded from the benchmark. Leaving out a significant part of the fossil fuel producers;

Not excluded from the benchmark:
- PAI 1, PAI 2 and PAI 13 are not part of our benchmark exclusion procedures but are promoted within the investment 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	5.64%	5.16%	0.46%

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

Period	Product performance (annualized EUR)	Benchmark market index (annualized EUR)	Excess return (annualized EUR)
YTD 2023	5.64%	6.11%	-0.47%