Periodic Disclosure 2023

APG Developed Markets Equity Minimum Volatility Pool

APG Developed Markets Equity Minimum Volatility Pool

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 Minimum Volatility Pool
Legal entity identifier: 549300X8YX6JMUFBUB48

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 0,7 % 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 promoted the following environmental and/or social characteristics[1]:

Corporate Exclusion Policy
The Corporate Exclusion Policy was 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

In the reporting year, there were no breaches of the Corporate Exclusion Policy in this product.

Corporate Inclusion Policy
The Corporate Inclusion Policy was applied to this product. Engagement takes place 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.

In the reporting year, there were no breaches in the portfolio regarding the Corporate Inclusion Policy.

Sustainable Development Investments[2]
This product monitors and reports on investments which contribute to the investable UN Sustainable Development Goals (SDGs). The value of the Sustainable Development Investments (SDIs) as percentage of total NAV of the pool was 17,9% for the reference period.

[1] For more information about the Corporate Exclusion Policy, Corporate Inclusion Policy and the Sustainable Development Investments approach, please see: Responsible investment, good pension in a sustainableworld | APG.
[2] Please note that Sustainable Development Investments do not constitute sustainable investments as defined by SFDR.

How did the sustainability indicators perform?

Sustainability Indicators

Indicator	*Metric*		*Explanation*	*Observations/ data over the current reporting period (2023)*	*Observations/ data over 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.	The average **GHG emission** for the portfolio, averaged over four quarters was: **185.622 tCO2e.**	The **GHG emission** for the portfolio, per end 2022 was: **156,891 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: **775.878 tCO2e.**	Not measured in 2022.
PAI # 2	Carbon footprint	Carbon footprint	Based on our carbon footprint target[4], we measure how much carbon is emitted by companies this product invests in and how much of this is attributable to these companies (scope 1+2+3).	The average **Carbon Footprint** for the portfolio, averaged over four quarters was: **305 tCO2e/mEUR**	The **Carbon Footprint** for the portfolio, per end of 2022 was: **219 CO2e/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.	0.4% 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	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.**

[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: [Responsible investment, good pension in a sustainable world | APG]
[5] The 2022 figures are adjusted compared to previous reporting period in order to improve comparability.

				2023 as described in the inclusion policy.	
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.	No investments were made in companies involved in violations of the UNGC principles or OECD Guidelines.	**0** companies. All the companies involved in violations of the UNGC principles or 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 members in investee companies, expressed as a percentage of all board members.	Board gender diversity is addressed through the APG Corporate Governance Framework and Voting Policy[6]. 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.	24 votes against management, when electing a new board member, because of board diversity concerns.	**109** votes against management, 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	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 sale, distribution or production of controversial weapons.	No investments were made in companies involved in the production, sale or distribution of controversial weapons.	**0** companies. All the companies involved in the production, sale or distribution of controversial weapon have been excluded

[6] For more information about the APG Corporate Governance Framework and Voting Policy, please see: Responsible investment, good pension in a sustainable world | APG.

	weapons)				from the portfolio and the benchmark. We have reviewed the universe of 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?

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.

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.

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.

How did this financial product consider principal adverse impacts on sustainability factors?

Following the inclusion policy, APG 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 titled: “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	Deutsche Telekom AG	Telecommunication	Germany	1.7%
2	Johnson & Johnson	Healthcare	United States	1.5%
3	PepsiCo Inc	Consumer Staples	United States	1.4%
4	Merck & Co Inc	Health Care	United States	1.4%
5	Waste Management Inc	Industrials	United States	1.4%
6	Cisco Systems Inc	Information Technology	United States	1.2%
7	Roche Holding AG	Healthcare	Switzerland	1.2%
8	Berkshire Hathaway Inc	Financials	United States	1.2%
9	Gilead Sciences Inc	Healthcare	United States	1.2%
10	Republic Services Inc	Industrials	United States	1.1%
11	Verizon Communications Inc	Telecommunication	United States	1.1%
12	Nippon Telegraph & Telephone Corp	Telecommunication	Japan	1.1%
13	Motorola Solutions Inc	Information Technology	United States	1.1%
14	UnitedHealth Group Inc	Healthcare	United States	1.1%
15	Softbank Corp	Telecommunication	Japan	1.1%

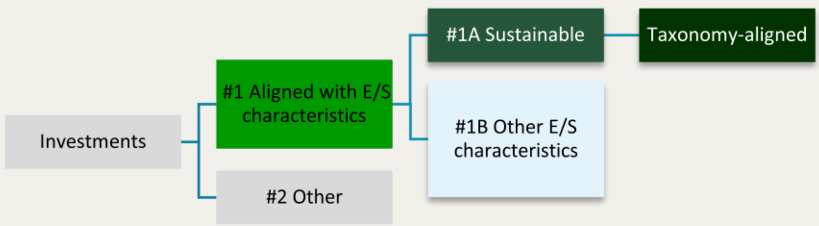
The top investments are calculated based on a quarterly average as a percentage of Net Asset Value. The country is the country of domicile.

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
Basic Materials		5.4%
Consumer Staples		11.7%
Energy	Oil, Gas & Consumable Fuels	0.4%
Financials		11.9%
Healthcare		19.0%
Industrial Companies		5.9%
Information Technology		16.1%
Consumer Discretionary		7.5%
Utilities		7.7%
Real Estate		0.7%
Telecommunication		10.1%
Transport		2.5%
Other		1.1%

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: 0.6%
- 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]?***

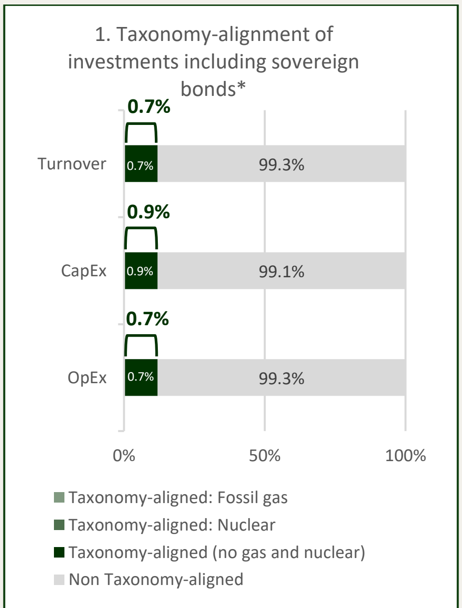
☐ Yes:

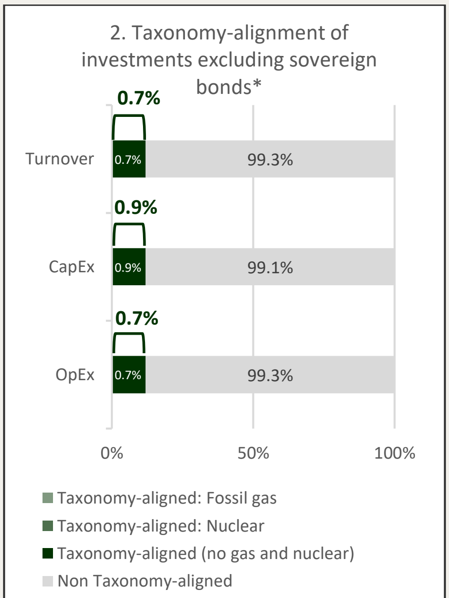
☐ In fossil gas ☐ In nuclear energy

☒ 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.

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 0.5% 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.

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 derivatives and cash.

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

Corporate Exclusion Policy
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 the production of tobacco is then updated and communicated with the benchmark provider and external managers.

Corporate Inclusion Policy
In summary, the Corporate Inclusion Policy was applied as follows:
- 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;
- The manager only invested in leaders and in non-permanent laggards with which APG engages on the issue(s) causing the laggard status.

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?

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.

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 product had a lower carbon footprint than the reference benchmark. The product met the constraints with regard to ESG Leaders and ESG Promises.

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

Period	Product performance (annualized EUR)	Benchmark performance (annualized EUR)	Excess return (annualized EUR)
2023	5.35%	5.01%	0.32%

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

Period	Product performance (annualized EUR)	Benchmark market index (MSCI World MinVol)	Excess return (annualized EUR)
2023	5.35%	5.04%	0.29%