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Approved by APG AM Investment Committee (APG AM IC) on 11 February 2021

Owner APG AM IC

Version 3

Sustainability-related disclosures of APG AM's financial products - Pools¹

June 2021

¹ This disclosure solely relates to APG AM's alternative investment funds ('Pools') and is prepared in accordance with art. 10 of the Sustainable Finance Disclosure Regulation (EU/2019/2088). Please note that, because of the draft status of the Regulatory Technical Standards of the SFDR and the missing guidelines, this disclosure reflects APG AM's best effort based on the SFDR and draft RTS text of 23 April 2020. As such, the information provided by APG AM is provided on an 'as-is' and best effort basis with no guarantees of completeness, accuracy and correct compliance in view of the SFDR and RTS.

Change log			
Version	Date	Author	Change log
1.0	10 March 2021	Project Group SFDR	First publication
2.0	1 April 2021	Project Group SFDR	Removal of specific sector information that is only prescribed by the RTS which is still in draft
3.0	1 June 2021	Project Group SFDR	Added new fund disclosure (#31 APG Developed Equities RI Index Pool)

Introduction

APG Asset Management N.V. ('**APG AM**', LEI: 549300XWC21UGFTCR876) is considered a financial market participant in accordance with the Sustainable Finance Disclosure Regulation (EU/2019/2088) (**SFDR**).

APG AM is a licensed fund manager which manages alternative investment funds and provides individual portfolio management. The alternative investment funds and mandates together reflect the **financial products** of APG AM.

This disclosure only pertains to the financial products of APG AM regarding the alternative investment funds (hereafter: '**Pools**') that (a) qualify as sustainable investment² and (b) promote environmental or social characteristics.³ The disclosures for the Mandates have been shared with the respective clients only.

A. Pools with sustainable investment as their objective

- As per 1 June 2021, APG AM does not consider any of its Pools to be a financial product with sustainable investment as its main objective under the SFDR definition. This is mainly caused by the uncertainty around the interpretation of SFDR definitions, the unavailability of the data that should substantiate the claim of being a sustainable investment, and by the draft status of the Regulatory Technical Standards of the SFDR. Where a financial product has sustainable investment as its objective, this should be demonstrated by means of the strict disclosures in the SFDR.
- While APG AM has a long history of ESG integration and actively promotes the consideration of sustainability in its investment decisions, APG AM doesn't have Pools with sustainability as its main objective. Still, APG AM would like to qualify its financial products or investments as sustainable. When there is more clarity around the Regulatory Technical Standards of the SFDR and the interpretation of what is considered a 'sustainable investment', APG AM will prioritize obtaining the required data to investigate whether the substantiation of such classification is possible.

B. Pools that promote environmental or social characteristics

- As per 1 June 2021, APG AM considers all its 31 Pools as financial products that promote environmental or social characteristics. This is because APG AM implements its clients' Responsible Investment Policies which entail excluding certain investments in accordance with the Exclusion Policy, and actively selecting ESG characteristics of investments under their Inclusion Policy.

As such, this disclosure solely contains APG AM's 31 Pools that qualify as products that promote environmental or social characteristics. This disclosure has been published by APG AM to adhere to **article 10 of the SFDR** which requires financial market participants to publish and maintain the following information on their website for all financial products that promote environmental or social characteristics:

² Also referred to in the SFDR as art. 9 products.

³ Also referred to in the SFDR as art. 8 products.

1. Description of the environmental or social characteristics or the sustainable investment objective;
2. Information on the methodologies used to assess, measure and monitor the environmental or social characteristics or the impact of the sustainable investments selected for the financial product, including its data sources, screening criteria for the underlying assets and the relevant sustainability indicators used to measure the environmental or social characteristics or the overall sustainable impact of the financial product;
3. The pre-contractual information in accordance with art. 8 SFDR;
4. The description of the extent to which environmental or social characteristics are met.

Since all these requirements are included in APG AM's precontractual disclosures in accordance with art. 8 SFDR, APG AM discloses all its art. 8 SFDR disclosures for the Pools in this document. Specifically the third obligation refers to the entire art. 8 SFDR disclosure. The remaining obligations have been addressed under "Environmental and/or social characteristics are promoted by the financial product."

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1. APG Alternative Credits Legacy Pool



JOINT COMMITTEE OF THE EUROPEAN
SUPERVISORY AUTHORITIES

Pre-contractual disclosure of a product that promotes E/S characteristics

Financial product: **APG Alternative Credits Legacy Pool**
This product has: **Environmental and/or social characteristics**

No sustainable investment objective

The APG Alternative Credits Legacy Pool (hereafter: ‘Pool’) promotes environmental or social characteristics but does not have as its main objective to be a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.



Environmental and/or social characteristics are promoted by the financial product

Environmental, social and governance risks and opportunities are an integral part of the investment processes of this Pool by means of the application of the Responsible Investment Policies of APG AM’s clients. APG AM applies these overarching policies on behalf of its clients to all investments while excluding investments involved in the production of anti-personnel mines, cluster munitions, chemical, biological or nuclear weapons, and tobacco based on the clients’ Exclusion Policy (*).

Please note that all documents marked with (*) can be found on our website under section “Sustainability-related disclosures”.⁴

The investments of this Pool are described under ‘Investment Strategy’. This Pool only contains general E/S characteristics, because of the type of investments (described under “Investment Strategy”). The general E/S characteristics and the methodologies used to assess, measure and monitor these E/C characteristics can be described as follows:



All investments in the Pool are subject to specific APG AM Implementation Guidelines which are an extension of the Responsible Investment Policies of APG AM’s clients, and which set out expectations and requirements during due diligence, negotiations and monitoring and asset management phases, as appropriate. In addition, APG AM requests Managers to have a responsible investment policy in place and to demonstrate that they consider ESG-related risks and opportunities as part of their investment process. The general basis for an RI policy are the principles of the UN Global Compact. Because we expect Managers to implement certain ESG-sensitive strategies consistent with internationally recognized standards, we request

⁴ For English: <https://apg.nl/en/about-apg/asset-management/responsible-investment/> (EN)
For Dutch: <https://apg.nl/nl/over-apg/asset-management/verantwoord-beleggen/> (NL)

	<p>contractual commitment from the Manager to operate according to best practice standards. Generally, APG AM will exclude entire investment strategies from consideration if there are ethical or legal concerns or if they are inconsistent with commonly acceptable business practice in the Netherlands.</p> <p>To measure the extent to which E/S characteristics are met, in 2021, APG AM will start to develop methods to assess the likely impacts of sustainability risks on the returns for its financial products and gain further insight into the impact of the various policy instruments, such as inclusion, exclusion and Sustainable Development Investments, on the ability to meet risk and return targets. Our aim is to be able to measure and monitor any impacts on an ongoing basis, initially for liquid investments and extending it to other asset categories at a later stage.</p>
	<p>Investment strategy</p> <p>What investment strategy does this financial product follow to meet the E/S characteristics?</p> <p>The Pool comprises a portfolio of assets that were managed to generate an enhanced return by investing in externally managed funds (each a “Portfolio Fund” and the investment manager of each Portfolio Fund, an “Underlying Manager”). Outperformance should come from past Portfolio Fund selection.</p> <p>In seeking to meet the investment objective, the Manager will distribute the proceeds that are received from Portfolio Funds that are in the process of winding down. Investments in new Portfolio Funds will not be made unless this is the direct result of a restructuring of a Portfolio Fund. Additional investments in Portfolio Funds that are part of the Pool shall only be made if these are contractually obliged or deemed, where necessary to protect an existing investment or otherwise are determined to be significantly beneficial for the Pool by the Manager on the condition that the additional investments are executed during the Transition Period.</p> <p>The Portfolio Funds of the Pool pursue a specific type of strategies. The strategy segments are defined as follows:</p> <p><u>Distressed debt & special situations</u>: Involves strategies that primarily invest in debt (securities and/or loans) of companies, local authorities, or countries that are in or near bankruptcy. Typically, distressed debt is bought at a significant discount (to par) with the intention to recover as much principal value as possible. The most common distressed debt securities are bank debt, bonds, trade claims, and common and preferred shares.</p> <p><u>Asset backed securities (ABS)</u>: Asset backed securities (ABS) are publicly issued debt instruments whose cash flows and value are derived from and collateralized by an underlying pool of debt instruments. The pool can include a variety of financial assets including residential mortgages (Residential Mortgage-Backed Securities), commercial mortgages (Commercial Mortgage-Backed Securities), bank loans (Collateralized Loan Obligations), auto loans, consumer debt, and other financial assets. The Pool is separated into tranches with different characteristics with respect to structure, subordination, collateralization, and diversification. Cash flows are paid to the investors in the tranches, with any shortfalls in payments absorbed by the subordinated tranches first.</p>

	<p><u>Specialty finance</u>: Involves strategies that typically invest in securities or loans backed by various forms of collateral, which require a high degree of sector-specific origination or underwriting experience. The majority of strategies involves collateral types secured by ‘mainstream’ assets such as residential properties, commercial properties, infrastructure assets and consumer credits. However, it can also involve strategies backed by ‘niche’ types of collateral (leasing, trade finance, shipping, and aviation) or strategies that provide (senior) financing on portfolios, assets or financial instruments.</p> <p><u>Alpha-driven credit strategies</u>: Involves relative value strategies that aim to exploit mispricing in corporate and structured credit instruments. These strategies exhibit limited market beta and focus on alpha generation using credit-related investments where leverage is typically being used to increase returns.</p> <p>E/S characteristics are integrated in the investment strategy of this Pool as described above under “Environmental and/or social characteristics are promoted by the financial product”.</p> <p>What are the binding elements for the investment selection? The Pool shall not make new investments other than those that are contractually obliged or deemed necessary where to protect an existing investment or are otherwise determined to be beneficial for the Pool by the Manager on the condition that the additional investments are executed during the Transition Period.</p> <p><u>Countries allowed</u>: Worldwide. The Pool targets primarily investments from developed countries. Countries could be excluded based on the risk framework set by the APG AM Risk Committee.</p> <p><u>Credit ratings allowed</u>: All ratings allowed. The majority of investments are non-rated due to the private nature and the lack of coverage from rating agencies. Financial instruments allowed Instruments only to be used in compliance with APG AM's Allowed Products List as annually reviewed.</p> <p><u>Currency Policy</u>: The Pool will not seek active currency positions versus the benchmark. The Pool may, where required, hold active currency positions intra-month to facilitate capital calls or distributions from underlying Portfolio Funds. Such temporary currency positions will not be considered a breach of the above active currency policy.</p> <p><u>Max positions per country/sector/rating</u>: No limits apply.</p> <p>How is the strategy implemented in the investment process on a continuous basis? The way the Responsible Investment Policies of APG AM’s clients are implemented and how ESG characteristics are integrated in the investment process is described under: “Environmental and/or social characteristics are promoted by the financial product”. Compliance with these policies is monitored on a continuous basis.</p> <p>Is there an amount of potential investments excluded, as a result of the implementation of the selection criteria?</p>
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	<p>Potential investments are excluded based on the investment strategy limitations and the implementation by APG AM of the clients' Exclusion Policy (*) as both described above.</p> <p>What is the policy to assess good governance practices of the investee companies? The way APG AM assesses good governance practices of investee companies is integral to APG AM's investment strategy to follow E/S characteristics. Therefore, APG AM's policy to assess good governance practices of investee companies is described under "Investment Strategy".</p>
	<p>Asset allocation</p> <p>What is the minimum asset allocation planned for this product? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p> <p>In which economic sectors are the investments made? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Derivatives</p> <p>Does this financial product make use of derivatives? Yes.</p> <p>If yes, how is the use of derivatives aligned with the E/S characteristics? Derivatives are used only for efficient portfolio management and risk management purposes in accordance with the Dutch Pension Act (<i>Pensioenwet</i>). Derivatives use shall comply with the Pool's counterparty policy, collateral policy, liquidity policy and market risk policy.</p>
	<p>What investments are included under "#2 Remainder"? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Do not significantly harm</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected at the end of Q1 2021.</p>
	<p>Sustainability indicators</p> <p>The sustainability indicators are assessed by means of the implementation of the Responsible Investment Policies of APG AM's clients under: "Environmental and/or social characteristics are promoted by the financial product".</p>
	<p>Website reference</p>

	<p>All information related to the sustainability-related disclosures can be found on the APG Asset Management website (*).</p>
	<p>Reference benchmark</p> <p>Is a specific index designated as a reference benchmark to determine whether this product is sustainable?</p> <p><input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Yes, however the reference benchmark is not aligned with all the environmental or sustainable characteristics. Details:</p> <p><input type="checkbox"/> Yes, the reference benchmark is aligned with each of the environmental or social characteristics promoted by the financial product. Details:</p> <p>However, in alignment with the implementation by APG AM of its clients' Exclusion Policy (*) all relevant constituents of the APG Exclusion List are excluded from the Pool.</p>

2. APG Alternative Credits Pool



European Securities and
Markets Authority



EUROPEAN
BANKING
AUTHORITY



EUROPEAN
PENSION
AND OCCUPATIONAL PENSION AUTHORITY

JOINT COMMITTEE OF THE EUROPEAN
SUPERVISORY AUTHORITIES

Pre-contractual disclosure of a product that promotes E/S characteristics

Financial product: **APG Alternative Credits Pool**
This product has: **Environmental and/or social characteristics**

No sustainable investment objective

The APG Alternative Credits Pool (hereafter: 'Pool') promotes environmental or social characteristics but does not have as its main objective to be a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.



Environmental and/or social characteristics are promoted by the financial product


Environmental, social and governance risks and opportunities are an integral part of the investment processes of this Pool by means of the application of the Responsible Investment Policies of APG AM's clients. APG AM applies these overarching policies on behalf of its clients to all investments while excluding investments involved in the production of anti-personnel mines, cluster munitions, chemical, biological or nuclear weapons, and tobacco based on the clients' Exclusion Policy (*).

Please note that all documents marked with (*) can be found on our website under section "Sustainability-related disclosures".⁵

The investments of this Pool are described under "Investment Strategy". This Pool only contains general E/S characteristics, because of the type of investments (described under 'Investment Strategy'). The general E/S characteristics and the methodologies used to assess, measure and monitor these E/C characteristics can be described as follows:


All investments in the Pool are subject to specific APG AM Implementation Guidelines which are an extension of the Responsible Investment Policies of APG AM's clients, and which set out expectations and requirements during due diligence, negotiations and monitoring and asset management phases, as appropriate. In addition, APG AM requests Managers to have a responsible investment policy in place and to demonstrate that they consider ESG-related risks and opportunities as part of their investment process. The general basis for an RI policy are the principles of the UN Global Compact. Because we expect Managers to implement certain ESG-sensitive strategies consistent with internationally recognized standards, we request contractual commitment from the Manager to operate according to best practice






⁵ For English: <https://apg.nl/en/about-apg/asset-management/responsible-investment/> (EN)
For Dutch: <https://apg.nl/nl/over-apg/asset-management/verantwoord-beleggen/> (NL)

	<p>standards. Generally, APG AM will exclude entire investment strategies from consideration if there are ethical or legal concerns or if they are inconsistent with commonly acceptable business practice in the Netherlands.</p> <p>To measure the extent to which E/S characteristics are met, in 2021, APG AM will start to develop methods to assess the likely impacts of sustainability risks on the returns for its financial products and gain further insight into the impact of the various policy instruments, such as inclusion, exclusion and Sustainable Development Investments, on the ability to meet risk and return targets. Our aim is to be able to measure and monitor any impacts on an ongoing basis, initially for liquid investments and extending it to other asset categories at a later stage.</p> <p>What APG AM already measures for this Pool is the extent of Sustainable Development Investments (SDI) in accordance with APG AM's SDI approach. Per 30 September 2020, in view of the Net Asset Value of this Pool, 0,84% of the investments in this Pool currently consist of SDIs in accordance with APG AM's SDI approach. These investments specifically relate to SDG 11 (Sustainable Cities and Communities).</p>
	<p>Investment strategy</p> <p>What investment strategy does this financial product follow to meet the E/S characteristics?</p> <p>The objective of the Pool is to provide access to a diversified portfolio of illiquid, and often private credit (non-government bonds) investments, primarily in the US and Europe, that provide attractive relative value versus public credits markets where the additional return should compensate for increased (credit) risk, complexity and illiquidity. The increased illiquidity and complexity is mostly driven by the instrument type, which can range from private (non-listed) debt exposures to fund investments with external managers. The additional return should be an adequate compensation for increased credit risk, illiquidity and complexity.</p> <p>Although it has a flexible and opportunistic investment mandate the Pool targets the following primary strategies: 1) Specialty Finance, 2) Private Credits, 3) Direct Lending, 4) Non-performing Loan, and 5) Distressed Debt & Special Situations, and 6) Alpha-driven credit strategies.</p> <p>The strategy segments are defined as follows:</p> <p>Specialty Finance: Involves strategies that typically invest in securities or loans backed by various forms of collateral, which require a high degree of sector-specific origination or underwriting experience. The majority of strategies involves collateral types secured by 'mainstream' assets such as residential properties, commercial properties, infrastructure assets and consumer credits. However, it can also involve strategies backed by 'niche' types of collateral (leasing, trade finance, shipping, and aviation) or strategies that provide (senior) financing on portfolios, assets, or financial instruments. This strategy segment is referenced against the Investment Grade part of the public market benchmark.</p> <p>Private Credits: Special situations in which debt is offered to the Manager in a private, often bilateral, manner where the Manager can exploit its competitive advantages. These can be structured credits or corporate credits. Private corporate credit</p>

	<p>opportunities are currently not in portfolio or in scope for the near-term, but the ambition is to grow this segment in the long run, subject to internal approvals. Structured credits include (synthetic) securitization tranches that expose investors to the most junior credit risk (e.g. first loss and residual tranches) of the underlying collateral portfolio. This does not include any securitization exposures that are government-guaranteed (i.e. US Agency mortgage-backed securities) which are, as such, not exposed to credit risk. This strategy segment is referenced against the High Yield part of the public market benchmark.</p> <p><u>Direct lending:</u> Private loans originated exclusively by one or a limited number of lenders with terms negotiated directly with the company. In this case the loan is not broadly syndicated by a consortium of banks to a wide group of investors but instead bilaterally negotiated between one or a limited number of investors/lenders and the company/borrower. Although these mandates can include subordinated/junior exposure, the majority is directed towards senior debt exposure. This strategy segment is referenced against the High Yield part of the public market benchmark.</p> <p><u>Non-performing loans:</u> Non-performing loans are loans that are in default or can reasonably be expected to enter default. Typically, non-performing loans bought at significant discounts (to par) after which a dedicated manager/servicer recovers as much principal value as possible. Strategies include often exposures to granular portfolios of consumer-related loans but can also involve loans secured by commercial real estate or other assets. This strategy segment is referenced against the High Yield part of the public market benchmark.</p> <p><u>Distressed debt & special situations:</u> Involves strategies that primarily invest in debt (securities and/or loans) of companies, local authorities, or countries that are in or near bankruptcy. Typically, distressed debt is bought at a significant discount (to par) with the intention to recover as much principal value as possible. The most common distressed debt securities are bank debt, bonds, trade claims, and common and preferred shares. This strategy segment is referenced against the High Yield part of the public market benchmark.</p> <p><u>Alpha-driven credit strategies:</u> Relative value strategies where the Manager aims to exploit mispricing in specific alternative credit segments. These strategies exhibit limited market beta and focus on alpha generation using credit-related investments where leverage is typically being used to increase returns. The underlying fixed income instruments or the strategies as a whole can be characterized as illiquid and complex. Other than during the build-up phase of the Pool (see under Investment Restrictions below), the Pool targets a maximum allocation to this sub-segment of 10% of the Net Asset Value.</p> <p>Portfolio construction and diversification of return drivers drive the investment process in which external manager selection is an important element. The portfolio construction is the product of a bottom-up, opportunity-driven, investment process where investments should provide attractive (relative) value versus the APG Fixed Income Credits Pool. Given the private and illiquid nature of most alternative credit investments active management (relative to its benchmark) is limited, with a buy-and-hold investment style allowing for longer investment horizons.</p>
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	<p>The Pool should be seen as having higher (than investment-grade) credit risk with a 5-year investment horizon. Investment decisions are based on in-house research and analyses supported by research and analyses from external managers.</p> <p>The Pool will not seek active duration or currency positions versus the target performance benchmark.</p> <p>E/S characteristics are integrated in the investment strategy of this Pool as described above under “Environmental and/or social characteristics are promoted by the financial product”.</p> <p>What are the binding elements for the investment selection?</p> <p>Restrictions relating to the Pool as fiscal investment institution (<i>fiscale beleggingsinstelling</i>) as defined in section 28 Dutch Corporate Income Tax Act 1969 result in particular in the following restrictions: (i) the Pool’s activities must consist of portfolio activities only, i.e. the Pool may not (partly) carry on a business and (ii) the fiscal investment institution (<i>fiscale beleggingsinstelling</i>) regime provides for specific restrictions as to the leverage of the Pool. The total debt must not exceed 60% of the tax book value of the immovable property and 20% of the book value of all other investments (shares in a subsidiary may only be leveraged with a maximum of 20%).</p> <p>Other restrictions are set out below.</p> <p>The Pool shall, either directly or indirectly, only make investments that meet the following criteria:</p> <p><u>Countries allowed:</u> Worldwide.</p> <p>The Pool targets primarily investments from developed countries. Countries could be excluded based on the risk framework set by APG AM's Risk Committee.</p> <p><u>Credit ratings allowed:</u> All ratings allowed.</p> <p>The majority of investments are non-rated due to the private nature and the lack of coverage from rating agencies.</p> <p><u>Financial instruments allowed:</u></p> <p>Instruments only to be used in compliance with APG AM's Allowed Products List as annually reviewed.</p> <p><u>Objective derivative use:</u></p> <p>Only for efficient portfolio management and risk management purposes in accordance with the Dutch Pension Act (<i>Pensioenwet</i>). Derivatives use shall comply with APG AM's counterparty policy, collateral policy, liquidity policy and market risk policy.</p> <p><u>Currency policy</u></p> <p>The Pool will not seek active currency positions versus the target performance benchmark. The Pool may, where required, hold active currency positions (Euro and USD) intramonth to facilitate capital calls or distributions from underlying portfolio funds (“Portfolio Funds”). Such temporary currency positions will not be considered a breach of the above active currency policy.</p>
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	<p><u>Max/min positions per region/instrument category/external manager/ strategy</u></p> <p>a) Region: The Pool targets primarily investments from developed countries. A maximum of 5% of the Net Asset Value can be invested in exposures from emerging market countries. Exposures from emerging markets countries should constitute a (small) part of a broader investment mandate (e.g. global distressed debt).</p> <p>b) Instrument category: The Pool will not hold more than 20% of the Net Asset Value in ‘Non-debt instruments’. An individual investment mandate shall not hold more than 50% of its net asset value in ‘Non-debt instruments’.</p> <p><u>Non-debt instruments</u> in this context means all investments in equity (or equity related) exposures and ownership of real assets. Typically, these investments are part of a distressed debt & special situation mandate with an external manager. A non-exhaustive list includes common stock, warrant, preferred convertible stock, stock options, preferred stock, stock future, and ownership of real assets.</p> <p>c) <u>External manager:</u> A maximum of 25% of the Net Asset Value can be invested with one single external manager.</p> <p>d) <u>Strategy segment:</u> The Pool targets a maximum allocation to the sub-segment Alpha-driven credit strategies (as defined above) of 10% of the Net Asset Value.</p> <p>How is the strategy implemented in the investment process on a continuous basis? The way the Responsible Investment Policies of APG AM’s clients are implemented and how ESG characteristics are integrated in the investment process is described under: “Environmental and/or social characteristics are promoted by the financial product”. Compliance with these policies is monitored on a continuous basis.</p> <p>Is there an amount of potential investments excluded, as a result of the implementation of the selection criteria? Potential investments are excluded based on the investment strategy limitations and the implementation by APG AM of the clients’ Exclusion Policy (*) as both described above.</p> <p>What is the policy to assess good governance practices of the investee companies? The way APG AM assesses good governance practices of investee companies is integral to APG AM’s investment strategy to follow E/S characteristics. Therefore, APG AM’s policy to assess good governance practices of investee companies is described under “Investment Strategy”.</p>
	<p>Asset allocation</p> <p>What is the minimum asset allocation planned for this product? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p> <p>In which economic sectors are the investments made?</p>

	<p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Derivatives</p> <p>Does this financial product make use of derivatives? Yes.</p> <p>If yes, how is the use of derivatives aligned with the E/S characteristics? Derivatives are used only for efficient portfolio management and risk management purposes in accordance with the Dutch Pension Act (<i>Pensioenwet</i>). Derivatives use shall comply with the Pool's counterparty policy, collateral policy, liquidity policy and market risk policy.</p>
	<p>What investments are included under “#2 Remainder”?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Do not significantly harm</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected at the end of Q1 2021.</p>
	<p>Sustainability indicators</p> <p>The sustainability indicators are assessed by means of the implementation of the Responsible Investment Policies of APG AM's clients under: “Environmental and/or social characteristics are promoted by the financial product”.</p>
	<p>Website reference</p> <p>All information related to the sustainability-related disclosures can be found on the APG Asset Management website (*).</p>
	<p>Reference benchmark</p> <p>Is a specific index designated as a reference benchmark to determine whether this product is sustainable?</p> <p><input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Yes, however the reference benchmark is not aligned with all the environmental or sustainable characteristics. Details:</p> <p><input type="checkbox"/> Yes, the reference benchmark is aligned with each of the environmental or social characteristics promoted by the financial product. Details:</p> <p>However, in alignment with the implementation by APG AM of its clients' Exclusion Policy (*) all relevant constituents of the APG Exclusion List are excluded from the Pool.</p>

3. APG China Fixed Income Pool



European Securities and
Markets Authority



EUROPEAN
BANKING
AUTHORITY



EUROPEAN
QUANTITATIVE
PRICING AUTHORITY

JOINT COMMITTEE OF THE EUROPEAN
SUPERVISORY AUTHORITIES

Pre-contractual disclosure of a product that promotes E/S characteristics

Financial product: **APG China Fixed Income Pool**
This product has: **Environmental and/or social characteristics**

No sustainable investment objective

The APG China Fixed Income Pool (hereafter: ‘**Pool**’) promotes environmental or social characteristics but does not have as its main objective to be a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.



Environmental and/or social characteristics are promoted by the financial product

Environmental, social and governance risks and opportunities are an integral part of the investment processes of this Pool by means of the application of the Responsible Investment Policies of APG AM’s clients. APG AM applies these overarching policies on behalf of its clients to all investments while excluding investments involved in the production of anti-personnel mines, cluster munitions, chemical, biological or nuclear weapons, and tobacco based on the clients’ Exclusion Policy (*).


Please note that all documents marked with (*) can be found on our website under section “Sustainability-related disclosures”.⁶


The E/S characteristics of this Pool are addressed in the specific policies and targets that apply to this Pool:






- Carbon reduction target & Climate Risk (*) – in which we mainly address environmental and climate risk related adverse impacts;
- Sustainable Development Investments (*) – which looks at how the products and services of our investments contribute to achieving the Sustainable Development Goals such as no poverty, zero hunger, good health and wellbeing, quality education, clean water and sanitation, affordable and clean energy, sustainable cities and communities, life on land, industry, innovation and infrastructure, responsible consumption and production, climate action, life below water, and life on land;
- Inclusion (*) – which is based on the UN Global Compact themes (human rights, labour, environment, and anti-corruption) and the expectations of investors and companies under the OECD Guidelines.

The methodologies used to assess, measure and monitor these E/C characteristics are described in the policy documents.

⁶ For English: <https://apg.nl/en/about-apg/asset-management/responsible-investment/> (EN)
For Dutch: <https://apg.nl/nl/over-apg/asset-management/verantwoord-beleggen/> (NL)

	<p>To measure the extent to which E/S characteristics are met, in 2021, APG AM will start to develop methods to assess the likely impacts of sustainability risks on the returns for its financial products and gain further insight into the impact of the various policy instruments, such as inclusion, exclusion and Sustainable Development Investments, on the ability to meet risk and return targets. Our aim is to be able to measure and monitor any impacts on an ongoing basis, initially for liquid investments and extending it to other asset categories at a later stage.</p> <p>What APG AM already measures for this Pool is the extent of Sustainable Development Investments (SDI) in accordance with APG AM's SDI approach. Per 30 September 2020, in view of the Net Asset Value of this Pool, 8,62% of the investments in this Pool currently consist of SDIs in accordance with APG AM's SDI approach. These investments specifically relate to SDG 2 (Zero Hunger, 3,47%), SDG 11 (Sustainable Cities and Communities, 3,46%) and SDG 7 (Affordable and Clean Energy, 1,69%).</p>
	<p>Investment strategy</p> <p>What investment strategy does this financial product follow to meet the E/S characteristics?</p> <p>The specific investment universe is characterized by reputational risk and limited availability of information on credit risk. This is why the investment process followed integrates environmental, social and corporate governance risks and opportunities, and relies on local external investment advice to bridge the gap in data availability for credit risk and ESG risk management. The specific focus on credit quality and ESG risks may result in a concentrated portfolio. The majority of the Pool is internally managed.</p> <p>E/S characteristics are integrated in the investment strategy of this Pool as described above under “Environmental and/or social characteristics are promoted by the financial product”.</p> <p>What are the binding elements for the investment selection?</p> <p>Restrictions relating to the Pool as fiscal investment institution (<i>fiscale beleggingsinstelling</i>) as defined in section 28 Dutch Corporate Income Tax Act 1969 result in particular in the following restrictions: (i) the Pool's activities must consist of portfolio activities only, i.e. the Pool may not (partly) carry on a business and (ii) the fiscal investment institution (<i>fiscale beleggingsinstelling</i>) regime provides for specific restrictions as to the leverage of the Pool. The total debt must not exceed 60% of the tax book value of the immovable property and 20% of the book value of all other investments (shares in a subsidiary may only be leveraged with a maximum of 20%).</p> <p>Other restrictions are set out below.</p> <p>The Pool shall, either directly or indirectly, only make investments that meet the following criteria:</p> <ul style="list-style-type: none"> – Countries allowed: Worldwide. – Sectors allowed: All sectors allowed except for Securitized (as defined below). – Issuers allowed: All issuers allowed. – Credit ratings allowed: All ratings allowed, subject to restrictions below.

	<ul style="list-style-type: none"> – Financial instruments allowed: Instruments only to be used in compliance with APG AM Allowed Products List as annually reviewed. In APG AM's Allowed Products List, Chinese structured products (securitized exposure) and derivatives covered under so-called onshore regulation, are excluded. – Currency policy: All instruments in the Pool including cash are denominated in CNY. – Derivative use: No trading of derivatives allowed. <p><u>Max/min positions per country/sector/securities/issuer:</u></p> <p>a) Countries: The market value of investments in China should be greater than 90% of the Net Asset Value.</p> <p>b) Sector: The following sectors shall be within the pre-described ranges and limits:</p> <ul style="list-style-type: none"> – Government related: Max 25% deviation of the Net Asset Value compared to the benchmark. – Corporates: Max 25% deviation of the Net Asset Value compared to the benchmark. – Cash and Treasuries: Max 10% of the Net Asset Value. – Securitized: Not allowed. <p>How is the strategy implemented in the investment process on a continuous basis? The way the Responsible Investment Policies of APG AM's clients are implemented and how ESG characteristics are integrated in the investment process is described under: "Environmental and/or social characteristics are promoted by the financial product". Compliance with these policies is monitored on a continuous basis.</p> <p>Is there an amount of potential investments excluded, as a result of the implementation of the selection criteria? Potential investments are excluded based on the investment strategy limitations and the implementation by APG AM of the clients' Exclusion Policy (*) as both described above.</p> <p>What is the policy to assess good governance practices of the investee companies? The way APG AM assesses good governance practices of investee companies is integral to APG AM's investment strategy to follow E/S characteristics. Therefore, APG AM's policy to assess good governance practices of investee companies is described under "Investment Strategy".</p>
	<p>Asset allocation</p> <p>What is the minimum asset allocation planned for this product? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p> <p>In which economic sectors are the investments made? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>

	<p>Derivatives</p> <p>Does this financial product make use of derivatives? As of 21-01-2021 no derivatives are used.</p> <p>If yes, how is the use of derivatives aligned with the E/S characteristics? -</p>
	<p>What investments are included under “#2 Remainder”? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Do not significantly harm Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected at the end of Q1 2021.</p>
	<p>Sustainability indicators The sustainability indicators are assessed by means of the implementation of the Responsible Investment Policies of APG AM's clients under: “Environmental and/or social characteristics are promoted by the financial product”.</p>
	<p>Website reference All information related to the sustainability-related disclosures can be found on the APG Asset Management website (*).</p>
	<p>Reference benchmark</p> <p>Is a specific index designated as a reference benchmark to determine whether this product is sustainable?</p> <p><input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Yes, however the reference benchmark is not aligned with all the environmental or sustainable characteristics. Details:</p> <p><input type="checkbox"/> Yes, the reference benchmark is aligned with each of the environmental or social characteristics promoted by the financial product. Details:</p> <p>However, in alignment with the implementation by APG AM of its clients' Exclusion Policy (*) all relevant constituents of the APG Exclusion List are excluded from the Pool.</p>

4. APG Commodities Pool



European Securities and
Markets Authority



EUROPEAN
BANKING
AUTHORITY



EUROPEAN
QUANTITATIVE
AND OCCUPATIONAL PENSION AUTHORITY

JOINT COMMITTEE OF THE EUROPEAN
SUPERVISORY AUTHORITIES

Pre-contractual disclosure of a product that promotes E/S characteristics

Financial product: **APG Commodities Pool**
This product has: **Environmental and/or social characteristics**

No sustainable investment objective

The APG Commodities Pool (hereafter: '**Pool**') promotes environmental or social characteristics but does not have as its main objective to be a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.



Environmental and/or social characteristics are promoted by the financial product

Environmental, social and governance risks and opportunities are an integral part of the investment processes of this Pool by means of the application of the Responsible Investment Policies of APG AM's clients. APG AM applies these overarching policies on behalf of its clients to all investments while excluding investments involved in the production of anti-personnel mines, cluster munitions, chemical, biological or nuclear weapons, and tobacco based on the clients' Exclusion Policy (*).


Please note that all documents marked with (*) can be found on our website under section "Sustainability-related disclosures".⁷


APG AM's approach to addressing specific E/S characteristics in this Pool is based on two key principles:






- Engage with exchanges and peers to support further development of minimum industry sustainability standards for material delivered against futures contracts.
- Communicate findings to other capital markets teams that hold business relations to the industry.

To measure the extent to which E/S characteristics are met, in 2021, APG AM will start to develop methods to assess the likely impacts of sustainability risks on the returns for its financial products and gain further insight into the impact of the various policy instruments, such as inclusion, exclusion and Sustainable Development Investments, on the ability to meet risk and return targets. Our aim is to be able to measure and monitor any impacts on an ongoing basis, initially for liquid investments and extending it to other asset categories at a later stage.

⁷ For English: <https://apg.nl/en/about-apg/asset-management/responsible-investment/> (EN)
For Dutch: <https://apg.nl/nl/over-apg/asset-management/verantwoord-beleggen/> (NL)

	<p>Investment strategy</p> <p>What investment strategy does this financial product follow to meet the E/S characteristics?</p> <p>The Pool seeks to outperform the benchmark by combining fundamental and quantitative (rules based) commodity investments strategies. The Pool will seek diversification by holding commodity investments in various sectors, by applying a multi-strategy approach and may use internal and external management.</p> <p>E/S characteristics are integrated in the investment strategy of this Pool as described above under “Environmental and/or social characteristics are promoted by the financial product”.</p> <p>What are the binding elements for the investment selection?</p> <p>The Pool shall, either directly or indirectly, only make investments that meet the following criteria:</p> <p><u>Countries allowed:</u> Investments are allowed on regulated exchanges globally. For the internally managed portfolio investments are only allowed on regulated exchanges located in Australia, Canada, European Union, United Kingdom and United States of America.</p> <p><u>Sectors allowed:</u> All commodity sectors.</p> <p><u>Off-benchmark investments:</u> Maximum non-benchmark commodity related exposure is limited to 20% of total exposure. Other contracts on the futures curve than included in the benchmark of the same commodity are not seen as an off-benchmark investment.</p> <p><u>Credit ratings allowed:</u> Not applicable.</p> <p><u>Financial instruments allowed:</u> Instruments only to be used in compliance with APG AM's Approved Instruments List as annually reviewed. For the internally managed portfolio T-Bills with a maximum duration of 6 months will be used for providing initial margin / collateral. The (soft) target for the average duration of the T-Bill portfolio is 3 months. Maximum 10% of the Net Asset Value of the Pool will be used to invest in T-bills.</p> <p><u>Objective derivative use:</u> Only for efficient portfolio management and risk management purposes in accordance with the Dutch Pension Act (<i>Pensioenwet</i>). Derivatives use shall comply with APG AM's counterparty policy, collateral policy, liquidity policy and market risk policy. While the use of both long and short futures and OTC positions are allowed if needed to execute the investment strategies, no resulting net short position is allowed in the underlying commodity.</p> <p><u>FX Policy</u> All active currency weights may be (partly) hedged to the benchmark currency weights.</p> <p><u>Max positions per country/sector/rating</u></p>
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	<p>a) Country: Not applicable.</p> <p>b) Sector bandwidth: Energy: Range versus the benchmark -20% / +20% Agricultural: Range versus the benchmark -15% / +10% Metals: Range versus the benchmark -10% / +10%. In addition: Agricultural: minimum 5% exposure Metals: minimum 5% exposure.</p> <p>c) Rating: Not applicable.</p> <p>For each external manager in the external commodity strategy additional, individual fund restrictions apply and limits on exposure will be reflected in the legal documentation of the individual fund.</p> <p>Liquidity Management For the internally managed portfolio investments in futures contracts will be limited to contracts with a remaining maturity of maximum 12 months. Where futures contracts are involved that settle physically at the end of their lifecycle, the Pool – where necessary - shall at all times ensure that those particular contracts are rolled over (close out of the contract that is first to expire, while entering into a futures contract with a longer maturity) in a timely manner.</p> <p>How is the strategy implemented in the investment process on a continuous basis? The way the Responsible Investment Policies of APG AM's clients are implemented and how ESG characteristics are integrated in the investment process is described under: "Environmental and/or social characteristics are promoted by the financial product". Compliance with these policies is monitored on a continuous basis.</p> <p>Is there an amount of potential investments excluded, as a result of the implementation of the selection criteria? Potential investments are excluded based on the investment strategy limitations and the implementation by APG AM of the clients' Exclusion Policy (*) as both described above.</p> <p>What is the policy to assess good governance practices of the investee companies? The way APG AM assesses good governance practices of investee companies is integral to APG AM's investment strategy to follow E/S characteristics. Therefore, APG AM's policy to assess good governance practices of investee companies is described under "Investment Strategy".</p>
	<p>Asset allocation</p> <p>What is the minimum asset allocation planned for this product? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p> <p>In which economic sectors are the investments made? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Derivatives</p>

	<p>Does this financial product make use of derivatives? Yes.</p> <p>If yes, how is the use of derivatives aligned with the E/S characteristics? Derivatives are used only for efficient portfolio management and risk management purposes in accordance with the Dutch Pension Act (<i>Pensioenwet</i>). Derivatives use shall comply with the Pool's counterparty policy, collateral policy, liquidity policy and market risk policy.</p>
	<p>What investments are included under “#2 Remainder”? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Do not significantly harm Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected at the end of Q1 2021.</p>
	<p>Sustainability indicators The sustainability indicators are assessed by means of the implementation of the Responsible Investment Policies of APG AM's clients under: “Environmental and/or social characteristics are promoted by the financial product”.</p>
	<p>Website reference All information related to the sustainability-related disclosures can be found on the APG Asset Management website (*).</p>
	<p>Reference benchmark Is a specific index designated as a reference benchmark to determine whether this product is sustainable? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, however the reference benchmark is not aligned with all the environmental or sustainable characteristics. Details: <input type="checkbox"/> Yes, the reference benchmark is aligned with each of the environmental or social characteristics promoted by the financial product. Details: However, in alignment with the implementation by APG AM of its clients' Exclusion Policy (*) all relevant constituents of the APG Exclusion List are excluded from the Pool. </p>

5. APG Developed Markets Equity Minimum Volatility Pool



European Securities and
Markets Authority



EUROPEAN
BANKING
AUTHORITY



EUROPEAN
PENSION
AND OCCUPATIONAL PENSION AUTHORITY

JOINT COMMITTEE OF THE EUROPEAN
SUPERVISORY AUTHORITIES

Pre-contractual disclosure of a product that promotes E/S characteristics

Financial product: **APG Developed Markets Equity Minimum Volatility Pool**
This product has: **Environmental and/or social characteristics**

No sustainable investment objective

The APG Developed Markets Equity Minimum Volatility Pool (hereafter: ‘Pool’) promotes environmental or social characteristics but does not have as its main objective to be a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.



Environmental and/or social characteristics are promoted by the financial product

Environmental, social and governance risks and opportunities are an integral part of the investment processes of this Pool by means of the application of the Responsible Investment Policies of APG AM’s clients. APG AM applies these overarching policies on behalf of its clients to all investments while excluding investments involved in the production of anti-personnel mines, cluster munitions, chemical, biological or nuclear weapons, and tobacco based on the clients’ Exclusion Policy (*).

Please note that all documents marked with (*) can be found on our website under section “Sustainability-related disclosures”.⁸







The E/S characteristics of this Pool are addressed in the specific policies and targets that apply to this Pool:

- Carbon reduction target & Climate Risk (*) – in which we mainly address environmental and climate risk related adverse impacts;
- Sustainable Development Investments (*) – which looks at how the products and services of our investments contribute to Sustainable Development Goals such as no poverty, zero hunger, good health and wellbeing, quality education, clean water and sanitation, affordable and clean energy, sustainable cities and communities, life on land, industry, innovation and infrastructure, responsible consumption and production, climate action, life below water, and life on land;
- Corporate Governance Framework and Voting Policy (*) – which addresses matters such as environmental, social, employee, human rights, and anti-corruption and anti-bribery through the way we vote on the annual general meetings of the companies in which we invest on behalf of our clients.

⁸ For English: <https://apg.nl/en/about-apg/asset-management/responsible-investment/> (EN)
For Dutch: <https://apg.nl/nl/over-apg/asset-management/verantwoord-beleggen/> (NL)

	<p>– <u>Inclusion</u> (*) – which is based on the UN Global Compact themes (human rights, labour, environment, and anti-corruption) and the expectations of investors and companies under the OECD Guidelines.</p> <p>The methodologies used to assess, measure and monitor these E/C characteristics are described in the policy documents.</p> <p>To measure the extent to which E/S characteristics are met, in 2021, APG AM will start to develop methods to assess the likely impacts of sustainability risks on the returns for its financial products and gain further insight into the impact of the various policy instruments, such as inclusion, exclusion and Sustainable Development Investments, on the ability to meet risk and return targets. Our aim is to be able to measure and monitor any impacts on an ongoing basis, initially for liquid investments and extending it to other asset categories at a later stage.</p> <p>What APG AM already measures for this Pool is the extent of Sustainable Development Investments (SDI) in accordance with APG AM's SDI approach. Per 30 September 2020, in view of the Net Asset Value of this Pool, 11,94% of the investments in this Pool currently consist of SDIs in accordance with APG AM's SDI approach. These investments specifically relate to SDG 3 (Good Health and Well-Being, 8,11%), SDG 9 (Industry, Innovation and Infrastructure, 1,15%), SDG 2 (Zero Hunger, 0,95%), SDG 7 (Affordable and Clean Energy, 0,81%), SDG 11 (Sustainable Cities and Communities, 0,68%), SDG 6 (Clean Water and Sanitation, 0,13%), SDG 4 (Quality Education, 0,1%) and SDG 12 (Responsible Consumption and Production, 0,01%).</p>
	<p>Investment strategy</p> <p>What investment strategy does this financial product follow to meet the E/S characteristics?</p> <p>The Pool tracks the benchmark by reducing the tracking error against the benchmark with taking into account an ESG policy (inclusion and carbon budget). The Pool will seek diversification by holding stocks in various industries and countries. In addition to internally managed strategies, the Pool may invest in strategies that are externally managed.</p> <p>E/S characteristics are integrated in the investment strategy of this Pool as described above under “Environmental and/or social characteristics are promoted by the financial product”.</p> <p>What are the binding elements for the investment selection?</p> <p>The Pool shall, either directly or indirectly, only make investments that meet the following criteria:</p> <p><u>Countries allowed:</u></p> <p>Only countries included in the Benchmark are allowed. Countries can be excluded based on risk framework set by APG AM's Risk Committee. Depositary receipts are deemed to be the country exposure of the country of incorporation of the underlying company or issuer.</p> <p><u>Sectors allowed:</u> All sectors allowed.</p>

	<p><u>Concentration limit:</u></p> <ul style="list-style-type: none"> – <i>Country limits:</i> An active country weight of maximum +5%. – <i>Sector limits:</i> An active sector weight of maximum +5%. – <i>Security limits:</i> A maximum position per issuer of benchmark weight + 2.5%. – <i>Off benchmark limit:</i> Investments in off benchmark securities should not exceed 5%; depositary receipts of benchmark names are not considered off benchmark holdings. During semi-annual index reviews investments in off benchmark securities can temporarily exceed the 5%. <p><u>Credit ratings allowed:</u> Not applicable.</p> <p><u>Financial instruments allowed:</u> Instruments only to be used in compliance with APG AM's Approved Instruments List as annually reviewed.</p> <p>As a result of mandatory corporate actions the Pool (1) may receive instruments which are not allowed according to the approved instrument list of the Pool or (2) may acquire exposure in a company that does not comply with the sector / country restrictions of the Pool Specifics but APG did not have the opportunity to choose receiving cash instead of shares. Such an event will not be classified as a breach of these specifics. The particular instrument will be sold in an orderly manner if possible. If it is not possible to sell, the participants will be informed as part of the regular reporting cycle.</p> <p><u>Objective derivative use:</u> Only for efficient portfolio management and risk management purposes in accordance with the Dutch Pension Act (<i>Pensioenwet</i>). Derivatives use shall comply with APG AM's counterparty policy, collateral policy, liquidity policy and market risk policy.</p> <p><u>FX Policy:</u> All active currency weights may be (partly) hedged to the benchmark currency weights.</p> <p>How is the strategy implemented in the investment process on a continuous basis? The way the Responsible Investment Policies of APG AM's clients are implemented and how ESG characteristics are integrated in the investment process is described under: "Environmental and/or social characteristics are promoted by the financial product". Compliance with these policies is monitored on a continuous basis.</p> <p>Is there an amount of potential investments excluded, as a result of the implementation of the selection criteria? Potential investments are excluded based on the investment strategy limitations and the implementation by APG AM of the clients' Exclusion Policy (*) as both described above.</p> <p>What is the policy to assess good governance practices of the investee companies? The way APG AM assesses good governance practices of investee companies is integral to APG AM's investment strategy to follow E/S characteristics. Therefore, APG</p>
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	AM's policy to assess good governance practices of investee companies is described under "Investment Strategy".
	<p>Asset allocation</p> <p>What is the minimum asset allocation planned for this product? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p> <p>In which economic sectors are the investments made? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Derivatives</p> <p>Does this financial product make use of derivatives? As of 21-01-2021 no derivatives are used.</p> <p>If yes, how is the use of derivatives aligned with the E/S characteristics? -</p>
	<p>What investments are included under "#2 Remainder"? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Do not significantly harm</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected at the end of Q1 2021.</p>
	<p>Sustainability indicators</p> <p>The sustainability indicators are assessed by means of the implementation of the Responsible Investment Policies of APG AM's clients under: "Environmental and/or social characteristics are promoted by the financial product".</p>
	<p>Website reference</p> <p>All information related to the sustainability-related disclosures can be found on the APG Asset Management website (*).</p>
	<p>Reference benchmark</p> <p>Is a specific index designated as a reference benchmark to determine whether this product is sustainable?</p> <p><input type="checkbox"/> No</p> <p><input checked="" type="checkbox"/> Yes, however the reference benchmark is not aligned with all the environmental or sustainable characteristics. Details:</p>

	<p><input type="checkbox"/> Yes, the reference benchmark is aligned with each of the environmental or social characteristics promoted by the financial product. Details:</p> <p>The Pool benchmark is adjusted to exclude all relevant constituents of the APG Exclusion List on the basis of the clients' Exclusion Policy as further described above.</p>
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6. APG Developed Markets Equity Pool



European Securities and
Markets Authority



JOINT COMMITTEE OF THE EUROPEAN
SUPERVISORY AUTHORITIES

Pre-contractual disclosure of a product that promotes E/S characteristics

Financial product: **APG Developed Markets Equity Pool**
This product has: **Environmental and/or social characteristics**

No sustainable investment objective

The APG Developed Markets Equity Pool (hereafter: ‘Pool’) promotes environmental or social characteristics but does not have as its main objective to be a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.



Environmental and/or social characteristics are promoted by the financial product


Environmental, social and governance risks and opportunities are an integral part of the investment processes of this Pool by means of the application of the Responsible Investment Policies of APG AM’s clients. APG AM applies these overarching policies on behalf of its clients to all investments while excluding investments involved in the production of anti-personnel mines, cluster munitions, chemical, biological or nuclear weapons, and tobacco based on the clients’ Exclusion Policy (*).


Please note that all documents marked with (*) can be found on our website under section “Sustainability-related disclosures”.⁹






The E/S characteristics of this Pool are addressed in the specific policies and targets that apply to this Pool:

- Carbon reduction target & Climate Risk (*) – in which we mainly address environmental and climate risk related adverse impacts;
- Sustainable Development Investments (*) – which looks at how the products and services of our investments contribute to achieving the Sustainable Development Goals such as no poverty, zero hunger, good health and wellbeing, quality education, clean water and sanitation, affordable and clean energy, sustainable cities and communities, life on land, industry, innovation and infrastructure, responsible consumption and production, climate action, life below water, and life on land;
- Corporate Governance Framework and Voting Policy (*) – which addresses matters such as environmental, social, employee, human rights, and anti-

⁹ For English: <https://apg.nl/en/about-apg/asset-management/responsible-investment/> (EN)
For Dutch: <https://apg.nl/nl/over-apg/asset-management/verantwoord-beleggen/> (NL)

	<p>corruption and anti-bribery through the way we vote on the annual general meetings of the companies in which we invest on behalf of our clients.</p> <ul style="list-style-type: none"> – <u>Inclusion</u> (*) – which is based on the UN Global Compact themes (human rights, labour, environment, and anti-corruption) and the expectations of investors and companies under the OECD Guidelines. <p>The methodologies used to assess, measure and monitor these E/C characteristics are described in the policy documents.</p> <p>To measure the extent to which E/S characteristics are met, in 2021, APG AM will start to develop methods to assess the likely impacts of sustainability risks on the returns for its financial products and gain further insight into the impact of the various policy instruments, such as inclusion, exclusion and Sustainable Development Investments, on the ability to meet risk and return targets. Our aim is to be able to measure and monitor any impacts on an ongoing basis, initially for liquid investments and extending it to other asset categories at a later stage.</p> <p>What APG AM already measures for this Pool is the extent of Sustainable Development Investments (SDI) in accordance with APG AM's SDI approach. Per 30 September 2020, in view of the Net Asset Value of this Pool, 16,63% of the investments in this Pool currently consist of SDIs in accordance with APG AM's SDI approach. These investments specifically relate to SDG 3 (Good Health and Well-Being, 10,2%), SDG 7 (Affordable and Clean Energy, 1,96%), SDG 9 (Industry, Innovation and Infrastructure, 1,3%), SDG 11 (Sustainable Cities and Communities, 1,25%), SDG 2 (Zero Hunger, 1,14%), SDG 12 (Responsible Consumption and Production, 0,41%), SDG 4 (Quality Education, 0,19%) and SDG 6 (Clean Water and Sanitation, 0,18%).</p>
	<p>Investment strategy</p> <p>What investment strategy does this financial product follow to meet the E/S characteristics?</p> <p>The Pool seeks to outperform the benchmark by combining fundamental and quantitative investment strategies. The Pool will seek diversification by holding stocks in various industries and countries, and by applying a multi-strategy approach both internal and external managed.</p> <p>The benchmark used by the Pool is the MSCI World index, total return (gross dividends) unhedged in Euro excluded for all constituents that are on the APG Exclusion List on the basis of product related exclusion.</p> <p>E/S characteristics are integrated in the investment strategy of this Pool as described above under "Environmental and/or social characteristics are promoted by the financial product".</p> <p>What are the binding elements for the investment selection?</p> <p>The Pool shall, either directly or indirectly, only make investments that meet the following criteria:</p> <p><u>Countries allowed:</u> A maximum of 2% of the Net Asset Value for non-benchmark country exposure. Countries can be excluded based on risk framework set by APG</p>

	<p>AM's Asset Risk Committee. Depositary receipts are deemed to be the country exposure of the country of incorporation of the underlying company or issuer.</p> <p><u>Sectors allowed:</u> All sectors allowed.</p> <p><u>Concentration limit:</u></p> <ul style="list-style-type: none"> – <i>Country limits:</i> An active country weight of maximum +5%. – <i>Sector limits:</i> An active sector weight of maximum +5%. – <i>Security limits:</i> A maximum position per issuer of benchmark weight + 2.5%. – <i>Off benchmark limit:</i> Investments in off benchmark securities should not exceed 35%; depositary receipts of benchmark names are not considered off benchmark holdings. <p><u>Credit ratings allowed:</u> Not applicable.</p> <p><u>Financial instruments allowed:</u> Instruments only to be used in compliance with APG AM's Approved Instruments List as annually reviewed. As a result of mandatory corporate actions, the DME Pool (1) may receive instruments which are not allowed according to the approved instrument list of the Pool or (2) may acquire exposure in a company that does not comply with the sector / country restrictions of the Pool Specifics but APG did not have the opportunity to choose receiving cash instead of shares. Such an event will not be classified as a breach of these specifics. The particular instrument will be sold in an orderly manner if possible. If it is not possible to sell, the participants will be informed as part of the regular reporting cycle.</p> <p>How is the strategy implemented in the investment process on a continuous basis? The way the Responsible Investment Policies of APG AM's clients are implemented and how ESG characteristics are integrated in the investment process is described under: "Environmental and/or social characteristics are promoted by the financial product". Compliance with these policies is monitored on a continuous basis.</p> <p>Is there an amount of potential investments excluded, as a result of the implementation of the selection criteria? Potential investments are excluded based on the investment strategy limitations and the implementation by APG AM of the clients' Exclusion Policy (*) as both described above.</p> <p>What is the policy to assess good governance practices of the investee companies? The way APG AM assesses good governance practices of investee companies is integral to APG AM's investment strategy to follow E/S characteristics. Therefore, APG AM's policy to assess good governance practices of investee companies is described under "Investment Strategy".</p>
	<p>Asset allocation</p> <p>What is the minimum asset allocation planned for this product? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p> <p>In which economic sectors are the investments made?</p>

	<p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Derivatives</p> <p>Does this financial product make use of derivatives? Yes.</p> <p>If yes, how is the use of derivatives aligned with the E/S characteristics? Derivatives are used only for efficient portfolio management and risk management purposes in accordance with the Dutch Pension Act (<i>Pensioenwet</i>). Derivatives use shall comply with the Pool's counterparty policy, collateral policy, liquidity policy and market risk policy.</p>
	<p>What investments are included under “#2 Remainder”?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Do not significantly harm</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected at the end of Q1 2021.</p>
	<p>Sustainability indicators</p> <p>The sustainability indicators are assessed by means of the implementation of the Responsible Investment Policies of APG AM's clients under: “Environmental and/or social characteristics are promoted by the financial product”.</p>
	<p>Website reference</p> <p>All information related to the sustainability-related disclosures can be found on the APG Asset Management website (*).</p>
	<p>Reference benchmark</p> <p>Is a specific index designated as a reference benchmark to determine whether this product is sustainable?</p> <p><input type="checkbox"/> No</p> <p><input checked="" type="checkbox"/> Yes, however the reference benchmark is not aligned with all the environmental or sustainable characteristics. Details:</p> <p><input type="checkbox"/> Yes, the reference benchmark is aligned with each of the environmental or social characteristics promoted by the financial product. Details:</p> <p>The Pool benchmark is adjusted to exclude all relevant constituents of the APG Exclusion List on the basis of the clients' Exclusion Policy as further described above.</p>

7. APG Emerging Markets Debt Pool



European Securities and
Markets Authority



JOINT COMMITTEE OF THE EUROPEAN
SUPERVISORY AUTHORITIES

Pre-contractual disclosure of a product that promotes E/S characteristics

Financial product: **APG Emerging Markets Debt Pool**
This product has: **Environmental and/or social characteristics**

No sustainable investment objective

The APG Emerging Markets Debt Pool (hereafter: ‘Pool’) promotes environmental or social characteristics but does not have as its main objective to be a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.



Environmental and/or social characteristics are promoted by the financial product


Environmental, social and governance risks and opportunities are an integral part of the investment processes of this Pool by means of the application of the Responsible Investment Policies of APG AM’s clients. APG AM applies these overarching policies on behalf of its clients to all investments while excluding investments involved in the production of anti-personnel mines, cluster munitions, chemical, biological or nuclear weapons, and tobacco based on the clients’ Exclusion Policy (*).

Please note that all documents marked with (*) can be found on our website under section “Sustainability-related disclosures”.¹⁰

The E/S characteristics of this Pool are addressed in the specific policies and targets that apply to this Pool:


- Carbon reduction target & Climate Risk (*) – in which we mainly address environmental and climate risk related adverse impacts;
- Sustainable Development Investments (*) – which looks at how the products and services of our investments contribute to achieving the Sustainable Development Goals such as no poverty, zero hunger, good health and wellbeing, quality education, clean water and sanitation, affordable and clean energy, sustainable cities and communities, life on land, industry, innovation and infrastructure, responsible consumption and production, climate action, life below water, and life on land;
- Inclusion (*) – which is based on the UN Global Compact themes (human rights, labour, environment, and anti-corruption) and the expectations of investors and companies under the OECD Guidelines.


¹⁰ For English: <https://apg.nl/en/about-apg/asset-management/responsible-investment/> (EN)
For Dutch: <https://apg.nl/nl/over-apg/asset-management/verantwoord-beleggen/> (NL)

	<p>The methodologies used to assess, measure and monitor these E/C characteristics are described in the policy documents.</p> <p>To measure the extent to which E/S characteristics are met, in 2021, APG AM will start to develop methods to assess the likely impacts of sustainability risks on the returns for its financial products and gain further insight into the impact of the various policy instruments, such as inclusion, exclusion and Sustainable Development Investments, on the ability to meet risk and return targets. Our aim is to be able to measure and monitor any impacts on an ongoing basis, initially for liquid investments and extending it to other asset categories at a later stage.</p> <p>What APG AM already measures for this Pool is the extent of Sustainable Development Investments (SDI) in accordance with APG AM's SDI approach. Per 30 September 2020, in view of the Net Asset Value of this Pool, 0,55% of the investments in this Pool currently consist of SDIs in accordance with APG AM's SDI approach. These investments specifically relate to SDG 8 (Decent Work and Economic Growth, 0,23%), SDG 1 (No Poverty, 0,13%), SDG 13 (Climate Action, 0,12%), SDG 9 (Industry, Innovation and Infrastructure, 0,05%) and SDG 7 (Affordable and Clean Energy): 0,02%).</p>
	<p>Investment strategy</p> <p>What investment strategy does this financial product follow to meet the E/S characteristics?</p> <p>The Pool is actively managed using a multi-manager approach. Individual managers and strategies are chosen on the attractiveness of their risk/reward profile to the benchmark and the ability to realise the investment objectives.</p> <p>The Pool has a strong focus on stability of the (excess) returns, with diversification of strategies and return drivers as one of the key components. Assessing concentration risk is an important part of the overall risk management, especially draw down risk. Important drivers of excess returns are: country selection, currency selection, duration positioning, sector allocation and issue selection.</p> <p>Fundamental analysis is at the heart of the top-down asset class and bottom-up country research, complemented with quantitative tools to support our qualitative assessment.</p> <p>E/S characteristics are integrated in the investment strategy of this Pool as described above under "Environmental and/or social characteristics are promoted by the financial product".</p> <p>What are the binding elements for the investment selection?</p> <p>Restrictions relating to the Pool as fiscal investment institution (<i>fiscale beleggingsinstelling</i>) as defined in section 28 Dutch Corporate Income Tax Act 1969 result in particular in the following restrictions: (i) the Pool's activities must consist of portfolio activities only, i.e. the Pool may not (partly) carry on a business and (ii) the fiscal investment institution (<i>fiscale beleggingsinstelling</i>) regime provides for specific restrictions as to the leverage of the Pool. The total debt must not exceed 60% of the tax book value of the immovable property and 20% of the book value of all other</p>

	<p>investments (shares in a subsidiary may only be leveraged with a maximum of 20%). Other restrictions are set out below.</p> <p>The Pool shall, either directly or indirectly, only make investments that meet the following criteria:</p> <p><u>Countries allowed:</u> All countries are allowed. Countries can be excluded based on the risk framework set by APG AM's Risk Committee or APG exclusion policy.</p> <p><u>Sectors allowed:</u> All sectors allowed.</p> <p><u>Credit ratings allowed:</u> All ratings allowed.</p> <p><u>Financial instruments allowed:</u> Instruments only to be used in compliance with APG AM's Approved Instruments List as annually reviewed. Exchange Traded Funds (ETFs), provided that they are used for efficient portfolio management and risk management purposes only and that the ETFs invest solely in permitted EMD fixed income sectors and products.</p> <p><u>Sukuk bonds allowed:</u> Only Sukuk issue(r)s are allowed which are either included in the benchmark or are JPM index eligible. In case the Sukuk bond is not part of the benchmark, the Manager will ascertain that the following criteria are met:</p> <ol style="list-style-type: none"> 1. it is an asset-based Sukuk, 2. the security is required to be pari-passu with comparable conventional bonds. This criterion will be inclusive of senior and subordinated securities; and 3. upon redemption of the security (whether it is a scheduled maturity or following the occurrence of an event of default) the obligor has an obligation to pay the principal. <p><u>FX policy</u> The Pool will have exposure to emerging markets' and developed markets' currencies. Hard currencies are the USD, EUR, JPY, AUD, SGD, GBP, CAD and CHF. The positions in any currency may be (partly) hedged.</p> <p><u>Objective derivative use</u> Only for efficient portfolio management and risk management purposes in accordance with the Dutch Pension Act (<i>Pensioenwet</i>). Derivatives use shall comply with APG AM's counterparty policy, collateral policy, liquidity policy and market risk policy. For the Pool, FX forwards will be used to manage the currency exposure in a cost-efficient manner, while Credit Default Swaps and Interest Rate Swaps will be used for efficient portfolio and risk management purposes of credit and duration risk respectively.</p> <p><u>Allocation Hard Currency debt versus Local Currency debt</u> The maximum deviation versus the benchmark weight of hard currency bonds versus local currency bonds is +/-10% of the Net Asset Value.</p> <p><u>Maximum deviations from the benchmark</u></p>
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	<p>At least 90% of the Net Asset Value must be invested in assets issued by Emerging Markets Issuers or that are denominated in emerging market currencies.</p> <ul style="list-style-type: none"> – Maximum country exposure: The maximum weight per emerging market country shall not be greater than the country weight in the benchmark +10%. – Maximum currency exposure: The maximum weight for a single emerging markets currency shall not be greater than the currency weight in the benchmark +/- 10% of the Net Asset Value. – Maximum duration contribution exposure: The maximum duration contribution for a single country shall not be greater than the duration contribution in the benchmark +/- 1.5 year. – Corporate exposure (excluding Quasi-Sovereigns): The maximum exposure in emerging market corporate bonds shall not be greater than the exposure in the benchmark +5%. – Sovereigns and supranational: The maximum exposure in issuers of emerging market sovereigns, quasi-sovereigns and supranational not part of the benchmark is 15% of the Net Asset Value. <p><u>Security:</u></p> <ul style="list-style-type: none"> – A maximum of 1% of the Net Asset Value can be invested in non-fixed income or non-foreign exchange securities (e.g. equity, convertibles). These products are only allowed if these are or have been part of a debt exchange offer and/or special situations strategy. Investments in junior claims in structures or funds that are primarily collateralized by fixed income related products are considered fixed income securities. – A maximum of 0.5% of the Net Asset Value can be invested in securities of a single corporate issuer. This limit does not apply to quasi-sovereign issuers. – The maximum exposure in Contingent Convertibles (Coco's) as percentage of the Net Asset Value of the portfolio shall not be greater than the exposure in the benchmark + 1.0%. <p><u>Ratings:</u></p> <p>A maximum deviation to the benchmark weight of 5% consist of securities that have a rating of CCC and lower or are non-rated according to the APG Rating methodology.</p> <p>How is the strategy implemented in the investment process on a continuous basis?</p> <p>The way the Responsible Investment Policies of APG AM's clients are implemented and how ESG characteristics are integrated in the investment process is described under: "Environmental and/or social characteristics are promoted by the financial product". Compliance with these policies is monitored on a continuous basis.</p> <p>Is there an amount of potential investments excluded, as a result of the implementation of the selection criteria?</p> <p>Potential investments are excluded based on the investment strategy limitations and the implementation by APG AM of the clients' Exclusion Policy (*) as both described above.</p> <p>What is the policy to assess good governance practices of the investee companies?</p> <p>The way APG AM assesses good governance practices of investee companies is integral to APG AM's investment strategy to follow E/S characteristics. Therefore, APG</p>
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	AM's policy to assess good governance practices of investee companies is described under "Investment Strategy".
	<p>Asset allocation</p> <p>What is the minimum asset allocation planned for this product? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p> <p>In which economic sectors are the investments made? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Derivatives</p> <p>Does this financial product make use of derivatives? Yes.</p> <p>If yes, how is the use of derivatives aligned with the E/S characteristics? Derivatives are used only for efficient portfolio management and risk management purposes in accordance with the Dutch Pension Act (<i>Pensioenwet</i>). Derivatives use shall comply with the Pool's counterparty policy, collateral policy, liquidity policy and market risk policy.</p>
	<p>What investments are included under "#2 Remainder"? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Do not significantly harm</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected at the end of Q1 2021.</p>
	<p>Sustainability indicators</p> <p>The sustainability indicators are assessed by means of the implementation of the Responsible Investment Policies of APG AM's clients under: "Environmental and/or social characteristics are promoted by the financial product".</p>
	<p>Website reference</p> <p>All information related to the sustainability-related disclosures can be found on the APG Asset Management website (*).</p>
	<p>Reference benchmark</p> <p>Is a specific index designated as a reference benchmark to determine whether this product is sustainable?</p>

	<p><input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Yes, however the reference benchmark is not aligned with all the environmental or sustainable characteristics. Details:</p> <p><input type="checkbox"/> Yes, the reference benchmark is aligned with each of the environmental or social characteristics promoted by the financial product. Details:</p> <p>However, in alignment with the implementation by APG AM of the clients' Exclusion Policy (*) all relevant constituents of the APG Exclusion List are excluded from the Pool.</p>
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8. APG Emerging Markets Equity Pool



European Securities and
Markets Authority



EUROPEAN
BANKING
AUTHORITY



EUROPEAN
PENSION
AND OCCUPATIONAL PENSION AUTHORITY

JOINT COMMITTEE OF THE EUROPEAN
SUPERVISORY AUTHORITIES

Pre-contractual disclosure of a product that promotes E/S characteristics

Financial product: **APG Emerging Markets Equity Pool**
This product has: **Environmental and/or social characteristics**

No sustainable investment objective

The APG Emerging Markets Equity Pool (hereafter: ‘Pool’) promotes environmental or social characteristics but does not have as its main objective to be a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.



Environmental and/or social characteristics are promoted by the financial product


Environmental, social and governance risks and opportunities are an integral part of the investment processes of this Pool by means of the application of the Responsible Investment Policies of APG AM’s clients. APG AM applies these overarching policies on behalf of its clients to all investments while excluding investments involved in the production of anti-personnel mines, cluster munitions, chemical, biological or nuclear weapons, and tobacco based on the clients’ Exclusion Policy (*).

Please note that all documents marked with (*) can be found on our website under section “Sustainability-related disclosures”.¹¹


The E/S characteristics of this Pool are addressed in the specific policies and targets that apply to this Pool:


- Carbon reduction target & Climate Risk (*) – in which we mainly address environmental and climate risk related adverse impacts;
- Sustainable Development Investments (*) – which looks at how the products and services of our investments contribute to achieving the Sustainable Development Goals such as no poverty, zero hunger, good health and wellbeing, quality education, clean water and sanitation, affordable and clean energy, sustainable cities and communities, life on land, industry, innovation and infrastructure, responsible consumption and production, climate action, life below water, and life on land;
- Corporate Governance Framework and Voting Policy (*) – which addresses matters such as environmental, social, employee, human rights, and anti-corruption and

¹¹ For English: <https://apg.nl/en/about-apg/asset-management/responsible-investment/> (EN)
For Dutch: <https://apg.nl/nl/over-apg/asset-management/verantwoord-beleggen/> (NL)

	<p>anti-bribery through the way we vote on the annual general meetings of the companies in which we invest on behalf of our clients.</p> <ul style="list-style-type: none"> – <u>Inclusion</u> (*) – which is based on the UN Global Compact themes (human rights, labour, environment, and anti-corruption) and the expectations of investors and companies under the OECD Guidelines. <p>The methodologies used to assess, measure and monitor these E/C characteristics are described in the policy documents.</p> <p>To measure the extent to which E/S characteristics are met, in 2021, APG AM will start to develop methods to assess the likely impacts of sustainability risks on the returns for its financial products and gain further insight into the impact of the various policy instruments, such as inclusion, exclusion and Sustainable Development Investments, on the ability to meet risk and return targets. Our aim is to be able to measure and monitor any impacts on an ongoing basis, initially for liquid investments and extending it to other asset categories at a later stage.</p> <p>What APG AM already measures for this Pool is the extent of Sustainable Development Investments (SDI) in accordance with APG AM's SDI approach. Per 30 September 2020, in view of the Net Asset Value of this Pool, 6,85% of the investments in this Pool currently consist of SDIs in accordance with APG AM's SDI approach. These investments specifically relate to SDG 3 (Good Health and Well-Being, 2,33%), SDG 4 (Quality Education, 1,29%), SDG 9 (Industry, Innovation and Infrastructure, 1,23%), SDG 7 (Affordable and Clean Energy, 0,57%), SDG 2 (Zero Hunger, 0,54%), SDG 11 (Sustainable Cities and Communities, 0,36%), SDG 6 (Clean Water and Sanitation, 0,28%) and SDG 1 (No Poverty, 0,25%).</p>
	<p>Investment strategy</p> <p>What investment strategy does this financial product follow to meet the E/S characteristics?</p> <p>The Pool will invest in a combination of investment strategies that capture the growth in emerging economies and equity markets. The Pool will seek diversification by investment philosophy and process (i.e. fundamental versus quantitative, bottom-up versus top-down), investment horizon and style (value, growth, quality). The Pool can be divided into three skill based sub-strategies: Enhanced Strategies, High Conviction Strategies and Frontier & Small Caps. The Pool seeks to outperform the benchmark by combining internally and externally managed strategies. The Pool targets to be beta and style neutral and is actively managed against the benchmark.</p> <p>E/S characteristics are integrated in the investment strategy of this Pool as described above under “Environmental and/or social characteristics are promoted by the financial product”.</p> <p>What are the binding elements for the investment selection?</p> <p>The Pool shall, either directly or indirectly, only make investments that meet the following criteria:</p> <p><u>Countries allowed</u></p> <p>All countries allowed with a maximum exposure of 5% of the Net Asset Value allowed for countries considered developed markets by MSCI. Countries can be excluded based</p>

	<p>on risk framework set by APG AM's Risk Committee. Depositary receipts are deemed to be the country exposure of the country of incorporation of the underlying company or issuer.</p> <p><u>Sectors allowed</u> All sectors allowed.</p> <p><u>Concentration limits</u> <i>Country limits:</i> An active country weight of maximum +5%. <i>Sector limits:</i> An active sector weight of maximum +5%. <i>Security limits:</i> A maximum position per issuer of benchmark weight + 2.5%. <i>Off benchmark limit:</i> Investments in off benchmark securities should not exceed 35%; depositary receipts of benchmark names are not considered off benchmark holdings.</p> <p><u>Credit ratings allowed</u> Not applicable.</p> <p><u>Financial instruments allowed</u> Instruments only to be used in compliance with APG AM's Approved Instruments List as annually reviewed. As a result of mandatory corporate actions, the Pool (1) may receive instruments which are not allowed according to the approved instrument list of the Pool or (2) may acquire exposure in a company that does not comply with the sector / country restrictions of the Pool Specifics but APG did not have the opportunity to choose receiving cash instead of shares. Such an event will not be classified as a breach of these specifics. The particular instrument will be sold in an orderly manner if possible. If it is not possible to sell, the participants will be informed as part of the regular reporting cycle.</p> <p><u>Objective derivative use</u> Only for efficient portfolio management and risk management purposes in accordance with the Dutch Pension Act (<i>Pensioenwet</i>). Derivatives use shall comply with APG AM's counterparty policy, collateral policy, liquidity policy and market risk policy.</p> <p><u>FX Policy</u> All active currency weights may be (partly) hedged to the benchmark currency weights, in general currency exposure will not be hedged.</p> <p>How is the strategy implemented in the investment process on a continuous basis? The way the Responsible Investment Policies of APG AM's clients are implemented and how ESG characteristics are integrated in the investment process is described under: "Environmental and/or social characteristics are promoted by the financial product". Compliance with these policies is monitored on a continuous basis.</p> <p>Is there an amount of potential investments excluded, as a result of the implementation of the selection criteria? Potential investments are excluded based on the investment strategy limitations and the implementation by APG AM of the clients' Exclusion Policy (*) as both described above.</p> <p>What is the policy to assess good governance practices of the investee companies?</p>
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	<p>The way APG AM assesses good governance practices of investee companies is integral to APG AM's investment strategy to follow E/S characteristics. Therefore, APG AM's policy to assess good governance practices of investee companies is described under "Investment Strategy".</p>
	<p>Asset allocation</p> <p>What is the minimum asset allocation planned for this product?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p> <p>In which economic sectors are the investments made?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Derivatives</p> <p>Does this financial product make use of derivatives?</p> <p>Yes, for less than 1%.</p> <p>If yes, how is the use of derivatives aligned with the E/S characteristics?</p> <p>Derivatives are used only for efficient portfolio management and risk management purposes in accordance with the Dutch Pension Act (<i>Pensioenwet</i>). Derivatives use shall comply with the Pool's counterparty policy, collateral policy, liquidity policy and market risk policy.</p>
	<p>What investments are included under "#2 Remainder"?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Do not significantly harm</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected at the end of Q1 2021.</p>
	<p>Sustainability indicators</p> <p>The sustainability indicators are assessed by means of the implementation of the Responsible Investment Policies of APG AM's clients under: "Environmental and/or social characteristics are promoted by the financial product".</p>
	<p>Website reference</p> <p>All information related to the sustainability-related disclosures can be found on the APG Asset Management website (*).</p>
	<p>Reference benchmark</p>

	<p>Is a specific index designated as a reference benchmark to determine whether this product is sustainable?</p> <p><input type="checkbox"/> No</p> <p><input checked="" type="checkbox"/> Yes, however the reference benchmark is not aligned with all the environmental or sustainable characteristics. Details:</p> <p><input type="checkbox"/> Yes, the reference benchmark is aligned with each of the environmental or social characteristics promoted by the financial product. Details:</p> <p>The Pool benchmark is adjusted to exclude all relevant constituents of the APG Exclusion List on the basis of the Exclusion Policy as further described above.</p>
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9. APG Euro Plus Treasuries Pool



European Securities and
Markets Authority



EUROPEAN
BANKING
AUTHORITY



EUROPEAN
PENSION
AUTHORITY

JOINT COMMITTEE OF THE EUROPEAN
SUPERVISORY AUTHORITIES


Pre-contractual disclosure of a product that promotes E/S characteristics

Financial product: **APG Euro Plus Treasuries Pool**
This product has: **Environmental and/or social characteristics**


No sustainable investment objective


The APG Euro Plus Treasuries Pool (hereafter: ‘Pool’) promotes environmental or social characteristics but does not have as its main objective to be a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.






Environmental and/or social characteristics are promoted by the financial product

	<p>Environmental, social and governance risks and opportunities are an integral part of the investment processes of this Pool by means of the application of the Responsible Investment Policies of APG AM's clients. APG AM applies these overarching policies on behalf of its clients to all investments while excluding investments involved in the production of anti-personnel mines, cluster munitions, chemical, biological or nuclear weapons, and tobacco based on the clients' Exclusion Policy (*).</p> <p>Please note that all documents marked with (*) can be found on our website under section "Sustainability-related disclosures".¹²</p> <p>The E/S characteristics of this Pool are addressed in the specific approaches that apply to this Pool:</p> <ul style="list-style-type: none"> – Sustainable Development Investments (*) – which looks at how the products and services of our investments contribute to Sustainable Development Goals such as no poverty, zero hunger, good health and wellbeing, quality education, clean water and sanitation, affordable and clean energy, sustainable cities and communities, life on land, industry, innovation and infrastructure, responsible consumption and production, climate action, life below water, and life on land; – Responsible investing is integrated in the investment process through a bottom-up country risk assessment model of willingness-to-pay (political risk) in the fundamental investment process. The ESG scores which are used in this model allocate more weight to the overall Governance factor since governance is seen as the most significant credit risk factor. Also, there is a specific focus on anti-corruption, labour standards, human rights and environment in the ESG scores. Adding ESG to our country risk analysis provides additional insights, such as, impact of social and political factors on sovereign credit risk and long-term growth prospects which influences ratings, rates and country spreads. <p>To measure the extent to which E/S characteristics are met, in 2021, APG AM will start to develop methods to assess the likely impacts of sustainability risks on the returns for its financial products and gain further insight into the impact of the various policy instruments, such as inclusion, exclusion and Sustainable Development Investments, on the ability to meet risk and return targets. Our aim is to be able to measure and monitor any impacts on an ongoing basis, initially for liquid investments and extending it to other asset categories at a later stage.</p> <p>What APG AM already measures for this Pool is the extent of Sustainable Development Investments (SDI) in accordance with APG AM's SDI approach. Per 30 September 2020, in view of the Net Asset Value of this Pool, 3,56% of the investments in this Pool currently consist of SDIs in accordance with APG AM's SDI approach. These investments specifically relate to SDG 7 (Affordable and Clean Energy, 1,41%), SDG 11 (Sustainable Cities and Communities, 1,24%), SDG 1 (No Poverty, 0,27%), SDG 3 (Good Health and Well-Being, 0,25%), SDG 2 (Zero Hunger, 0,21%) and SDG 9 (Industry, Innovation and Infrastructure, 0,18%).</p>
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¹² For English: <https://apg.nl/en/about-apg/asset-management/responsible-investment/> (EN)
For Dutch: <https://apg.nl/nl/over-apg/asset-management/verantwoord-beleggen/> (NL)

	<p>Investment strategy</p> <p>What investment strategy does this financial product follow to meet the E/S characteristics?</p> <p>Active management is in charge of capital preservation and cost-effective and efficient portfolio management. The portfolio is internally managed and will mainly invest in government bonds and government related debt.</p> <p>E/S characteristics are integrated in the investment strategy of this Pool as described above under “Environmental and/or social characteristics are promoted by the financial product”.</p> <p>What are the binding elements for the investment selection?</p> <p>Restrictions relating to the Pool as fiscal investment institution (<i>fiscale beleggingsinstelling</i>) as defined in section 28 Dutch Corporate Income Tax Act 1969 result in particular in the following restrictions: (i) the Pool’s activities must consist of portfolio activities only, i.e. the Pool may not (partly) carry on a business and (ii) the fiscal investment institution (<i>fiscale beleggingsinstelling</i>) regime provides for specific restrictions as to the leverage of the Pool. The total debt must not exceed 60% of the tax book value of the immovable property and 20% of the book value of all other investments (shares in a subsidiary may only be leveraged with a maximum of 20%). Other restrictions are set out below.</p> <p>The Pool shall, either directly or indirectly, only make investments that meet the following criteria:</p> <p><u>Countries allowed:</u> Worldwide. Countries assessed by APG AM Emerging Markets Country Risk policy as Emerging Markets that are not part of the benchmark universe are not allowed.</p> <p><u>Sectors allowed</u> Classification for all issuers is based on the Bloomberg Barclays Global Sector Classification Scheme also for issuers not included in Bloomberg Barclays benchmarks. The following class 1 sectors are allowed: Treasuries and Government-Related.</p> <p><u>Issuers allowed</u> All treasuries and government related issuers allowed.</p> <p><u>Credit ratings allowed</u> Issuers are allowed with a credit rating BB or higher when added to the portfolio.</p> <p><u>Financial instruments allowed</u> Instruments only to be used in compliance with APG AM's Approved Instruments List as annually reviewed. Euro denominated instruments minimum 50% (net, as percentage of the Pool's Net Asset Value).</p> <p><u>Objective derivative use</u> Only for efficient portfolio management and risk management purposes in accordance with the Dutch Pension Act (<i>Pensioenwet</i>). Derivatives use shall comply with APG AM's counterparty policy, collateral policy, liquidity policy and market risk policy.</p>
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	<p><u>Max positions per country/securities/derivatives/rating/FX-policy</u></p> <ul style="list-style-type: none"> a) Country: For a country with above average credit risk, the relative overweight of this country and the sum of issuers from this specific country of risk is maximized at 2% versus the benchmark. Above average credit risk is defined as a credit rating below the average benchmark rating or with a higher CDS-spread versus the average benchmark CDS-spread. Countries could be excluded based on the risk framework set by APG AM's Risk Committee. b) Securities: 80% of the portfolio's market value should consist of securities that have the same issuer as the benchmark. Issuers not included in the benchmark are maximized at 2% of Net Asset Value. c) Derivatives: The absolute notional of the derivatives exposure should be less than 100% of the Net Asset Value. This notional also captures the structural FX-forward exposures. d) Rating: The weighted average rating factor (WARF) is a numerical representation of the credit risk of a portfolio. The Pool's WARF shall not exceed the benchmark's WARF by more than an amount equal to 1 rating notch. Maximum 10% of the Pool's Net Asset Value consist of securities that have an internal rating. Internal ratings are used when Moody's, S&P or Fitch do not provide a rating. e) FX-policy: Currency risk is minimized. As currency hedging forms an integral part of the strategy, the Pool's EUR exposure should be within the 95%-105% range of Net Asset Value. The absolute netted exposure per foreign currency in the Pool versus the absolute netted exposure per foreign currency of the benchmark should not exceed 0.5% of the Net Asset Value. <p>How is the strategy implemented in the investment process on a continuous basis? The way the Responsible Investment Policies of APG AM's clients are implemented and how ESG characteristics are integrated in the investment process is described under: "Environmental and/or social characteristics are promoted by the financial product". Compliance with these policies is monitored on a continuous basis.</p> <p>Is there an amount of potential investments excluded, as a result of the implementation of the selection criteria? Potential investments are excluded based on the investment strategy limitations and the implementation by APG AM of the clients' Exclusion Policy (*) as both described above.</p> <p>What is the policy to assess good governance practices of the investee companies? The way APG AM assesses good governance practices of investee companies is integral to APG AM's investment strategy to follow E/S characteristics. Therefore, APG AM's policy to assess good governance practices of investee companies is described under "Investment Strategy".</p>
	<p>Asset allocation</p> <p>What is the minimum asset allocation planned for this product? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p> <p>In which economic sectors are the investments made?</p>

	Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.
	<p>Derivatives</p> <p>Does this financial product make use of derivatives? Yes, for less than 1%.</p> <p>If yes, how is the use of derivatives aligned with the E/S characteristics? Derivatives are used only for efficient portfolio management and risk management purposes in accordance with the Dutch Pension Act (<i>Pensioenwet</i>). Derivatives use shall comply with the Pool's counterparty policy, collateral policy, liquidity policy and market risk policy.</p>
	<p>What investments are included under “#2 Remainder”?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Do not significantly harm</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected at the end of Q1 2021.</p>
	<p>Sustainability indicators</p> <p>The sustainability indicators are assessed by means of the implementation of the Responsible Investment Policies of APG AM's clients under: “Environmental and/or social characteristics are promoted by the financial product”.</p>
	<p>Website reference</p> <p>All information related to the sustainability-related disclosures can be found on the APG Asset Management website (*).</p>
	<p>Reference benchmark</p> <p>Is a specific index designated as a reference benchmark to determine whether this product is sustainable?</p> <p><input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Yes, however the reference benchmark is not aligned with all the environmental or sustainable characteristics. Details:</p> <p><input type="checkbox"/> Yes, the reference benchmark is aligned with each of the environmental or social characteristics promoted by the financial product. Details:</p> <p>However, in alignment with the implementation by APG AM of its clients' Exclusion Policy (*) all relevant constituents of the APG Exclusion List are excluded from the Pool.</p>

10. APG Fixed Income Credits Pool



European Securities and
Markets Authority



EUROPEAN
BANKING
AUTHORITY



EUROPEAN
PENSION
AND OCCUPATIONAL PENSION AUTHORITY

JOINT COMMITTEE OF THE EUROPEAN
SUPERVISORY AUTHORITIES

Pre-contractual disclosure of a product that promotes E/S characteristics

Financial product: **APG Fixed Income Credits Pool**
This product has: **Environmental and/or social characteristics**

No sustainable investment objective

The APG Fixed Income Credits Pool (hereafter: ‘Pool’) promotes environmental or social characteristics but does not have as its main objective to be a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.



Environmental and/or social characteristics are promoted by the financial product


Environmental, social and governance risks and opportunities are an integral part of the investment processes of this Pool by means of the application of the Responsible Investment Policies of APG AM’s clients. APG AM applies these overarching policies on behalf of its clients to all investments while excluding investments involved in the production of anti-personnel mines, cluster munitions, chemical, biological or nuclear weapons, and tobacco based on the clients’ Exclusion Policy (*).

Please note that all documents marked with (*) can be found on our website under section “Sustainability-related disclosures”.¹³



The E/S characteristics of this Pool are addressed in the specific policies and targets that apply to this Pool:





- Carbon reduction target & Climate Risk (*) – in which we mainly address environmental and climate risk related adverse impacts;
- Sustainable Development Investments (*) – which looks at how the products and services of our investments contribute to achieving the Sustainable Development Goals such as no poverty, zero hunger, good health and wellbeing, quality education, clean water and sanitation, affordable and clean energy, sustainable cities and communities, life on land, industry, innovation and infrastructure, responsible consumption and production, climate action, life below water, and life on land;
- Inclusion (*) – which is based on the UN Global Compact themes (human rights, labour, environment, and anti-corruption) and the expectations of investors and companies under the OECD Guidelines.

¹³ For English: <https://apg.nl/en/about-apg/asset-management/responsible-investment/> (EN)
For Dutch: <https://apg.nl/nl/over-apg/asset-management/verantwoord-beleggen/> (NL)

	<p>The methodologies used to assess, measure and monitor these E/C characteristics are described in the policy documents.</p> <p>To measure the extent to which E/S characteristics are met, in 2021, APG AM will start to develop methods to assess the likely impacts of sustainability risks on the returns for its financial products and gain further insight into the impact of the various policy instruments, such as inclusion, exclusion and Sustainable Development Investments, on the ability to meet risk and return targets. Our aim is to be able to measure and monitor any impacts on an ongoing basis, initially for liquid investments and extending it to other asset categories at a later stage.</p> <p>What APG AM already measures for this Pool is the extent of Sustainable Development Investments (SDI) in accordance with APG AM's SDI approach. Per 30 September 2020, in view of the Net Asset Value of this Pool, 23,7% of the investments in this Pool currently consist of SDIs in accordance with APG AM's SDI approach. These investments specifically relate to SDG 11 (Sustainable Cities and Communities, 8,27%), SDG 7 (Affordable and Clean Energy, 6,09%), SDG 3 (Good Health and Well-Being, 5,27%), SDG 9 (Industry, Innovation and Infrastructure, 1,35%), SDG 1 (No Poverty, 0,81%), SDG 13 (Climate Action, 0,55%), SDG 8 (Decent Work and Economic Growth, 0,5%), SDG 6 (Clean Water and Sanitation, 0,25%), SDG 2 (Zero Hunger, 0,21%), SDG 12 (Responsible Consumption and Production, 0,17%), SDG 14 (Life Below Water, 0,09%), SDG 4 (Quality Education, 0,08%) and SDG 10 (Reduced Inequalities, 0,06%).</p>
	<p>Investment strategy</p> <p>What investment strategy does this financial product follow to meet the E/S characteristics?</p> <p>Bottom-up issue selection is combined with top-down duration management and sector allocation. Diversification of return and alpha sources is an essential element of the investment process. The Pool is actively managed relative to its benchmark.</p> <p>The Pool should be seen as having moderate risk with a 3-5 year investment horizon. Investment decisions are based largely on in-house research and analyses.</p> <p>The majority of the Pool is managed internally.</p> <p>E/S characteristics are integrated in the investment strategy of this Pool as described above under "Environmental and/or social characteristics are promoted by the financial product".</p> <p>What are the binding elements for the investment selection?</p> <p>Restrictions relating to the Pool as fiscal investment institution (<i>fiscale beleggingsinstelling</i>) as defined in section 28 Dutch Corporate Income Tax Act 1969 result in particular in the following restrictions: (i) the Pool's activities must consist of portfolio activities only, i.e. the Pool may not (partly) carry on a business and (ii) the fiscal investment institution (<i>fiscale beleggingsinstelling</i>) regime provides for specific restrictions as to the leverage of the Pool. The total debt must not exceed 60% of the tax book value of the immovable property and 20% of the book value of all other investments (shares in a subsidiary may only be leveraged with a maximum of 20%). Other restrictions are set out below.</p>

	<p>The Pool shall, either directly or indirectly, only make investments that meet the following criteria:</p> <p><u>Countries allowed</u> Worldwide.</p> <p><u>Currency denomination</u></p> <ul style="list-style-type: none"> – A maximum USD denominated bond exposures of benchmark weight + 10% of the Net Asset Value. – A maximum EUR denominated bond exposures of benchmark weight + 10% of the Net Asset Value. – A maximum sum of bond exposures denominated in other developed market currencies of benchmark weight + 10% of the Net Asset Value. <p><u>Sectors allowed</u> All sectors allowed, subject to restrictions below.</p> <p><u>Issuers allowed</u> All issuers allowed.</p> <p><u>Credit ratings allowed</u> All ratings allowed, subject to restrictions below.</p> <p><u>Financial instruments allowed</u> Instruments only to be used in compliance with APG AM's Allowed Products List as annually reviewed. Exchange Traded Funds (ETFs), provided that they are used for efficient portfolio management and risk management purposes only and that the ETFs invest solely in permitted fixed income sectors and products.</p> <p><u>Currency policy</u> Max 0.5% deviation per currency from the currency distribution of the benchmark. The total open FX exposure of the Pool relative to the benchmark is not capped in aggregate but per currency. The benchmark is unhedged: it contains USD and European currency exposures (primarily EUR and GBP). The policy is to hedge all currencies to the same currency distribution as the benchmark.</p> <p><u>Objective derivative use</u> Only for efficient portfolio management and risk management purposes in accordance with the Dutch Pension Act (<i>Pensioenwet</i>). Derivatives use shall comply with APG AM's counterparty policy, collateral policy, liquidity policy and market risk policy.</p> <p><u>Max/min positions per country/sector/rating</u></p> <p>a) Country: Countries could be excluded based on the risk framework set by APG AM's Risk Committee.</p> <p>b) Sector: The following sectors shall be within the pre-described ranges and limits: Spread Sectors: min. 90% of the Net Asset Value 1.1 Securitized: benchmark weight + or -/ 15% of the Net Asset Value</p>
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	<p>1.2 Corporates: benchmark weight + or -/- 15% of the Net Asset Value 1.3 Government-related: benchmark weight + or -/- 20% of the Net Asset Value 2 Cash and Treasuries: max 10% of the Net Asset Value</p> <p>In addition to the above-mentioned sector limits, the Pool will not hold more than 0.5% of its Net Asset Value in equity or equity-like investments. Equity products should be related to distressed debt and/or special situations investments. This also includes investments in the most junior claims in structures or funds that invest in fixed income related products.</p> <p>How is the strategy implemented in the investment process on a continuous basis? The way the Responsible Investment Policies of APG AM's clients are implemented and how ESG characteristics are integrated in the investment process is described under: "Environmental and/or social characteristics are promoted by the financial product". Compliance with these policies is monitored on a continuous basis.</p> <p>Is there an amount of potential investments excluded, as a result of the implementation of the selection criteria? Potential investments are excluded based on the investment strategy limitations and the implementation by APG AM of the clients' Exclusion Policy (*) as both described above.</p> <p>What is the policy to assess good governance practices of the investee companies? The way APG AM assesses good governance practices of investee companies is integral to APG AM's investment strategy to follow E/S characteristics. Therefore, APG AM's policy to assess good governance practices of investee companies is described under "Investment Strategy".</p>
	<p>Asset allocation</p> <p>What is the minimum asset allocation planned for this product? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p> <p>In which economic sectors are the investments made? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Derivatives</p> <p>Does this financial product make use of derivatives? Yes.</p> <p>If yes, how is the use of derivatives aligned with the E/S characteristics? Derivatives are used only for efficient portfolio management and risk management purposes in accordance with the Dutch Pension Act (<i>Pensioenwet</i>). Derivatives use shall comply with the Pool's counterparty policy, collateral policy, liquidity policy and market risk policy.</p>

	<p>What investments are included under “#2 Remainder”?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Do not significantly harm</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected at the end of Q1 2021.</p>
	<p>Sustainability indicators</p> <p>The sustainability indicators are assessed by means of the implementation of the Responsible Investment Policies of APG AM's clients under: “Environmental and/or social characteristics are promoted by the financial product”.</p>
	<p>Website reference</p> <p>All information related to the sustainability-related disclosures can be found on the APG Asset Management website (*).</p>
	<p>Reference benchmark</p> <p>Is a specific index designated as a reference benchmark to determine whether this product is sustainable?</p> <p><input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Yes, however the reference benchmark is not aligned with all the environmental or sustainable characteristics. Details:</p> <p><input type="checkbox"/> Yes, the reference benchmark is aligned with each of the environmental or social characteristics promoted by the financial product. Details:</p> <p>However, in alignment with the implementation by APG AM of its clients' Exclusion Policy (*) all relevant constituents of the APG Exclusion List are excluded from the Pool.</p>

11. APG Hedge Funds Pool



European Securities and
Markets Authority



EUROPEAN
BANKING
AUTHORITY



EUROPEAN
PENSION
AND OCCUPATIONAL PENSION AUTHORITY

JOINT COMMITTEE OF THE EUROPEAN
SUPERVISORY AUTHORITIES

Pre-contractual disclosure of a product that promotes E/S characteristics

Financial product: **APG Hedge Funds Pool**

This product has: **Environmental and/or social characteristics**

No sustainable investment objective

The APG Hedge Funds Pool (hereafter: ‘Pool’) promotes environmental or social characteristics but does not have as its main objective to be a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.



Environmental and/or social characteristics are promoted by the financial product


Environmental, social and governance risks and opportunities are an integral part of the investment processes of this Pool by means of the application of the Responsible Investment Policies of APG AM’s clients. APG AM applies these overarching policies on behalf of its clients to all investments while excluding investments involved in the production of anti-personnel mines, cluster munitions, chemical, biological or nuclear weapons, and tobacco based on the clients’ Exclusion Policy (*).

Please note that all documents marked with (*) can be found on our website under section “Sustainability-related disclosures”.¹⁴

The investments of this Pool are described under ‘Investment Strategy’. This Pool only contains general E/S characteristics, because of the type of investments (described under ‘Investment Strategy’). The general E/S characteristics and the methodologies used to assess, measure and monitor these E/C characteristics can be described as follows:

All investments in the Pool are subject to specific APG AM Implementation Guidelines which are an extension of the Responsible Investment Policies of APG AM’s clients. All Managers are expected to implement the Exclusion Policy. In addition, certain managers such as those that conduct fundamental analyses of securities are required to have a responsible investment policy in place and to demonstrate that they consider ESG-related risks and opportunities as part of their investment process. A Manager who maintains holdings in an investee company over a medium to longer term period is expected to have and implement a voting policy which addresses ESG issues in both equities and fixed income, as applicable. Generally, APG AM will exclude entire investment strategies from consideration if they are ethically or legally

¹⁴ For English: <https://apg.nl/en/about-apg/asset-management/responsible-investment/> (EN)
For Dutch: <https://apg.nl/nl/over-apg/asset-management/verantwoord-beleggen/> (NL)

	<p>questionable or are inconsistent with commonly acceptable business practice in the Netherlands. Sustainable development investments are also tracked.</p> <p>To measure the extent to which E/S characteristics are met, in 2021, APG AM will start to develop methods to assess the likely impacts of sustainability risks on the returns for its financial products and gain further insight into the impact of the various policy instruments, such as inclusion, exclusion and Sustainable Development Investments, on the ability to meet risk and return targets. Our aim is to be able to measure and monitor any impacts on an ongoing basis, initially for liquid investments and extending it to other asset categories at a later stage.</p>
	<p>Investment strategy</p> <p>What investment strategy does this financial product follow to meet the E/S characteristics?</p> <p>The Pool comprises a portfolio of assets that were managed to generate an enhanced return by mainly investing in single hedge funds, but also in funds, and co-investments (each a "Portfolio Fund" and the investment manager of each Portfolio Fund, an "Underlying Manager"). Outperformance should come from past Portfolio Fund selection.</p> <p>In seeking to meet the investment objective, the Manager will distribute the proceeds that are received from Portfolio Funds that are in the process of winding down. Investments in new Portfolio Funds will not be made, unless this is the direct result of a restructuring of a Portfolio Fund and the investment is not higher than the previously invested amount in the respective Portfolio Fund. Additional investments in Portfolio Funds that are part of the Pool shall only be made if these are contractually obliged or deemed, where necessary to protect an existing investment or otherwise are determined to be beneficial for the wind down of the Pool by the Manager.</p> <p>The Portfolio Funds of the Pool pursue a variety of strategies. Some of the strategies currently pursued by these Portfolio Funds may include:</p> <p>Distressed: strategies that primarily invest in the debt securities of companies or sovereign countries that are undergoing or are likely to go through bankruptcy or other restructuring due to high levels of debt that they cannot pay back or refinance. These strategies also include opportunities in non-performing loans, which are most often collateralized by commercial real estate or other assets.</p> <p>Credit RV: strategies that broadly focus on exploiting mispricing in corporate credit instruments, including bonds, loans, and derivatives such as credit default swaps.</p> <p>Quant Equity: funds that employ an equity long/short strategy in a systematic way, with little to no discretion in the underlying portfolio construction.</p> <p>Equity Long/Short: funds that primarily invest in the liquid, listed equities of companies. Managers typically conduct a bottom-up research process to identify companies that they believe are trading above or below their perceived view of the fundamental value of the company.</p>

	<p>Asset Backed Securities (ABS): funds that seek to identify mispricing in complex securities that are collateralized by pools of other assets.</p> <p>Arbitrage and Event: strategies that exploit mispricing in equity, debt, or option instruments that can arise around corporate transactions, including M&A (mergers and acquisitions), IPOs/FOs (initial public offerings/follow-on offerings), and other corporate actions.</p> <p>RV Fixed Income: funds that exploit relative value (RV) mispricing among liquid fixed income instruments (typically ones with low credit risk), often using significant leverage.</p> <p>Global Macro: funds that trade a broad range of strategies predicated on movements in underlying economic variables and the impact these have on global equity, fixed income, currency and commodity markets. Managers can employ a variety of techniques, both discretionary and systematic analysis, combinations of top down and bottom-up theses, quantitative and fundamental targets and long, medium-, and short-term holding periods.</p> <p>Specialty Finance: funds that typically invest in securities or loans backed by various forms of niche collateral and that require a high degree of industry-specific underwriting expertise. Collateral can vary greatly but may include assets such as intellectual property (TV/film content or pharmaceuticals), aviation and energy.</p> <p>Insurance/Weather: funds that sell protection against weather events or natural catastrophes such as hurricanes and earthquakes to property insurers/reinsurers.</p> <p>Trend Following: funds that exploit the persistent phenomenon of momentum in asset returns, i.e., the relationship between an asset's recent returns with its future returns.</p> <p>E/S characteristics are integrated in the investment strategy of this Pool as described above under “Environmental and/or social characteristics are promoted by the financial product”.</p> <p>What are the binding elements for the investment selection? The Pool shall not make new investments other than those that are contractually obliged or deemed necessary where to protect an existing investment or are otherwise determined to be beneficial for the Pool by the Manager. Investments shall meet the following criteria:</p> <p><u>Countries allowed:</u> All countries allowed. <u>Sectors allowed:</u> All sectors allowed.</p> <p><u>Credit ratings allowed</u> The Portfolio Funds in which the Pool invests are typically unrated. There are generally no credit rating-based restrictions placed on the Portfolio Funds, and these funds typically invest in companies and instruments of any (or no) credit ratings.</p> <p><u>Financial instruments allowed</u></p>
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	<p>The Pool generally holds equity or debt investments in Portfolio Funds. Each Portfolio Fund's investment strategy, as well as the types of financial instruments permitted, is specified in such Portfolio Fund's legal documentation, although it is typical that a Portfolio Fund may invest in a broad or unlimited range of financial instruments.</p> <p><u>Objective derivative use</u> While the Pool currently does not invest in derivatives it may generally invest in derivatives subject to legal limitations and limitations in any Portfolio Fund's legal documentation.</p> <p><u>FX Policy</u> The Pool is denominated in United States dollars and typically makes USD denominated investments in Portfolio Funds. Each Portfolio Fund may generally invest in assets and securities in currencies other than USD (including without limitation developed market and non-developed market currencies), subject to limitations in any Portfolio Fund's legal documentation.</p> <p><u>Max positions per country/sector/rating</u> <i>Pool Level Restrictions</i> No limits apply.</p> <p><i>Individual Portfolio Fund Restrictions</i> Any limits on exposure generally will be reflected in the legal documentation of an individual Portfolio Fund. While some Portfolio Funds do have contractual limits on certain permitted exposure (including for example geographical limitations, limitations related to sector or limitations related to counterparty ratings), most Portfolio Funds do not contain any such legal limitations and instead rely on the internal risk management and portfolio construction techniques of the hedge fund manager to set and monitor any such limitations.</p> <p>How is the strategy implemented in the investment process on a continuous basis? The way the Responsible Investment Policies of APG AM's clients are implemented and how ESG characteristics are integrated in the investment process is described under: "Environmental and/or social characteristics are promoted by the financial product". Compliance with these policies is monitored on a continuous basis.</p> <p>Is there an amount of potential investments excluded, as a result of the implementation of the selection criteria? Potential investments are excluded based on the investment strategy limitations and the implementation by APG AM of the clients' Exclusion Policy (*) as both described above.</p> <p>What is the policy to assess good governance practices of the investee companies? The way APG AM assesses good governance practices of investee companies is integral to APG AM's investment strategy to follow E/S characteristics. Therefore, APG AM's policy to assess good governance practices of investee companies is described under "Investment Strategy".</p>
	<p>Asset allocation What is the minimum asset allocation planned for this product?</p>

	<p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p> <p>In which economic sectors are the investments made?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Derivatives</p> <p>Does this financial product make use of derivatives?</p> <p>As of 21-01-2021 no derivatives are used on Pool level.</p> <p>If yes, how is the use of derivatives aligned with the E/S characteristics?</p> <p>-</p>
	<p>What investments are included under “#2 Remainder”?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Do not significantly harm</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected at the end of Q1 2021.</p>
	<p>Sustainability indicators</p> <p>The sustainability indicators are assessed by means of the implementation of the Responsible Investment Policies of APG AM's clients under: “Environmental and/or social characteristics are promoted by the financial product”.</p>
	<p>Website reference</p> <p>All information related to the sustainability-related disclosures can be found on the APG Asset Management website (*).</p>
	<p>Reference benchmark</p> <p>Is a specific index designated as a reference benchmark to determine whether this product is sustainable?</p> <p><input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Yes, however the reference benchmark is not aligned with all the environmental or sustainable characteristics. Details:</p> <p><input type="checkbox"/> Yes, the reference benchmark is aligned with each of the environmental or social characteristics promoted by the financial product. Details:</p> <p>However, in alignment with the implementation by APG AM of its clients' Exclusion Policy (*) all relevant constituents of the APG Exclusion List are excluded from the Pool.</p>

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12. APG Index Linked Bonds Pool



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Pre-contractual disclosure of a product that promotes E/S characteristics

Financial product: **APG Index Linked Bonds Pool**
This product has: **Environmental and/or social characteristics**

No sustainable investment objective

The APG Index Linked Bonds Pool (hereafter: ‘**Pool**’) promotes environmental or social characteristics but does not have as its main objective to be a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.



Environmental and/or social characteristics are promoted by the financial product

Environmental, social and governance risks and opportunities are an integral part of the investment processes of this Pool by means of the application of the Responsible Investment Policies of APG AM’s clients. APG AM applies these overarching policies on behalf of its clients to all investments while excluding investments involved in the production of anti-personnel mines, cluster munitions, chemical, biological or nuclear weapons, and tobacco based on the clients’ Exclusion Policy (*).


Please note that all documents marked with (*) can be found on our website under section “Sustainability-related disclosures”.¹⁵

The E/S characteristics of this Pool are addressed in the specific approach that applies to this Pool:







- Responsible investing is integrated in the investment process through a bottom-up country risk assessment model of willingness-to-pay (political risk) in the fundamental investment process. The ESG scores which are used in this model allocate more weight to the overall Governance factor since governance is seen as the most significant credit risk factor. Also, there is a specific focus on anti-corruption, labour standards, human rights and environment in the ESG scores. Adding ESG to our country risk analysis provides additional insights, such as, impact of social and political factors on sovereign credit risk and long-term growth prospects which influences ratings, rates and country spreads.

To measure the extent to which E/S characteristics are met, in 2021, APG AM will start to develop methods to assess the likely impacts of sustainability risks on the returns for its financial products and gain further insight into the impact of the various policy instruments, such as inclusion, exclusion and Sustainable Development Investments,

¹⁵ For English: <https://apg.nl/en/about-apg/asset-management/responsible-investment/> (EN)
For Dutch: <https://apg.nl/nl/over-apg/asset-management/verantwoord-beleggen/> (NL)

	<p>on the ability to meet risk and return targets. Our aim is to be able to measure and monitor any impacts on an ongoing basis, initially for liquid investments and extending it to other asset categories at a later stage.</p>
	<p>Investment strategy</p> <p>What investment strategy does this financial product follow to meet the E/S characteristics?</p> <p>Active management is in charge of capital preservation and cost-effective and efficient portfolio management. The portfolio is internally managed and will mainly invest in government bonds and government related debt. Derivatives are used to hedge risks and for efficient portfolio management.</p> <p>E/S characteristics are integrated in the investment strategy of this Pool as described above under “Environmental and/or social characteristics are promoted by the financial product”.</p> <p>What are the binding elements for the investment selection?</p> <p>Restrictions relating to the Pool as fiscal investment institution (<i>fiscale beleggingsinstelling</i>) as defined in section 28 Dutch Corporate Income Tax Act 1969 result in particular in the following restrictions: (i) the Pool’s activities must consist of portfolio activities only, i.e. the Pool may not (partly) carry on a business and (ii) the fiscal investment institution (<i>fiscale beleggingsinstelling</i>) regime provides for specific restrictions as to the leverage of the Pool. The total debt must not exceed 60% of the tax book value of the immovable property and 20% of the book value of all other investments (shares in a subsidiary may only be leveraged with a maximum of 20%). Other restrictions are set out below.</p> <p>The Pool shall, either directly or indirectly, only make investments that meet the following criteria:</p> <p><u>Countries allowed</u> Worldwide; countries assessed by APG AM Emerging Markets Country Risk policy as Emerging Markets that are not part of the benchmark universe are not allowed.</p> <p><u>Sectors allowed</u> Classification for all issuers is based on the Barclays Global Sector Classification Scheme also for issuers not included in Bloomberg Barclays benchmarks. The following class 1 sectors are allowed: Treasuries and Government-Related.</p> <p><u>Issuers allowed</u> All treasuries and government related issuers allowed.</p> <p><u>Credit ratings allowed</u> Issuers are allowed with a credit rating BB or higher when added to the portfolio.</p> <p><u>Financial instruments allowed</u> Instruments only to be used in compliance with APG AM's Approved Instruments List as annually reviewed. Euro denominated instruments minimum 50% (net, as percentage of the Pool’s Net Asset Value).</p>

	<p>Objective derivative use Only for efficient portfolio management and risk management purposes in accordance with the Dutch Pension Act (<i>Pensioenwet</i>). Derivatives use shall comply with APG AM's counterparty policy, collateral policy, liquidity policy and market risk policy.</p> <p>Max positions per country/securities/derivatives/rating/FX-policy/break-even position a) Country: For a country with above average credit risk, the relative overweight of this country and the sum of issuers from this specific country of risk is maximized at 2% versus the benchmark. Above average credit risk is defined as a credit rating below the average benchmark rating or with a higher CDS-spread versus the average benchmark CDS-spread. Countries could be excluded based on the risk framework set by APG AM's Risk Committee. b) Securities: 80% of the portfolio's market value should consist of securities that have the same issuer as the benchmark. Issuers not included in the benchmark are maximized at 2% of Net Asset Value. c) Derivatives: The absolute notional of the derivatives exposure should be less than 100% of the Net Asset Value. This notional also captures the structural FX-forward exposures. d) Rating: The weighted average rating factor (WARF6) is a numerical representation of the credit risk of a portfolio. The Pool's WARF shall not exceed the benchmark's WARF by more than an amount equal to 1 rating notch. Maximum 10% of the Pool's Net Asset Value consist of securities that have an internal rating. Internal ratings are used when Moody's, S&P or Fitch do not provide a rating. e) FX-policy: Currency risk is minimized. As currency hedging forms an integral part of the strategy, the Pool's EUR exposure should be within the 95%-105% range of Net Asset Value. The absolute netted exposure per foreign currency in the Pool versus the absolute netted exposure per foreign currency of the benchmark should not exceed 0.5% of the Net Asset Value. f) Break-even position: The sensitivity to movement of the expected inflation is limited to an inflation duration range of +/- 1 year versus the benchmark.</p> <p>How is the strategy implemented in the investment process on a continuous basis? The way the Responsible Investment Policies of APG AM's clients are implemented and how ESG characteristics are integrated in the investment process is described under: "Environmental and/or social characteristics are promoted by the financial product". Compliance with these policies is monitored on a continuous basis.</p> <p>Is there an amount of potential investments excluded, as a result of the implementation of the selection criteria? Potential investments are excluded based on the investment strategy limitations and the implementation by APG AM of the clients' Exclusion Policy (*) as both described above.</p> <p>What is the policy to assess good governance practices of the investee companies? The way APG AM assesses good governance practices of investee companies is integral to APG AM's investment strategy to follow E/S characteristics. Therefore, APG AM's policy to assess good governance practices of investee companies is described under "Investment Strategy".</p>
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	<p>Asset allocation</p> <p>What is the minimum asset allocation planned for this product?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p> <p>In which economic sectors are the investments made?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Derivatives</p> <p>Does this financial product make use of derivatives?</p> <p>Yes, for less than 1%.</p> <p>If yes, how is the use of derivatives aligned with the E/S characteristics?</p> <p>Derivatives are used only for efficient portfolio management and risk management purposes in accordance with the Dutch Pension Act (<i>Pensioenwet</i>). Derivatives use shall comply with the Pool's counterparty policy, collateral policy, liquidity policy and market risk policy.</p>
	<p>What investments are included under “#2 Remainder”?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Do not significantly harm</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected at the end of Q1 2021.</p>
	<p>Sustainability indicators</p> <p>The sustainability indicators are assessed by means of the implementation of the Responsible Investment Policies of APG AM's clients under: “Environmental and/or social characteristics are promoted by the financial product”.</p>
	<p>Website reference</p> <p>All information related to the sustainability-related disclosures can be found on the APG Asset Management website (*).</p>
	<p>Reference benchmark</p> <p>Is a specific index designated as a reference benchmark to determine whether this product is sustainable?</p> <p><input checked="" type="checkbox"/> No</p>

	<p><input type="checkbox"/> Yes, however the reference benchmark is not aligned with all the environmental or sustainable characteristics. Details:</p> <p><input type="checkbox"/> Yes, the reference benchmark is aligned with each of the environmental or social characteristics promoted by the financial product. Details:</p> <p>However, in alignment with the implementation by APG AM of its clients' Exclusion Policy (*) all relevant constituents of the APG Exclusion List are excluded from the Pool.</p>
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13. APG Infrastructure Pool 2011



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Pre-contractual disclosure of a product that promotes E/S characteristics

Financial product: **APG Infrastructure Pool 2011**

This product has: **Environmental and/or social characteristics**

No sustainable investment objective

The APG Infrastructure Pool 2011 (hereafter: ‘**Pool**’) promotes environmental or social characteristics but does not have as its main objective to be a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.



Environmental and/or social characteristics are promoted by the financial product

Environmental, social and governance risks and opportunities are an integral part of the investment processes of this Pool by means of the application of the Responsible Investment Policies of APG AM’s clients. APG AM applies these overarching policies on behalf of its clients to all investments while excluding investments involved in the production of anti-personnel mines, cluster munitions, chemical, biological or nuclear weapons, and tobacco based on the clients’ Exclusion Policy (*).

Please note that all documents marked with (*) can be found on our website under section “Sustainability-related disclosures”.¹⁶


The investments of this Pool are described under “Investment Strategy”. This Pool only contains general E/S characteristics, because of the type of investments (described under ‘Investment Strategy’). The general E/S characteristics and the methodologies used to assess, measure and monitor these E/C characteristics can be described as follows:

We apply specific APG AM Infrastructure Implementation Guidelines for our investments in the Pool. These are based on our Responsible Investment Policy and explain what we expect managers, funds or companies in which we invest to do during the due diligence, negotiations and monitoring phases. APG AM expects them to act in line with the UN Global Compact principles on human and labour rights, the environment and the prevention of corruption, and to participate in the annual GRESB Infra assessment. We also ask them to systematically address environmental, social and governance (ESG) matters by having a responsible investment policy in place that is in line with:


1. the Principles for Responsible Investment in Infrastructure;






¹⁶ For English: <https://apg.nl/en/about-apg/asset-management/responsible-investment/> (EN)

For Dutch: <https://apg.nl/nl/over-apg/asset-management/verantwoord-beleggen/> (NL)

	<ol style="list-style-type: none"> 2. the UN Global Compact principles; 3. the relevant International Finance Corporation (IFC) Performance Standards. <p>We expect our direct investments to show that they are actively looking to prevent and mitigate ESG risks and to identify ESG opportunities during the ownership period. Furthermore, we ask managers and companies to:</p> <ul style="list-style-type: none"> • operate in line with best practice standards, such as relevant ISO standards or the IFC Performance Standards for investments in non-OECD countries; • implement a Stakeholder Engagement Approach consistent with best practice stakeholder engagement; • have a public grievance and whistleblower mechanism in place; • take into account the IFC Environmental, Health and Safety guidelines during due diligence; • conduct a materiality assessment regularly to determine their material ESG issues, in dialogue with their stakeholders; and to develop policies and procedures to limit any negative impacts with regard to these material issues; • to commit to APG AM's reporting and monitoring requirements with regard to the expectations described above and the overall integration of ESG in the investments. <p>Finally, our APG AM Governance Guidelines describe key principles and, given our direct investment in companies, APG AM is actively involved in shaping all areas of governance in our investee companies.</p> <p>To measure the extent to which E/S characteristics are met, in 2021, APG AM will start to develop methods to assess the likely impacts of sustainability risks on the returns for its financial products and gain further insight into the impact of the various policy instruments, such as inclusion, exclusion and Sustainable Development Investments, on the ability to meet risk and return targets. Our aim is to be able to measure and monitor any impacts on an ongoing basis, initially for liquid investments and extending it to other asset categories at a later stage.</p> <p>What APG AM already measures for this Pool is the extent of Sustainable Development Investments (SDI) in accordance with APG AM's SDI approach. Per 30 September 2020, in view of the Net Asset Value of this Pool, 10,78% of the investments in this Pool currently consist of SDIs in accordance with APG AM's SDI approach. These investments specifically relate to SDG 9 (Industry, Innovation and Infrastructure, 5,23%), SDG 11 (Sustainable Cities and Communities, 3,11%) and SDG 7 (Affordable and Clean Energy, 2,44%).</p>
	<p>Investment strategy</p> <p>What investment strategy does this financial product follow to meet the E/S characteristics?</p> <p>The Pool invests in equity and equity-related investments (e.g. preference shares, mezzanine, convertible debt) in primarily non-listed and listed infrastructure. Investments can be made through either Companies, Funds, Joint ventures or Co-investments. The Pool aims to invest in infrastructure projects that are expected to</p>

	<p>generate stable and predictable returns. There is a strong focus on the sustainability of investments.</p> <p>The Pool targets the following assets:</p> <ul style="list-style-type: none"> - Group 1: Assets with 'minimal' volatility; - Group 2: Assets with 'constrained' volatility; - Group 3: Assets with 'Relatively high' volatility. <p>A robust framework is used to classify investments based on asset specific risk factors. The key risk factors that are taken into account include revenue risk, operational risk, construction / capital expenditure risk, and leverage. Revenue risk is assessed based on price and volume volatility. Contracts, regulation and/or market volatility are all factors that influence price and volume risk. Operational risk is evaluated by looking at the operational expenditure as part of the revenues (EBITDA margin), and how variable this expenditure is. Development capital expenditure is another factor that can have an impact on realized returns, and as such it is considered when classifying investments.</p> <p>Finally, the capital structure is taken into account. The greater the ability to service the debt, the lower the expected volatility. The assessment assigns a higher or lower score to each of these risk factors depending on the magnitude of uncertainty linked to it and the expected impact of the risk factor on returns. Specific guidelines have been developed for conducting the assessment as well as a model for translating them into a group classification / asset style.</p> <p>The Pool may invest in listed infrastructure investments where the Pool holds listed investments as (i) a result of investments being listed after the Pool's initial investment in non-listed investments or (ii) investments made with the intention of facilitating a take-private initiative.</p> <p>E/S characteristics are integrated in the investment strategy of this Pool as described above under "Environmental and/or social characteristics are promoted by the financial product".</p> <p>What are the binding elements for the investment selection?</p> <p>The Pool shall, either directly or indirectly, only make investments that meet the following criteria:</p> <p>Countries allowed:</p> <ul style="list-style-type: none"> - For Europe: European Union (and including United Kingdom), Norway, Switzerland, Turkey* and Russia*; - For Americas: US, Canada, Mexico*, Brazil*, Chile*and Peru* - For Asia Pacific: Japan, Australia, Singapore, Hong Kong, New Zealand, China*, Macau*, Malaysia*, South Korea*, India*, Taiwan*, Indonesia*, Philippines*, Vietnam*and Thailand*. <p>Investments in non-allowed countries are allowed as long as >80% of the underlying assets of the investment are within the before mentioned countries. For the avoidance of doubt: single investments in non-allowed countries are not allowed. *)</p>
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	<p>These countries are classified as Emerging/Frontier Market countries in accordance with the MSCI annual market classification review.</p> <p>Sectors allowed: Transport (e.g. toll roads, railways, ports and airports), Utilities/Energy (e.g. water, wastewater and waste treatment, electricity transmission and distribution, gas networks, pipelines and storage facilities, power generation, renewable energy), Social (e.g. hospitals and schools), Communications (e.g. towers and networks) and Other Infrastructure (e.g. infrastructure assets that exhibit similar characteristics as the aforementioned).</p> <p>For the avoidance of doubt, the Pool shall not invest in any real estate investments. Notwithstanding the above, Investments which are structured as a public-private partnership or which are predominantly infrastructure related, but which have a minority or ancillary real estate element are not to be regarded as real estate investments. For data centers, standalone retail co-location and hyperscale data centers are typically considered to fall outside of the scope of eligible assets for this Pool, with other types (typically related to an integrated communications network / telecommunication towers) considered to fall within the scope of eligible assets.</p> <p>Furthermore, as per 1 August 2019, to the extent controllable by the Manager, no new investments in coal fired powerplants will be made.</p> <p>How is the strategy implemented in the investment process on a continuous basis? The way the Responsible Investment Policies of APG AM's clients are implemented and how ESG characteristics are integrated in the investment process is described under: "Environmental and/or social characteristics are promoted by the financial product". Compliance with these policies is monitored on a continuous basis.</p> <p>Is there an amount of potential investments excluded, as a result of the implementation of the selection criteria? Potential investments are excluded based on the investment strategy limitations and the implementation by APG AM of the clients' Exclusion Policy (*) as both described above.</p> <p>What is the policy to assess good governance practices of the investee companies? The way APG AM assesses good governance practices of investee companies is integral to APG AM's investment strategy to follow E/S characteristics. Therefore, APG AM's policy to assess good governance practices of investee companies is described under "Investment Strategy".</p>
	<p>Asset allocation</p> <p>What is the minimum asset allocation planned for this product? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p> <p>In which economic sectors are the investments made?</p>

	Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.
	<p>Derivatives</p> <p>Does this financial product make use of derivatives? As of 21-01-2021 no derivatives are used.</p> <p>If yes, how is the use of derivatives aligned with the E/S characteristics? Derivatives are used only for efficient portfolio management and risk management purposes in accordance with the Dutch Pension Act (<i>Pensioenwet</i>). Derivatives use shall comply with the Pool's counterparty policy, collateral policy, liquidity policy and market risk policy.</p>
	<p>What investments are included under “#2 Remainder”?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Do not significantly harm</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected at the end of Q1 2021.</p>
	<p>Sustainability indicators</p> <p>The sustainability indicators are assessed by means of the implementation of the Responsible Investment Policies of APG AM's clients under: “Environmental and/or social characteristics are promoted by the financial product”.</p>
	<p>Website reference</p> <p>All information related to the sustainability-related disclosures can be found on the APG Asset Management website (*).</p>
	<p>Reference benchmark</p> <p>Is a specific index designated as a reference benchmark to determine whether this product is sustainable?</p> <p><input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Yes, however the reference benchmark is not aligned with all the environmental or sustainable characteristics. Details:</p> <p><input type="checkbox"/> Yes, the reference benchmark is aligned with each of the environmental or social characteristics promoted by the financial product. Details:</p> <p>However, in alignment with the implementation by APG AM of its clients' Exclusion Policy (*) all relevant constituents of the APG Exclusion List are excluded from the Pool.</p>

14. APG Infrastructure Pool 2012



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Pre-contractual disclosure of a product that promotes E/S characteristics

Financial product: **APG Infrastructure Pool 2012**
This product has: **Environmental and/or social characteristics**

No sustainable investment objective

The APG Infrastructure Pool 2012 (hereafter: ‘Pool’) promotes environmental or social characteristics but does not have as its main objective to be a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.



Environmental and/or social characteristics are promoted by the financial product

Environmental, social and governance risks and opportunities are an integral part of the investment processes of this Pool by means of the application of the Responsible Investment Policies of APG AM’s clients. APG AM applies these overarching policies on behalf of its clients to all investments while excluding investments involved in the production of anti-personnel mines, cluster munitions, chemical, biological or nuclear weapons, and tobacco based on the clients’ Exclusion Policy (*).


Please note that all documents marked with (*) can be found on our website under section “Sustainability-related disclosures”.¹⁷

The investments of this Pool are described under ‘Investment Strategy’. This Pool only contains general E/S characteristics, because of the type of investments (described under ‘Investment Strategy’). The general E/S characteristics and the methodologies used to assess, measure and monitor these E/C characteristics can be described as follows:

We apply specific APG AM Infrastructure Implementation Guidelines for our investments in the Pool. These are based on our Responsible Investment Policy and explain what we expect managers, funds or companies in which we invest to do during the due diligence, negotiations and monitoring phases. APG AM expects them to act in line with the UN Global Compact principles on human and labour rights, the environment and the prevention of corruption, and to participate in the annual GRESB Infra assessment. We also ask them to systematically address environmental, social and governance (ESG) matters by having a responsible investment policy in place that is in line with:






1. the Principles for Responsible Investment in Infrastructure;


¹⁷ For English: <https://apg.nl/en/about-apg/asset-management/responsible-investment/> (EN)
For Dutch: <https://apg.nl/nl/over-apg/asset-management/verantwoord-beleggen/> (NL)

	<ol style="list-style-type: none"> 2. the UN Global Compact principles; 3. the relevant International Finance Corporation (IFC) Performance Standards. <p>We expect our direct investments to show that they are actively looking to prevent and mitigate ESG risks and to identify ESG opportunities during the ownership period. Furthermore, we ask managers and companies to:</p> <ul style="list-style-type: none"> • operate in line with best practice standards, such as relevant ISO standards or the IFC Performance Standards for investments in non-OECD countries; • implement a Stakeholder Engagement Approach consistent with best practice stakeholder engagement; • have a public grievance and whistleblower mechanism in place; • take into account the IFC Environmental, Health and Safety guidelines during due diligence; • conduct a materiality assessment regularly to determine their material ESG issues, in dialogue with their stakeholders; and to develop policies and procedures to limit any negative impacts with regard to these material issues; • to commit to APG AM's reporting and monitoring requirements with regard to the expectations described above and the overall integration of ESG in the investments. <p>Finally, our APG AM Governance Guidelines describe key principles and, given our direct investment in companies, APG AM is actively involved in shaping all areas of governance in our investee companies.</p> <p>To measure the extent to which E/S characteristics are met, in 2021, APG AM will start to develop methods to assess the likely impacts of sustainability risks on the returns for its financial products and gain further insight into the impact of the various policy instruments, such as inclusion, exclusion and Sustainable Development Investments, on the ability to meet risk and return targets. Our aim is to be able to measure and monitor any impacts on an ongoing basis, initially for liquid investments and extending it to other asset categories at a later stage.</p> <p>What APG AM already measures for this Pool is the extent of Sustainable Development Investments (SDI) in accordance with APG AM's SDI approach. Per 30 September 2020, in view of the Net Asset Value of this Pool, 66,73% of the investments in this Pool currently consist of SDIs in accordance with APG AM's SDI approach. These investments specifically relate to SDG 7 (Affordable and Clean Energy, 57,22%), SDG 4 (Quality Education, 6,65%), SDG 9 (Industry, Innovation and Infrastructure, 2,46%) and SDG 11 (Sustainable Cities and Communities, 0,4%).</p>
	<p>Investment strategy</p> <p>What investment strategy does this financial product follow to meet the E/S characteristics?</p> <p>The Pool invests in equity and equity-related investments (e.g. preference shares, mezzanine, convertible debt) in primarily non-listed and listed infrastructure. Investments can be made through either Companies, Funds, Joint ventures or Co-investments. The Pool aims to invest in infrastructure projects that are expected to</p>

	<p>generate stable and predictable returns. There is a strong focus on the sustainability of investments.</p> <p>The Pool targets the following assets:</p> <ul style="list-style-type: none"> - Group 1: Assets with 'minimal' volatility; - Group 2: Assets with 'constrained' volatility; - Group 3: Assets with 'Relatively high' volatility. <p>A robust framework is used to classify investments based on asset specific risk factors. The key risk factors that are taken into account include revenue risk, operational risk, construction / capital expenditure risk, and leverage. Revenue risk is assessed based on price and volume volatility. Contracts, regulation and/or market volatility are all factors that influence price and volume risk. Operational risk is evaluated by looking at the operational expenditure as part of the revenues (EBITDA margin), and how variable this expenditure is. Development capital expenditure is another factor that can have an impact on realized returns, and as such it is considered when classifying investments.</p> <p>Finally, the capital structure is taken into account. The greater the ability to service the debt, the lower the expected volatility. The assessment assigns a higher or lower score to each of these risk factors depending on the magnitude of uncertainty linked to it and the expected impact of the risk factor on returns. Specific guidelines have been developed for conducting the assessment as well as a model for translating them into a group classification / asset style.</p> <p>The Pool may invest in listed infrastructure investments where the Pool holds listed investments as (i) a result of investments being listed after the Pool's initial investment in non-listed investments or (ii) investments made with the intention of facilitating a take-private initiative.</p> <p>E/S characteristics are integrated in the investment strategy of this Pool as described above under "Environmental and/or social characteristics are promoted by the financial product".</p> <p>What are the binding elements for the investment selection?</p> <p>The Pool shall, either directly or indirectly, only make investments that meet the following criteria:</p> <p><u>Countries allowed</u></p> <ul style="list-style-type: none"> - For Europe: European Union (and including United Kingdom), Norway, Switzerland, Turkey* and Russia*; - For Americas: US, Canada, Mexico*, Brazil*, Chile* and Peru*; - For Asia Pacific: Japan, Australia, Singapore, Hong Kong, New Zealand, China*, Macau*, Malaysia*, South Korea*, India*, Taiwan*, Indonesia*, Philippines*, Vietnam* and Thailand*. <p>Investments in non-allowed countries are allowed as long as >80% of the underlying assets of the investment are within the before mentioned countries. For the avoidance of doubt: single investments in non-allowed countries are not allowed.</p>
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	<p>*) These countries are classified as Emerging/Frontier Market countries in accordance with the MSCI annual market classification review.</p> <p><u>Sectors allowed</u> Transport (e.g. toll roads, railways, ports and airports), Utilities/Energy (e.g. water, wastewater and waste treatment, electricity transmission and distribution, gas networks, pipelines and storage facilities, power generation, renewable energy), Social (e.g. hospitals and schools), Communications (e.g. towers and networks) and Other Infrastructure (e.g. infrastructure assets that exhibit similar characteristics as the aforementioned).</p> <p>For the avoidance of doubt, the Pool shall not invest in any real estate investments. Notwithstanding the above, investments which are structured as a public-private partnership or which are predominantly infrastructure related, but which have a minority or ancillary real estate element are not to be regarded as real estate investments. For data centers, standalone retail co-location and hyperscale data centers are typically considered to fall outside of the scope of eligible assets for this Pool, with other types (typically related to an integrated communications network / telecommunication towers) considered to fall within the scope of eligible assets.</p> <p>Furthermore, as per 1 August 2019, to the extent controllable by the Manager, no new investments in coal fired powerplants will be made.</p> <p><u>Credit ratings allowed</u> Not applicable.</p> <p><u>Financial instruments allowed</u>³ Instruments only to be used in compliance with APG AM's Approved Instruments List as annually reviewed.</p> <p><u>Objective derivative use</u> Only for efficient portfolio management and risk management purposes in accordance with the Dutch Pension Act (<i>Pensioenwet</i>).</p> <p><u>FX Policy</u> All active currency weights may be (partly) hedged to the benchmark currency weights.</p> <p>How is the strategy implemented in the investment process on a continuous basis? The way the Responsible Investment Policies of APG AM's clients are implemented and how ESG characteristics are integrated in the investment process is described under: "Environmental and/or social characteristics are promoted by the financial product". Compliance with these policies is monitored on a continuous basis.</p> <p>Is there an amount of potential investments excluded, as a result of the implementation of the selection criteria? Potential investments are excluded based on the investment strategy limitations and the implementation by APG AM of the clients' Exclusion Policy (*) as both described above.</p>
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	<p>What is the policy to assess good governance practices of the investee companies?</p> <p>The way APG AM assesses good governance practices of investee companies is integral to APG AM's investment strategy to follow E/S characteristics. Therefore, APG AM's policy to assess good governance practices of investee companies is described under "Investment Strategy".</p>
	<p>Asset allocation</p> <p>What is the minimum asset allocation planned for this product?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p> <p>In which economic sectors are the investments made?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Derivatives</p> <p>Does this financial product make use of derivatives?</p> <p>As of 21-01-2021 no derivatives are used.</p> <p>If yes, how is the use of derivatives aligned with the E/S characteristics?</p>
	<p>What investments are included under "#2 Remainder"?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Do not significantly harm</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected at the end of Q1 2021.</p>
	<p>Sustainability indicators</p> <p>The sustainability indicators are assessed by means of the implementation of the Responsible Investment Policies of APG AM's clients under: "Environmental and/or social characteristics are promoted by the financial product".</p>
	<p>Website reference</p> <p>All information related to the sustainability-related disclosures can be found on the APG Asset Management website (*).</p>
	<p>Reference benchmark</p> <p>Is a specific index designated as a reference benchmark to determine whether this product is sustainable?</p>

	<p> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, however the reference benchmark is not aligned with all the environmental or sustainable characteristics. Details: <input type="checkbox"/> Yes, the reference benchmark is aligned with each of the environmental or social characteristics promoted by the financial product. Details: </p> <p> However, in alignment with the APG Exclusion Policy (*) all relevant constituents of the APG Exclusion List are excluded from the Pool. </p>
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15. APG Infrastructure Pool 2014



European Securities and
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EUROPEAN
BANKING
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EUROPEAN
PENSION
AND OCCUPATIONAL PENSION AUTHORITY

JOINT COMMITTEE OF THE EUROPEAN
SUPERVISORY AUTHORITIES

Pre-contractual disclosure of a product that promotes E/S characteristics

Financial product: **APG Infrastructure Pool 2014**
This product has: **Environmental and/or social characteristics**

No sustainable investment objective

The APG Infrastructure Pool 2014 (hereafter: ‘**Pool**’) promotes environmental or social characteristics but does not have as its main objective to be a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.



Environmental and/or social characteristics are promoted by the financial product

Environmental, social and governance risks and opportunities are an integral part of the investment processes of this Pool by means of the application of the Responsible Investment Policies of APG AM’s clients. APG AM applies these overarching policies on behalf of its clients to all investments while excluding investments involved in the production of anti-personnel mines, cluster munitions, chemical, biological or nuclear weapons, and tobacco based on the clients’ Exclusion Policy (*).


Please note that all documents marked with (*) can be found on our website under section “Sustainability-related disclosures”.¹⁸

The investments of this Pool are described under ‘Investment Strategy’. This Pool only contains general E/S characteristics, because of the type of investments (described under ‘Investment Strategy’). The general E/S characteristics and the methodologies used to assess, measure and monitor these E/C characteristics can be described as follows:

We apply specific APG AM Infrastructure Implementation Guidelines for our investments in the Pool. These are based on our Responsible Investment Policy and explain what we expect managers, funds or companies in which we invest to do during the due diligence, negotiations and monitoring phases. APG AM expects them to act in line with the UN Global Compact principles on human and labour rights, the environment and the prevention of corruption, and to participate in the annual GRESB Infra assessment. We also ask them to systematically address environmental, social and governance (ESG) matters by having a responsible investment policy in place that is in line with:







1. the Principles for Responsible Investment in Infrastructure;

¹⁸ For English: <https://apg.nl/en/about-apg/asset-management/responsible-investment/> (EN)
For Dutch: <https://apg.nl/nl/over-apg/asset-management/verantwoord-beleggen/> (NL)

	<ol style="list-style-type: none"> 2. the UN Global Compact principles; 3. the relevant International Finance Corporation (IFC) Performance Standards. <p>We expect our direct investments to show that they are actively looking to prevent and mitigate ESG risks and to identify ESG opportunities during the ownership period. Furthermore, we ask managers and companies to:</p> <ul style="list-style-type: none"> • operate in line with best practice standards, such as relevant ISO standards or the IFC Performance Standards for investments in non-OECD countries; • implement a Stakeholder Engagement Approach consistent with best practice stakeholder engagement; • have a public grievance and whistleblower mechanism in place; • take into account the IFC Environmental, Health and Safety guidelines during due diligence; • conduct a materiality assessment regularly to determine their material ESG issues, in dialogue with their stakeholders; and to develop policies and procedures to limit any negative impacts with regard to these material issues; • to commit to APG AM's reporting and monitoring requirements with regard to the expectations described above and the overall integration of ESG in the investments. <p>Finally, our APG AM Governance Guidelines describe key principles and, given our direct investment in companies, APG AM is actively involved in shaping all areas of governance in our investee companies.</p> <p>To measure the extent to which E/S characteristics are met, in 2021, APG AM will start to develop methods to assess the likely impacts of sustainability risks on the returns for its financial products and gain further insight into the impact of the various policy instruments, such as inclusion, exclusion and Sustainable Development Investments, on the ability to meet risk and return targets. Our aim is to be able to measure and monitor any impacts on an ongoing basis, initially for liquid investments and extending it to other asset categories at a later stage.</p> <p>What APG AM already measures for this Pool is the extent of Sustainable Development Investments (SDI) in accordance with APG AM's SDI approach. Per 30 September 2020, in view of the Net Asset Value of this Pool, 49,53% of the investments in this Pool currently consist of SDIs in accordance with APG AM's SDI approach. These investments specifically relate to SDG 9 (Industry, Innovation and Infrastructure, 23,72%), SDG 11 (Sustainable Cities and Communities, 15,46%), SDG 6 (Clean Water and Sanitation, 8,03%) and SDG 7 (Affordable and Clean Energy, 2,32%).</p>
	<p>Investment strategy</p> <p>What investment strategy does this financial product follow to meet the E/S characteristics?</p> <p>The Pool invests in equity and equity-related investments (e.g. preference shares, mezzanine, convertible debt) in primarily non-listed and listed infrastructure. Investments can be made through either Companies, Funds, Joint ventures or Co-investments. The Pool aims to invest in infrastructure projects that are expected to</p>

	<p>generate stable and predictable returns. There is a strong focus on the sustainability of investments.</p> <p>The Pool targets the following assets:</p> <ul style="list-style-type: none"> - Group 1: Assets with 'minimal' volatility; - Group 2: Assets with 'constrained' volatility; - Group 3: Assets with 'Relatively high' volatility <p>A robust framework is used to classify investments based on asset specific risk factors. The key risk factors that are taken into account include revenue risk, operational risk, construction / capital expenditure risk, and leverage. Revenue risk is assessed based on price and volume volatility. Contracts, regulation and/or market volatility are all factors that influence price and volume risk. Operational risk is evaluated by looking at the operational expenditure as part of the revenues (EBITDA margin), and how variable this expenditure is. Development capital expenditure is another factor that can have an impact on realized returns, and as such it is considered when classifying investments.</p> <p>Finally, the capital structure is taken into account. The greater the ability to service the debt, the lower the expected volatility. The assessment assigns a higher or lower score to each of these risk factors depending on the magnitude of uncertainty linked to it and the expected impact of the risk factor on returns. Specific guidelines have been developed for conducting the assessment as well as a model for translating them into a group classification / asset style.</p> <p>The Pool may invest in listed infrastructure investments where the Pool holds listed investments as (i) a result of investments being listed after the Pool's initial investment in non-listed investments or (ii) investments made with the intention of facilitating a take-private initiative.</p> <p>E/S characteristics are integrated in the investment strategy of this Pool as described above under "Environmental and/or social characteristics are promoted by the financial product".</p> <p>What are the binding elements for the investment selection?</p> <p>The Pool shall, either directly or indirectly, only make investments that meet the following criteria:</p> <p><u>Countries allowed</u></p> <ul style="list-style-type: none"> - For Europe: European Union (and including United Kingdom), Norway, Switzerland, Turkey* and Russia*; - For Americas: US, Canada, Mexico*, Brazil*, Chile* and Peru*; - For Asia Pacific: Japan, Australia, Singapore, Hong Kong, New Zealand, China*, Macau*, Malaysia*, South Korea*, India*, Taiwan*, Indonesia*, Philippines*, Vietnam* and Thailand*. <p>Investments in non-allowed countries are allowed as long as >80% of the underlying assets of the investment are within the before mentioned countries. For the avoidance of doubt: single investments in non-allowed countries are not allowed.</p>
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	<p>*) These countries are classified as Emerging/Frontier Market countries in accordance with the MSCI annual market classification review.</p> <p><u>Sectors allowed</u> Transport (e.g. toll roads, railways, ports and airports), Utilities/Energy (e.g. water, wastewater and waste treatment, electricity transmission and distribution, gas networks, pipelines and storage facilities, power generation, renewable energy), Social (e.g. hospitals and schools), Communications (e.g. towers and networks) and Other Infrastructure (e.g. infrastructure assets that exhibit similar characteristics as the aforementioned). For the avoidance of doubt, the Pool shall not invest in any real estate investments.</p> <p>Notwithstanding the above, investments which are structured as a public-private partnership or which are predominantly infrastructure related, but which have a minority or ancillary real estate element are not to be regarded as real estate investments. For data centers, standalone retail co-location and hyperscale data centers are typically considered to fall outside of the scope of eligible assets for this Pool, with other types (typically related to an integrated communications network / telecommunication towers) considered to fall within the scope of eligible assets.</p> <p>Furthermore, as per 1 August 2019, to the extent controllable by the Manager, no new investments in coal fired powerplants will be made.</p> <p><u>Credit ratings allowed</u> Not applicable.</p> <p><u>Financial instruments allowed</u> Instruments only to be used in compliance with APG AM's Approved Instruments List as annually reviewed.</p> <p><u>Objective derivative use</u> Only for efficient portfolio management and risk management purposes in accordance with the Dutch Pension Act (<i>Pensioenwet</i>).</p> <p><u>FX Policy</u> All active currency weights may be (partly) hedged to the benchmark currency weights.</p> <p>How is the strategy implemented in the investment process on a continuous basis? The way the Responsible Investment Policies of APG AM's clients are implemented and how ESG characteristics are integrated in the investment process is described under: "Environmental and/or social characteristics are promoted by the financial product". Compliance with these policies is monitored on a continuous basis.</p> <p>Is there an amount of potential investments excluded, as a result of the implementation of the selection criteria? Potential investments are excluded based on the investment strategy limitations and the implementation by APG AM of the clients' Exclusion Policy (*) as both described above.</p>
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	<p>What is the policy to assess good governance practices of the investee companies?</p> <p>The way APG AM assesses good governance practices of investee companies is integral to APG AM's investment strategy to follow E/S characteristics. Therefore, APG AM's policy to assess good governance practices of investee companies is described under "Investment Strategy".</p>
	<p>Asset allocation</p> <p>What is the minimum asset allocation planned for this product?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p> <p>In which economic sectors are the investments made?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Derivatives</p> <p>Does this financial product make use of derivatives?</p> <p>As of 21-01-2021 no derivatives are used.</p> <p>If yes, how is the use of derivatives aligned with the E/S characteristics?</p>
	<p>What investments are included under "#2 Remainder"?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Do not significantly harm</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected at the end of Q1 2021.</p>
	<p>Sustainability indicators</p> <p>The sustainability indicators are assessed by means of the implementation of the Responsible Investment Policies of APG AM's clients under: "Environmental and/or social characteristics are promoted by the financial product".</p>
	<p>Website reference</p> <p>All information related to the sustainability-related disclosures can be found on the APG Asset Management website (*).</p>
	<p>Reference benchmark</p> <p>Is a specific index designated as a reference benchmark to determine whether this product is sustainable?</p> <p><input checked="" type="checkbox"/> No</p>

	<p><input type="checkbox"/> Yes, however the reference benchmark is not aligned with all the environmental or sustainable characteristics. Details:</p> <p><input type="checkbox"/> Yes, the reference benchmark is aligned with each of the environmental or social characteristics promoted by the financial product. Details:</p> <p>However, in alignment with the implementation by APG AM of its clients' Exclusion Policy (*) all relevant constituents of the APG Exclusion List are excluded from the Pool.</p>
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16.APG Infrastructure Pool 2016



European Securities and
Markets Authority



EUROPEAN
BANKING
AUTHORITY



EUROPEAN
PENSION
AND OCCUPATIONAL PENSION AUTHORITY

JOINT COMMITTEE OF THE EUROPEAN
SUPERVISORY AUTHORITIES

Pre-contractual disclosure of a product that promotes E/S characteristics

Financial product: **APG Infrastructure Pool 2016**
This product has: **Environmental and/or social characteristics**

No sustainable investment objective

The APG Infrastructure Pool 2016 (hereafter: ‘**Pool**’) promotes environmental or social characteristics but does not have as its main objective to be a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.



Environmental and/or social characteristics are promoted by the financial product


Environmental, social and governance risks and opportunities are an integral part of the investment processes of this Pool by means of the application of the Responsible Investment Policies of APG AM’s clients. APG AM applies these overarching policies on behalf of its clients to all investments while excluding investments involved in the production of anti-personnel mines, cluster munitions, chemical, biological or nuclear weapons, and tobacco based on the clients’ Exclusion Policy (*).

Please note that all documents marked with (*) can be found on our website under section “Sustainability-related disclosures”.¹⁹

The investments of this Pool are described under “Investment Strategy”. This Pool only contains general E/S characteristics, because of the type of investments (described under ‘Investment Strategy’). The general E/S characteristics and the methodologies used to assess, measure and monitor these E/C characteristics can be described as follows:







We apply specific APG AM Infrastructure Implementation Guidelines for our investments in the Pool. These are based on our Responsible Investment Policy and explain what we expect managers, funds or companies in which we invest to do during the due diligence, negotiations and monitoring phases. APG AM expects them to act in line with the UN Global Compact principles on human and labour rights, the environment and the prevention of corruption, and to participate in the annual GRESB Infra assessment. We also ask them to systematically address environmental, social and governance (ESG) matters by having a responsible investment policy in place that is in line with:

¹⁹ For English: <https://apg.nl/en/about-apg/asset-management/responsible-investment/> (EN)
For Dutch: <https://apg.nl/nl/over-apg/asset-management/verantwoord-beleggen/> (NL)

	<ol style="list-style-type: none"> 1. the Principles for Responsible Investment in Infrastructure; 2. the UN Global Compact principles; 3. the relevant International Finance Corporation (IFC) Performance Standards. <p>We expect our direct investments to show that they are actively looking to prevent and mitigate ESG risks and to identify ESG opportunities during the ownership period. Furthermore, we ask managers and companies to:</p> <ul style="list-style-type: none"> • operate in line with best practice standards, such as relevant ISO standards or the IFC Performance Standards for investments in non-OECD countries; • implement a Stakeholder Engagement Approach consistent with best practice stakeholder engagement; • have a public grievance and whistleblower mechanism in place; • take into account the IFC Environmental, Health and Safety guidelines during due diligence; • conduct a materiality assessment regularly to determine their material ESG issues, in dialogue with their stakeholders; and to develop policies and procedures to limit any negative impacts with regard to these material issues; • to commit to APG AM's reporting and monitoring requirements with regard to the expectations described above and the overall integration of ESG in the investments. <p>Finally, our APG AM Governance Guidelines describe key principles and, given our direct investment in companies, APG AM is actively involved in shaping all areas of governance in our investee companies.</p> <p>To measure the extent to which E/S characteristics are met, in 2021, APG AM will start to develop methods to assess the likely impacts of sustainability risks on the returns for its financial products and gain further insight into the impact of the various policy instruments, such as inclusion, exclusion and Sustainable Development Investments, on the ability to meet risk and return targets. Our aim is to be able to measure and monitor any impacts on an ongoing basis, initially for liquid investments and extending it to other asset categories at a later stage.</p> <p>What APG AM already measures for this Pool is the extent of Sustainable Development Investments (SDI) in accordance with APG AM's SDI approach. Per 30 September 2020, in view of the Net Asset Value of this Pool, 10,79% of the investments in this Pool currently consist of SDIs in accordance with APG AM's SDI approach. These investments specifically relate to SDG 9 (Industry, Innovation and Infrastructure, 7,05%), SDG 12 (Responsible Consumption and Production, 2,46%) and SDG 11 (Sustainable Cities and Communities, 1,28%).</p>
	<p>Investment strategy</p> <p>What investment strategy does this financial product follow to meet the E/S characteristics?</p> <p>The Pool invests in equity and equity-related investments (e.g. preference shares, mezzanine, convertible debt) in primarily non-listed and listed infrastructure. Investments can be made through either Companies, Funds, Joint ventures or Co-investments. The Pool aims to invest in infrastructure projects that are expected to</p>

	<p>generate stable and predictable returns. There is a strong focus on the sustainability of investments.</p> <p>The Pool targets the following assets:</p> <ul style="list-style-type: none"> - Group 1: Assets with 'minimal' volatility; - Group 2: Assets with 'constrained' volatility; - Group 3: Assets with 'Relatively high' volatility <p>A robust framework is used to classify investments based on asset specific risk factors. The key risk factors that are taken into account include revenue risk, operational risk, construction / capital expenditure risk, and leverage. Revenue risk is assessed based on price and volume volatility. Contracts, regulation and/or market volatility are all factors that influence price and volume risk. Operational risk is evaluated by looking at the operational expenditure as part of the revenues (EBITDA margin), and how variable this expenditure is. Development capital expenditure is another factor that can have an impact on realized returns, and as such it is considered when classifying investments.</p> <p>Finally, the capital structure is taken into account. The greater the ability to service the debt, the lower the expected volatility. The assessment assigns a higher or lower score to each of these risk factors depending on the magnitude of uncertainty linked to it and the expected impact of the risk factor on returns. Specific guidelines have been developed for conducting the assessment as well as a model for translating them into a group classification / asset style.</p> <p>The Pool may invest in listed infrastructure investments where the Pool holds listed investments as (i) a result of investments being listed after the Pool's initial investment in non-listed investments or (ii) investments made with the intention of facilitating a take-private initiative.</p> <p>E/S characteristics are integrated in the investment strategy of this Pool as described above under "Environmental and/or social characteristics are promoted by the financial product".</p> <p>What are the binding elements for the investment selection?</p> <p>The Pool shall, either directly or indirectly, only make investments that meet the following criteria:</p> <p><u>Countries allowed</u></p> <ul style="list-style-type: none"> - For Europe: European Union (and including United Kingdom), Norway, Switzerland, Turkey* and Russia*; - For Americas: US, Canada, Mexico*, Brazil*, Chile* and Peru*; - For Asia Pacific: Japan, Australia, Singapore, Hong Kong, New Zealand, China*, Macau*, Malaysia*, South Korea*, India*, Taiwan*, Indonesia*, Philippines*, Vietnam* and Thailand*. <p>Investments in non-allowed countries are allowed as long as >80% of the underlying assets of the investment are within the before mentioned countries. For the avoidance of doubt: single investments in non-allowed countries are not allowed.</p>
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	<p>*) These countries are classified as Emerging/Frontier Market countries in accordance with the MSCI annual market classification review.</p> <p><u>Sectors allowed</u> Transport (e.g. toll roads, railways, ports and airports), Utilities/Energy (e.g. water, wastewater and waste treatment, electricity transmission and distribution, gas networks, pipelines and storage facilities, power generation, renewable energy), Social (e.g. hospitals and schools), Communications (e.g. towers and networks) and Other Infrastructure (e.g. infrastructure assets that exhibit similar characteristics as the aforementioned).</p> <p>For the avoidance of doubt, the Pool shall not invest in any real estate investments. Notwithstanding the above, investments which are structured as a public-private partnership or which are predominantly infrastructure related, but which have a minority or ancillary real estate element are not to be regarded as real estate investments. For data centers, standalone retail co-location and hyperscale data centers are typically considered to fall outside of the scope of eligible assets for this Pool, with other types (typically related to an integrated communications network / telecommunication towers) considered to fall within the scope of eligible assets.</p> <p>Furthermore, as per 1 August 2019, to the extent controllable by the Manager, no new investments in coal fired powerplants will be made.</p> <p><u>Credit ratings allowed</u> Not applicable.</p> <p><u>Financial instruments allowed</u> Instruments only to be used in compliance with APG AM's Approved Instruments List as annually reviewed.</p> <p><u>Objective derivative use</u> Only for efficient portfolio management and risk management purposes in accordance with the Dutch Pension Act (<i>Pensioenwet</i>).</p> <p><u>FX Policy</u> All active currency weights may be (partly) hedged to the benchmark currency weights.</p> <p>How is the strategy implemented in the investment process on a continuous basis? The way the Responsible Investment Policies of APG AM's clients are implemented and how ESG characteristics are integrated in the investment process is described under: "Environmental and/or social characteristics are promoted by the financial product". Compliance with these policies is monitored on a continuous basis.</p> <p>Is there an amount of potential investments excluded, as a result of the implementation of the selection criteria? Potential investments are excluded based on the investment strategy limitations and the implementation by APG AM of the clients' Exclusion Policy (*) as both described above.</p>
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	<p>What is the policy to assess good governance practices of the investee companies?</p> <p>The way APG AM assesses good governance practices of investee companies is integral to APG AM's investment strategy to follow E/S characteristics. Therefore, APG AM's policy to assess good governance practices of investee companies is described under "Investment Strategy".</p>
	<p>Asset allocation</p> <p>What is the minimum asset allocation planned for this product?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p> <p>In which economic sectors are the investments made?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Derivatives</p> <p>Does this financial product make use of derivatives?</p> <p>As of 21-01-2021 no derivatives are used.</p> <p>If yes, how is the use of derivatives aligned with the E/S characteristics?</p>
	<p>What investments are included under "#2 Remainder"?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Do not significantly harm</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected at the end of Q1 2021.</p>
	<p>Sustainability indicators</p> <p>The sustainability indicators are assessed by means of the implementation of the Responsible Investment Policies of APG AM's clients under: 'Environmental and/or social characteristics are promoted by the financial product'.</p>
	<p>Website reference</p> <p>All information related to the sustainability-related disclosures can be found on the APG Asset Management website (*).</p>
	<p>Reference benchmark</p> <p>Is a specific index designated as a reference benchmark to determine whether this product is sustainable?</p> <p><input checked="" type="checkbox"/> No</p>

	<p><input type="checkbox"/> Yes, however the reference benchmark is not aligned with all the environmental or sustainable characteristics. Details:</p> <p><input type="checkbox"/> Yes, the reference benchmark is aligned with each of the environmental or social characteristics promoted by the financial product. Details:</p> <p>However, in alignment with the implementation by APG AM of its clients' Exclusion Policy (*) all relevant constituents of the APG Exclusion List are excluded from the Pool.</p>
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17. APG Infrastructure Pool 2017



European Securities and
Markets Authority



EUROPEAN
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AUTHORITY



EUROPEAN
PENSION
AND OCCUPATIONAL PENSION AUTHORITY

JOINT COMMITTEE OF THE EUROPEAN
SUPERVISORY AUTHORITIES

Pre-contractual disclosure of a product that promotes E/S characteristics

Financial product: **APG Infrastructure Pool 2017**
This product has: **Environmental and/or social characteristics**

No sustainable investment objective

The APG Infrastructure Pool 2017 (hereafter: ‘**Pool**’) promotes environmental or social characteristics but does not have as its main objective to be a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.



Environmental and/or social characteristics are promoted by the financial product

Environmental, social and governance risks and opportunities are an integral part of the investment processes of this Pool by means of the application of the Responsible Investment Policies of APG AM’s clients. APG AM applies these overarching policies on behalf of its clients to all investments while excluding investments involved in the production of anti-personnel mines, cluster munitions, chemical, biological or nuclear weapons, and tobacco based on the clients’ Exclusion Policy (*).

Please note that all documents marked with (*) can be found on our website under section “Sustainability-related disclosures”.²⁰

The investments of this Pool are described under ‘Investment Strategy’. This Pool only contains general E/S characteristics, because of the type of investments (described under ‘Investment Strategy’). The general E/S characteristics and the methodologies used to assess, measure and monitor these E/C characteristics can be described as follows:

We apply specific APG AM Infrastructure Implementation Guidelines for our investments in the Pool. These are based on our Responsible Investment Policy and explain what we expect managers, funds or companies in which we invest to do during the due diligence, negotiations and monitoring phases. APG AM expects them to act in line with the UN Global Compact principles on human and labour rights, the environment and the prevention of corruption, and to participate in the annual GRESB Infra assessment. We also ask them to systematically address environmental, social and governance (ESG) matters by having a responsible investment policy in place that is in line with:







1. the Principles for Responsible Investment in Infrastructure;

²⁰ For English: <https://apg.nl/en/about-apg/asset-management/responsible-investment/> (EN)
For Dutch: <https://apg.nl/nl/over-apg/asset-management/verantwoord-beleggen/> (NL)

	<ol style="list-style-type: none"> 2. the UN Global Compact principles; 3. the relevant International Finance Corporation (IFC) Performance Standards. <p>We expect our direct investments to show that they are actively looking to prevent and mitigate ESG risks and to identify ESG opportunities during the ownership period. Furthermore, we ask managers and companies to:</p> <ul style="list-style-type: none"> • operate in line with best practice standards, such as relevant ISO standards or the IFC Performance Standards for investments in non-OECD countries; • implement a Stakeholder Engagement Approach consistent with best practice stakeholder engagement; • have a public grievance and whistleblower mechanism in place; • take into account the IFC Environmental, Health and Safety guidelines during due diligence; • conduct a materiality assessment regularly to determine their material ESG issues, in dialogue with their stakeholders; and to develop policies and procedures to limit any negative impacts with regard to these material issues; • to commit to APG AM's reporting and monitoring requirements with regard to the expectations described above and the overall integration of ESG in the investments. <p>Finally, our APG AM Governance Guidelines describe key principles and, given our direct investment in companies, APG AM is actively involved in shaping all areas of governance in our investee companies.</p> <p>To measure the extent to which E/S characteristics are met, in 2021, APG AM will start to develop methods to assess the likely impacts of sustainability risks on the returns for its financial products and gain further insight into the impact of the various policy instruments, such as inclusion, exclusion and Sustainable Development Investments, on the ability to meet risk and return targets. Our aim is to be able to measure and monitor any impacts on an ongoing basis, initially for liquid investments and extending it to other asset categories at a later stage.</p> <p>What APG AM already measures for this Pool is the extent of Sustainable Development Investments (SDI) in accordance with APG AM's SDI approach. Per 30 September 2020, in view of the Net Asset Value of this Pool, 74,23% of the investments in this Pool currently consist of SDIs in accordance with APG AM's SDI approach. These investments specifically relate to SDG 7 (Affordable and Clean Energy, 68,35%) and SDG 6 (Clean Water and Sanitation, 5,88%).</p>
	<p>Investment strategy</p> <p>What investment strategy does this financial product follow to meet the E/S characteristics?</p> <p>The Pool invests in equity and equity-related investments (e.g. preference shares, mezzanine, convertible debt) in primarily non-listed and listed infrastructure. Investments can be made through either Companies, Funds, Joint ventures or Co-investments. The Pool aims to invest in infrastructure projects that are expected to generate stable and predictable returns. There is a strong focus on the sustainability of investments.</p>

	<p>The Pool targets the following assets:</p> <ul style="list-style-type: none"> - Group 1: Assets with 'minimal' volatility; - Group 2: Assets with 'constrained' volatility; - Group 3: Assets with 'Relatively high' volatility <p>A robust framework is used to classify investments based on asset specific risk factors. The key risk factors that are taken into account include revenue risk, operational risk, construction / capital expenditure risk, and leverage. Revenue risk is assessed based on price and volume volatility. Contracts, regulation and/or market volatility are all factors that influence price and volume risk. Operational risk is evaluated by looking at the operational expenditure as part of the revenues (EBITDA margin), and how variable this expenditure is. Development capital expenditure is another factor that can have an impact on realized returns, and as such it is considered when classifying investments. Finally, the capital structure is taken into account. The greater the ability to service the debt, the lower the expected volatility. The assessment assigns a higher or lower score to each of these risk factors depending on the magnitude of uncertainty linked to it and the expected impact of the risk factor on returns. Specific guidelines have been developed for conducting the assessment as well as a model for translating them into a group classification / asset style.</p> <p>The Pool may invest in listed infrastructure investments where the Pool holds listed investments as (i) a result of investments being listed after the Pool's initial investment in non-listed investments or (ii) investments made with the intention of facilitating a take-private initiative.</p> <p>E/S characteristics are integrated in the investment strategy of this Pool as described above under "Environmental and/or social characteristics are promoted by the financial product".</p> <p>What are the binding elements for the investment selection?</p> <p>The Pool shall, either directly or indirectly, only make investments that meet the following criteria:</p> <p><u>Countries allowed</u></p> <p>For Europe: European Union (and including United Kingdom), Norway, Switzerland, Turkey* and Russia*;</p> <p>For Americas: US, Canada, Mexico*, Brazil*, Chile* and Peru*;</p> <p>For Asia Pacific: Japan, Australia, Singapore, Hong Kong, New Zealand, China*, Macau*, Malaysia*, South Korea*, India*, Taiwan*, Indonesia*, Philippines*, Vietnam* and Thailand*.</p> <p>Investments in non-allowed countries are allowed as long as >80% of the underlying assets of the investment are within the before mentioned countries. For the avoidance of doubt: single investments in non-allowed countries are not allowed.</p> <p>*) These countries are classified as Emerging/Frontier Market countries in accordance with the MSCI annual market classification review.</p> <p><u>Sectors allowed</u></p>
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	<p>Transport (e.g. toll roads, railways, ports and airports), Utilities/Energy (e.g. water, wastewater and waste treatment, electricity transmission and distribution, gas networks, pipelines and storage facilities, power generation, renewable energy), Social (e.g. hospitals and schools), Communications (e.g. towers and networks) and Other Infrastructure (e.g. infrastructure assets that exhibit similar characteristics as the aforementioned). For the avoidance of doubt, the Pool shall not invest in any real estate investments. Notwithstanding the above, investments which are structured as a public-private partnership or which are predominantly infrastructure related, but which have a minority or ancillary real estate element are not to be regarded as real estate investments. For data centers, standalone retail co-location and hyperscale data centers are typically considered to fall outside of the scope of eligible assets for this Pool, with other types (typically related to an integrated communications network / telecommunication towers) considered to fall within the scope of eligible assets</p> <p>Furthermore, as per 1 August 2019, to the extent controllable by the Manager, no new investments in coal fired powerplants will be made.</p> <p><u>Credit ratings allowed</u> Not applicable.</p> <p><u>Financial instruments allowed</u> Instruments only to be used in compliance with APG AM's Approved Instruments List as annually reviewed.</p> <p><u>Objective derivative use</u> Only for efficient portfolio management and risk management purposes in accordance with the Dutch Pension Act (<i>Pensioenwet</i>).</p> <p><u>FX Policy</u> All active currency weights may be (partly) hedged to the benchmark currency weights.</p> <p>How is the strategy implemented in the investment process on a continuous basis? The way the Responsible Investment Policies of APG AM's clients are implemented and how ESG characteristics are integrated in the investment process is described under: "Environmental and/or social characteristics are promoted by the financial product". Compliance with these policies is monitored on a continuous basis.</p> <p>Is there an amount of potential investments excluded, as a result of the implementation of the selection criteria? Potential investments are excluded based on the investment strategy limitations and the implementation by APG AM of the clients' Exclusion Policy (*) as both described above.</p> <p>What is the policy to assess good governance practices of the investee companies? The way APG AM assesses good governance practices of investee companies is integral to APG AM's investment strategy to follow E/S characteristics. Therefore, APG AM's policy to assess good governance practices of investee companies is described under "Investment Strategy".</p>
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	<p>Asset allocation</p> <p>What is the minimum asset allocation planned for this product? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p> <p>In which economic sectors are the investments made? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Derivatives</p> <p>Does this financial product make use of derivatives? As of 21-01-2021 no derivatives are used.</p> <p>If yes, how is the use of derivatives aligned with the E/S characteristics?</p>
	<p>What investments are included under “#2 Remainder”? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Do not significantly harm</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected at the end of Q1 2021.</p>
	<p>Sustainability indicators</p> <p>The sustainability indicators are assessed by means of the implementation of the Responsible Investment Policies of APG AM's clients under: 'Environmental and/or social characteristics are promoted by the financial product'.</p>
	<p>Website reference</p> <p>All information related to the sustainability-related disclosures can be found on the APG Asset Management website (*).</p>
	<p>Reference benchmark</p> <p>Is a specific index designated as a reference benchmark to determine whether this product is sustainable?</p> <p><input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Yes, however the reference benchmark is not aligned with all the environmental or sustainable characteristics. Details:</p> <p><input type="checkbox"/> Yes, the reference benchmark is aligned with each of the environmental or social characteristics promoted by the financial product. Details:</p>

	However, in alignment with the implementation by APG AM of its clients' Exclusion Policy (*) all relevant constituents of the APG Exclusion List are excluded from the Pool.
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18. APG Infrastructure Pool 2017 II



European Securities and
Markets Authority



JOINT COMMITTEE OF THE EUROPEAN
SUPERVISORY AUTHORITIES

Pre-contractual disclosure of a product that promotes E/S characteristics

Financial product: **APG Infrastructure Pool 2017 II**
This product has: **Environmental and/or social characteristics**

No sustainable investment objective

The APG Infrastructure Pool 2017 II (hereafter: '**Pool**') promotes environmental or social characteristics but does not have as its main objective to be a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.



Environmental and/or social characteristics are promoted by the financial product


Environmental, social and governance risks and opportunities are an integral part of the investment processes of this Pool by means of the application of the Responsible Investment Policies of APG AM's clients. APG AM applies these overarching policies on behalf of its clients to all investments while excluding investments involved in the production of anti-personnel mines, cluster munitions, chemical, biological or nuclear weapons, and tobacco based on the clients' Exclusion Policy (*).

Please note that all documents marked with (*) can be found on our website under section "Sustainability-related disclosures".²¹

The investments of this Pool are described under 'Investment Strategy'. This Pool only contains general E/S characteristics, because of the type of investments (described under 'Investment Strategy'). The general E/S characteristics and the methodologies used to assess, measure and monitor these E/C characteristics can be described as follows:






We apply specific APG AM Infrastructure Implementation Guidelines for our investments in the Pool. These are based on our Responsible Investment Policy and explain what we expect managers, funds or companies in which we invest to do during the due diligence, negotiations and monitoring phases. APG AM expects them to act in line with the UN Global Compact principles on human and labour rights, the environment and the prevention of corruption, and to participate in the annual GRESB Infra assessment. We also ask them to systematically address environmental, social


²¹ For English: <https://apg.nl/en/about-apg/asset-management/responsible-investment/> (EN)
For Dutch: <https://apg.nl/nl/over-apg/asset-management/verantwoord-beleggen/> (NL)

	<p>and governance (ESG) matters by having a responsible investment policy in place that is in line with:</p> <ol style="list-style-type: none"> 1. the Principles for Responsible Investment in Infrastructure; 2. the UN Global Compact principles; 3. the relevant International Finance Corporation (IFC) Performance Standards. <p>We expect our direct investments to show that they are actively looking to prevent and mitigate ESG risks and to identify ESG opportunities during the ownership period. Furthermore, we ask managers and companies to:</p> <ul style="list-style-type: none"> • operate in line with best practice standards, such as relevant ISO standards or the IFC Performance Standards for investments in non-OECD countries; • implement a Stakeholder Engagement Approach consistent with best practice stakeholder engagement; • have a public grievance and whistleblower mechanism in place; • take into account the IFC Environmental, Health and Safety guidelines during due diligence; • conduct a materiality assessment regularly to determine their material ESG issues, in dialogue with their stakeholders; and to develop policies and procedures to limit any negative impacts with regard to these material issues; • to commit to APG AM's reporting and monitoring requirements with regard to the expectations described above and the overall integration of ESG in the investments. <p>Finally, our APG AM Governance Guidelines describe key principles and, given our direct investment in companies, APG AM is actively involved in shaping all areas of governance in our investee companies.</p> <p>To measure the extent to which E/S characteristics are met, in 2021, APG AM will start to develop methods to assess the likely impacts of sustainability risks on the returns for its financial products and gain further insight into the impact of the various policy instruments, such as inclusion, exclusion and Sustainable Development Investments, on the ability to meet risk and return targets. Our aim is to be able to measure and monitor any impacts on an ongoing basis, initially for liquid investments and extending it to other asset categories at a later stage.</p> <p>What APG AM already measures for this Pool is the extent of Sustainable Development Investments (SDI) in accordance with APG AM's SDI approach. Per 30 September 2020, in view of the Net Asset Value of this Pool, 13,42% of the investments in this Pool currently consist of SDIs in accordance with APG AM's SDI approach. These investments specifically relate to SDG 11 (Sustainable Cities and Communities, 5,91%), SDG 7 (Affordable and Clean Energy, 4,9%), SDG 4 (Quality Education, 1,8%) and SDG 9 (Industry, Innovation and Infrastructure, 0,81%).</p>
	<p>Investment strategy</p> <p>What investment strategy does this financial product follow to meet the E/S characteristics?</p>

	<p>The Pool invests in equity and equity-related investments (e.g. preference shares, mezzanine, convertible debt) in primarily non-listed and listed infrastructure. Investments can be made through either Companies, Funds, Joint ventures or Co-investments. The Pool aims to invest in infrastructure projects that are expected to generate stable and predictable returns. There is a strong focus on the sustainability of investments.</p> <p>The Pool targets the following assets:</p> <ul style="list-style-type: none"> - Group 1: Assets with 'minimal' volatility; - Group 2: Assets with 'constrained' volatility; - Group 3: Assets with 'Relatively high' volatility <p>A robust framework is used to classify investments based on asset specific risk factors. The key risk factors that are taken into account include revenue risk, operational risk, construction / capital expenditure risk, and leverage. Revenue risk is assessed based on price and volume volatility. Contracts, regulation and/or market volatility are all factors that influence price and volume risk. Operational risk is evaluated by looking at the operational expenditure as part of the revenues (EBITDA margin), and how variable this expenditure is. Development capital expenditure is another factor that can have an impact on realized returns, and as such it is considered when classifying investments. Finally, the capital structure is taken into account. The greater the ability to service the debt, the lower the expected volatility. The assessment assigns a higher or lower score to each of these risk factors depending on the magnitude of uncertainty linked to it and the expected impact of the risk factor on returns. Specific guidelines have been developed for conducting the assessment as well as a model for translating them into a group classification / asset style.</p> <p>The Pool may invest in listed infrastructure investments where the Pool holds listed investments as (i) a result of investments being listed after the Pool's initial investment in non-listed investments or (ii) investments made with the intention of facilitating a take-private initiative.</p> <p>E/S characteristics are integrated in the investment strategy of this Pool as described above under "Environmental and/or social characteristics are promoted by the financial product".</p> <p>What are the binding elements for the investment selection?</p> <p>The Pool shall, either directly or indirectly, only make investments that meet the following criteria:</p> <p><u>Countries allowed</u></p> <ul style="list-style-type: none"> - For Europe: European Union (and including United Kingdom), Norway, Switzerland, Turkey* and Russia*; - For Americas: US, Canada, Mexico*, Brazil*, Chile* and Peru*; - For Asia Pacific: Japan, Australia, Singapore, Hong Kong, New Zealand, China*, Macau*, Malaysia*, South Korea*, India*, Taiwan*, Indonesia*, Philippines*, Vietnam* and Thailand*.
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	<p>Investments in non-allowed countries are allowed as long as >80% of the underlying assets of the investment are within the before mentioned countries. For the avoidance of doubt: single investments in non-allowed countries are not allowed. *) These countries are classified as Emerging/Frontier Market countries in accordance with the MSCI annual market classification review.</p> <p><u>Sectors allowed</u> Transport (e.g. toll roads, railways, ports and airports), Utilities/Energy (e.g. water, wastewater and waste treatment, electricity transmission and distribution, gas networks, pipelines and storage facilities, power generation, renewable energy), Social (e.g. hospitals and schools), Communications (e.g. towers and networks) and Other Infrastructure (e.g. infrastructure assets that exhibit similar characteristics as the aforementioned). For the avoidance of doubt, the Pool shall not invest in any real estate investments. Notwithstanding the above, investments which are structured as a public-private partnership or which are predominantly infrastructure related, but which have a minority or ancillary real estate element are not to be regarded as real estate investments. For data centers, standalone retail co-location and hyperscale data centers are typically considered to fall outside of the scope of eligible assets for this Pool, with other types (typically related to an integrated communications network / telecommunication towers) considered to fall within the scope of eligible assets.</p> <p>Furthermore, as per 1 August 2019, to the extent controllable by the Manager, no new investments in coal fired powerplants will be made.</p> <p><u>Credit ratings allowed</u> Not applicable.</p> <p><u>Financial instruments allowed</u>³ Instruments only to be used in compliance with APG AM's Approved Instruments List as annually reviewed.</p> <p><u>Objective derivative use</u> Only for efficient portfolio management and risk management purposes in accordance with the Dutch Pension Act (<i>Pensioenwet</i>).</p> <p><u>FX Policy</u> All active currency weights may be (partly) hedged to the benchmark currency weights.</p> <p>How is the strategy implemented in the investment process on a continuous basis? The way the Responsible Investment Policies of APG AM's clients are implemented and how ESG characteristics are integrated in the investment process is described under: "Environmental and/or social characteristics are promoted by the financial product". Compliance with these policies is monitored on a continuous basis.</p> <p>Is there an amount of potential investments excluded, as a result of the implementation of the selection criteria? Potential investments are excluded based on the investment strategy limitations and the implementation by APG AM of the clients' Exclusion Policy (*) as both described above.</p>
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	<p>What is the policy to assess good governance practices of the investee companies?</p> <p>The way APG AM assesses good governance practices of investee companies is integral to APG AM's investment strategy to follow E/S characteristics. Therefore, APG AM's policy to assess good governance practices of investee companies is described under "Investment Strategy".</p>
	<p>Asset allocation</p> <p>What is the minimum asset allocation planned for this product?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p> <p>In which economic sectors are the investments made?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Derivatives</p> <p>Does this financial product make use of derivatives?</p> <p>As of 21-01-2021 no derivatives are used.</p> <p>If yes, how is the use of derivatives aligned with the E/S characteristics?</p>
	<p>What investments are included under "#2 Remainder"?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Do not significantly harm</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected at the end of Q1 2021.</p>
	<p>Sustainability indicators</p> <p>The sustainability indicators are assessed by means of the implementation of the Responsible Investment Policies of APG AM's clients under: 'Environmental and/or social characteristics are promoted by the financial product'.</p>
	<p>Website reference</p> <p>All information related to the sustainability-related disclosures can be found on the APG Asset Management website (*).</p>
	<p>Reference benchmark</p> <p>Is a specific index designated as a reference benchmark to determine whether this product is sustainable?</p>

	<p> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, however the reference benchmark is not aligned with all the environmental or sustainable characteristics. Details: <input type="checkbox"/> Yes, the reference benchmark is aligned with each of the environmental or social characteristics promoted by the financial product. Details: </p> <p> However, in alignment with the implementation by APG AM of its clients' Exclusion Policy (*) all relevant constituents of the APG Exclusion List are excluded from the Pool. </p>
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19. APG INFRASTRUCTURE POOL 2020-2021



European Securities and
Markets Authority



JOINT COMMITTEE OF THE EUROPEAN
SUPERVISORY AUTHORITIES

Pre-contractual disclosure of a product that promotes E/S characteristics

Financial product: **APG INFRASTRUCTURE POOL 2020-2021**
This product has: **Environmental and/or social characteristics**

No sustainable investment objective

The APG INFRASTRUCTURE POOL 2020-2021 (hereafter: ‘**Pool**’) promotes environmental or social characteristics but does not have as its main objective to be a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.



Environmental and/or social characteristics are promoted by the financial product


Environmental, social and governance risks and opportunities are an integral part of the investment processes of this Pool by means of the application of the Responsible Investment Policies of APG AM's clients. APG AM applies these overarching policies on behalf of its clients to all investments while excluding investments involved in the production of anti-personnel mines, cluster munitions, chemical, biological or nuclear weapons, and tobacco based on the clients' Exclusion Policy (*).

Please note that all documents marked with (*) can be found on our website under section “Sustainability-related disclosures”.²²

The investments of this Pool are described under ‘Investment Strategy’. This Pool only contains general E/S characteristics, because of the type of investments (described under ‘Investment Strategy’). The general E/S characteristics and the methodologies used to assess, measure and monitor these E/S characteristics can be described as follows:







We apply specific APG AM Infrastructure Implementation Guidelines for our investments in the Pool. These are based on our Responsible Investment Policy and explain what we expect managers, funds or companies in which we invest to do during the due diligence, negotiations and monitoring phases. APG AM expects them to act in line with the UN Global Compact principles on human and labour rights, the environment and the prevention of corruption, and to participate in the annual GRESB Infra assessment. We also ask them to systematically address environmental, social

²² For English: <https://apg.nl/en/about-apg/asset-management/responsible-investment/> (EN)
For Dutch: <https://apg.nl/nl/over-apg/asset-management/verantwoord-beleggen/> (NL)

	<p>and governance (ESG) matters by having a responsible investment policy in place that is in line with:</p> <ol style="list-style-type: none"> 1. the Principles for Responsible Investment in Infrastructure; 2. the UN Global Compact principles; 3. the relevant International Finance Corporation (IFC) Performance Standards. <p>We expect our direct investments to show that they are actively looking to prevent and mitigate ESG risks and to identify ESG opportunities during the ownership period. Furthermore, we ask managers and companies to:</p> <ul style="list-style-type: none"> • operate in line with best practice standards, such as relevant ISO standards or the IFC Performance Standards for investments in non-OECD countries; • implement a Stakeholder Engagement Approach consistent with best practice stakeholder engagement; • have a public grievance and whistleblower mechanism in place; • take into account the IFC Environmental, Health and Safety guidelines during due diligence; • conduct a materiality assessment regularly to determine their material ESG issues, in dialogue with their stakeholders; and to develop policies and procedures to limit any negative impacts with regard to these material issues; • to commit to APG AM's reporting and monitoring requirements with regard to the expectations described above and the overall integration of ESG in the investments. <p>Finally, our APG AM Governance Guidelines describe key principles and, given our direct investment in companies, APG AM is actively involved in shaping all areas of governance in our investee companies.</p> <p>To measure the extent to which E/S characteristics are met, in 2021, APG AM will start to develop methods to assess the likely impacts of sustainability risks on the returns for its financial products and gain further insight into the impact of the various policy instruments, such as inclusion, exclusion and Sustainable Development Investments, on the ability to meet risk and return targets. Our aim is to be able to measure and monitor any impacts on an ongoing basis, initially for liquid investments and extending it to other asset categories at a later stage.</p>
	<p>Investment strategy</p> <p>What investment strategy does this financial product follow to meet the E/S characteristics?</p> <p>The Pool invests in equity and equity-related investments (e.g. preference shares, mezzanine, convertible debt) in primarily non-listed and listed infrastructure. Investments can be made through either Companies, Funds, Joint ventures or Co-investments. The Pool aims to invest in infrastructure projects that are expected to generate stable and predictable returns. There is a strong focus on the sustainability of investments.</p> <p>The Pool targets the following assets:</p> <ul style="list-style-type: none"> - Group 1: Assets with 'minimal' volatility.

	<ul style="list-style-type: none"> - Group 2: Assets with ‘constrained’ volatility. - Group 3: Assets with ‘Relatively high’ volatility. <p>A robust framework is used to classify investments based on asset specific risk factors. The key risk factors that are taken into account include revenue risk, operational risk, construction / capital expenditure risk, and leverage. Revenue risk is assessed based on price and volume volatility. Contracts, regulation and/or market volatility are all factors that influence price and volume risk. Operational risk is evaluated by looking at the operational expenditure as part of the revenues (EBITDA margin), and how variable this expenditure is. Development capital expenditure is another factor that can have an impact on realized returns, and as such it is considered when classifying investments. Finally, the capital structure is taken into account. The greater the ability to service the debt, the lower the expected volatility. The assessment assigns a higher or lower score to each of these risk factors depending on the magnitude of uncertainty linked to it and the expected impact of the risk factor on returns. Specific guidelines have been developed for conducting the assessment as well as a model for translating them into a group classification / asset style.</p> <p>The Pool may invest in listed infrastructure investments where the Pool holds listed investments as (i) a result of investments being listed after the Pool’s initial investment in non-listed investments or (ii) investments made with the intention of facilitating a take-private initiative.</p> <p>E/S characteristics are integrated in the investment strategy of this Pool as described above under “Environmental and/or social characteristics are promoted by the financial product”.</p> <p>What are the binding elements for the investment selection?</p> <p>The Pool shall, either directly or indirectly, only make investments that meet the following criteria:</p> <p><u>Countries allowed</u></p> <p>For Europe: European Union (and including United Kingdom), Norway, Switzerland, Turkey* and Russia*;</p> <p>For Americas: US, Canada, Mexico*, Brazil*, Chile* and Peru*;</p> <p>For Asia Pacific: Japan, Australia, Singapore, Hong Kong, New Zealand, China*, Macau*, Malaysia*, South Korea*, India*, Taiwan*, Indonesia*, Philippines*, Vietnam* and Thailand*.</p> <p>Investments in non-allowed countries are allowed as long as >80% of the underlying assets of the investment are within the before mentioned countries. For the avoidance of doubt: single investments in non-allowed countries are not allowed.</p> <p>*) These countries are classified as Emerging/Frontier Market countries in accordance with the MSCI annual market classification review.</p> <p><u>Sectors allowed</u></p> <p>Transport (e.g. toll roads, railways, ports and airports), Utilities/Energy (e.g. water, wastewater and waste treatment, electricity transmission and distribution, gas networks, pipelines and storage facilities, power generation, renewable energy), Social (e.g. hospitals and schools), Communications (e.g. towers and networks) and</p>
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	<p>Other Infrastructure (e.g. infrastructure assets that exhibit similar characteristics as the aforementioned). For the avoidance of doubt, the Pool shall not invest in any real estate investments. Notwithstanding the above, investments which are structured as a public-private partnership or which are predominantly infrastructure related, but which have a minority or ancillary real estate element are not to be regarded as real estate investments. For data centers, standalone retail co-location and hyperscale data centers are typically considered to fall outside of the scope of eligible assets for this Pool, with other types (typically related to an integrated communications network / telecommunication towers) considered to fall within the scope of eligible assets. Furthermore, to the extent controllable by the Manager, no investments in coal fired powerplants will be made.</p> <p><u>Credit ratings allowed</u> Not applicable.</p> <p><u>Financial instruments allowed</u> Instruments only to be used in compliance with APG AM's Approved Instruments List as annually reviewed.</p> <p><u>Objective derivative use</u> Only for efficient portfolio management and risk management purposes in accordance with the Dutch Pension Act (<i>Pensioenwet</i>).</p> <p><u>FX Policy</u> All active currency weights may be (partly) hedged to the benchmark currency weights.</p> <p>E/S characteristics are integrated in the investment strategy of this Pool as described above under "Environmental and/or social characteristics are promoted by the financial product".</p> <p>How is the strategy implemented in the investment process on a continuous basis? The way the Responsible Investment Policies of APG AM's clients are implemented and how ESG characteristics are integrated in the investment process is described under: "Environmental and/or social characteristics are promoted by the financial product". Compliance with these policies is monitored on a continuous basis.</p> <p>Is there an amount of potential investments excluded, as a result of the implementation of the selection criteria? Potential investments are excluded based on the investment strategy limitations and the implementation by APG AM of the clients' Exclusion Policy (*) as both described above.</p> <p>What is the policy to assess good governance practices of the investee companies? The way APG AM assesses good governance practices of investee companies is integral to APG AM's investment strategy to follow E/S characteristics. Therefore, APG AM's policy to assess good governance practices of investee companies is described under "Investment Strategy".</p>
	Asset allocation

	<p>What is the minimum asset allocation planned for this product? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p> <p>In which economic sectors are the investments made? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Derivatives Does this financial product make use of derivatives? As of 21-01-2021 no derivatives are used.</p> <p>If yes, how is the use of derivatives aligned with the E/S characteristics?</p>
	<p>What investments are included under “#2 Remainder”? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Do not significantly harm Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected at the end of Q1 2021.</p>
	<p>Sustainability indicators The sustainability indicators are assessed by means of the implementation of the Responsible Investment Policies of APG AM's clients under: “Environmental and/or social characteristics are promoted by the financial product”.</p>
	<p>Website reference All information related to the sustainability-related disclosures can be found on the APG Asset Management website (*).</p>
	<p>Reference benchmark Is a specific index designated as a reference benchmark to determine whether this product is sustainable? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, however the reference benchmark is not aligned with all the environmental or sustainable characteristics. Details: <input type="checkbox"/> Yes, the reference benchmark is aligned with each of the environmental or social characteristics promoted by the financial product. Details: </p>

	However, in alignment with the implementation by APG AM of its clients' Exclusion Policy (*) all relevant constituents of the APG Exclusion List are excluded from the Pool.
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20. APG Long Duration Treasuries Pool



European Securities and
Markets Authority



JOINT COMMITTEE OF THE EUROPEAN
SUPERVISORY AUTHORITIES

Pre-contractual disclosure of a product that promotes E/S characteristics

Financial product: **APG Long Duration Treasuries Pool**
This product has: **Environmental and/or social characteristics**

No sustainable investment objective

The APG Long Duration Treasuries Pool (hereafter: ‘Pool’) promotes environmental or social characteristics but does not have as its objective a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.



Environmental and/or social characteristics are promoted by the financial product


Environmental, social and governance risks and opportunities are an integral part of the investment processes of this Pool by means of the application of the Responsible Investment Policies of APG AM’s clients. APG AM applies these overarching policies on behalf of its clients to all investments while excluding investments involved in the production of anti-personnel mines, cluster munitions, chemical, biological or nuclear weapons, and tobacco based on the clients’ Exclusion Policy (*).

Please note that all documents marked with (*) can be found on our website under section “Sustainability-related disclosures”.²³




The E/S characteristics of this Pool are addressed in the specific approaches that apply to this Pool:




- Sustainable Development Investments (*) – which looks at how the products and services of our investments contribute to Sustainable Development Goals such as no poverty, zero hunger, good health and wellbeing, quality education, clean water and sanitation, affordable and clean energy, sustainable cities and communities, life on land, industry, innovation and infrastructure, responsible consumption and production, climate action, life below water, and life on land;
- Responsible investing is integrated in the investment process through a bottom-up country risk assessment model of willingness-to-pay (political risk) in the fundamental investment process. The ESG scores which are used in this model allocate more weight to the overall Governance factor since governance is seen as the most significant credit risk factor. Also, there is a specific focus on anti-corruption, labour standards, human rights and environment in the ESG scores.

²³ For English: <https://apg.nl/en/about-apg/asset-management/responsible-investment/> (EN)
For Dutch: <https://apg.nl/nl/over-apg/asset-management/verantwoord-beleggen/> (NL)

	<p>Adding ESG to our country risk analysis provides additional insights, such as, impact of social and political factors on sovereign credit risk and long-term growth prospects which influences ratings, rates and country spreads.</p> <p>To measure the extent to which E/S characteristics are met, in 2021, APG AM will start to develop methods to assess the likely impacts of sustainability risks on the returns for its financial products and gain further insight into the impact of the various policy instruments, such as inclusion, exclusion and Sustainable Development Investments, on the ability to meet risk and return targets. Our aim is to be able to measure and monitor any impacts on an ongoing basis, initially for liquid investments and extending it to other asset categories at a later stage.</p> <p>What APG AM already measures for this Pool is the extent of Sustainable Development Investments (SDI) in accordance with APG AM's SDI approach. Per 30 September 2020, in view of the Net Asset Value of this Pool, 4,63% of the investments in this Pool currently consist of SDIs in accordance with APG AM's SDI approach. These investments specifically relate to SDG 7 (Affordable and Clean Energy, 3,79%) and SDG 11 (Sustainable Cities and Communities, 0,84%).</p>
	<p>Investment strategy</p> <p>What investment strategy does this financial product follow to meet the E/S characteristics?</p> <p>Active management is in charge of capital preservation and cost-effective and efficient portfolio management. The portfolio is internally managed and will mainly invest in long-term high rated government bonds and government related debt. Derivatives are used to hedge risks and for efficient portfolio management.</p> <p>E/S characteristics are integrated in the investment strategy of this Pool as described above under “Environmental and/or social characteristics are promoted by the financial product”.</p> <p>What are the binding elements for the investment selection?</p> <p>Restrictions relating to the Pool as fiscal investment institution (<i>fiscale beleggingsinstelling</i>) as defined in section 28 Dutch Corporate Income Tax Act 1969 result in particular in the following restrictions: (i) the Pool's activities must consist of portfolio activities only, i.e. the Pool may not (partly) carry on a business and (ii) the fiscal investment institution (<i>fiscale beleggingsinstelling</i>) regime provides for specific restrictions as to the leverage of the Pool. The total debt must not exceed 60% of the tax book value of the immovable property and 20% of the book value of all other investments (shares in a subsidiary may only be leveraged with a maximum of 20%). Other restrictions are set out below.</p> <p>The Pool shall, either directly or indirectly, only make investments that meet the following criteria:</p> <p><u>Countries allowed</u> Worldwide; countries assessed by APG AM Emerging Markets Country Risk policy as Emerging Markets that are not part of the benchmark universe are not allowed.</p> <p><u>Sectors allowed</u></p>

	<p>Classification for all issuers is based on the Bloomberg Barclays Global Sector Classification Scheme also for issuers not included in Bloomberg Barclays benchmarks. The following class 1 sectors are allowed: Treasuries and Government-Related.</p> <p><u>Issuers allowed</u> All treasuries and government related issuers allowed.</p> <p><u>Credit ratings allowed</u> Issuers are allowed with a credit rating A or higher when added to the portfolio.</p> <p><u>Financial instruments allowed</u> Instruments only to be used in compliance with APG AM's Approved Instruments List as annually reviewed. Euro denominated instruments minimum 50% (net, as percentage of the Net Asset Value).</p> <p><u>Objective derivative use</u> Only for efficient portfolio management and risk management purposes in accordance with the Dutch Pension Act (<i>Pensioenwet</i>). Derivatives use shall comply with APG AM's counterparty policy, collateral policy, liquidity policy and market risk policy.</p> <p><u>Max positions per country/securities/derivatives/rating/FX-policy</u></p> <ul style="list-style-type: none"> a) Country: For a country with above average credit risk, the relative overweight of this country and the sum of issuers from this specific country of risk is maximized at 2% versus the benchmark. Above average credit risk is defined as a credit rating below the average benchmark rating or with a higher CDS-spread versus the average benchmark CDS-spread. Countries could be excluded based on the risk framework set by APG AM's Risk Committee. b) Securities: 80% of the portfolio's market value should consist of securities that have the same issuer as the benchmark. Issuers not included in the benchmark are maximized at 2% of Net Asset Value. c) Derivatives: The absolute notional of the derivatives exposure should be less than 100% of the Net Asset Value. This notional also captures the structural FX-forward exposures. d) Rating: The weighted average rating factor (WARF) is a numerical representation of the credit risk of a portfolio. The Pool's WARF shall not exceed the benchmark's WARF by more than an amount equal to 1 rating notch. e) Maximum 10% of the Net Asset Value consist of securities that have an internal rating. Internal ratings are used when Moody's, S&P or Fitch do not provide a rating. f) FX-policy: Currency risk is minimized. As currency hedging forms an integral part of the strategy, the Pool's EUR exposure should be within the 95%-105% range of Net Asset Value. The absolute netted exposure per foreign currency in the Pool versus the absolute netted exposure per foreign currency of the benchmark should not exceed 0.5% of the Net Asset Value. <p>How is the strategy implemented in the investment process on a continuous basis? The way the Responsible Investment Policies of APG AM's clients are implemented and how ESG characteristics are integrated in the investment process is described</p>
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	<p>under: “Environmental and/or social characteristics are promoted by the financial product”. Compliance with these policies is monitored on a continuous basis.</p> <p>Is there an amount of potential investments excluded, as a result of the implementation of the selection criteria? Potential investments are excluded based on the investment strategy limitations and the implementation by APG AM of the clients’ Exclusion Policy (*) as both described above.</p> <p>What is the policy to assess good governance practices of the investee companies? The way APG AM assesses good governance practices of investee companies is integral to APG AM’s investment strategy to follow E/S characteristics. Therefore, APG AM’s policy to assess good governance practices of investee companies is described under “Investment Strategy”.</p>
	<p>Asset allocation</p> <p>What is the minimum asset allocation planned for this product? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p> <p>In which economic sectors are the investments made? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Derivatives</p> <p>Does this financial product make use of derivatives? Yes, less than 1%.</p> <p>If yes, how is the use of derivatives aligned with the E/S characteristics? Derivatives are used only for efficient portfolio management and risk management purposes in accordance with the Dutch Pension Act (<i>Pensioenwet</i>). Derivatives use shall comply with the Pool’s counterparty policy, collateral policy, liquidity policy and market risk policy.</p>
	<p>What investments are included under “#2 Remainder”? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Do not significantly harm Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected at the end of Q1 2021.</p>
	<p>Sustainability indicators</p>

	<p>The sustainability indicators are assessed by means of the implementation of the Responsible Investment Policies of APG AM's clients under: 'Environmental and/or social characteristics are promoted by the financial product'.</p>
	<p>Website reference All information related to the sustainability-related disclosures can be found on the APG Asset Management website (*).</p>
	<p>Reference benchmark Is a specific index designated as a reference benchmark to determine whether this product is sustainable?</p> <p><input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Yes, however the reference benchmark is not aligned with all the environmental or sustainable characteristics. Details:</p> <p><input type="checkbox"/> Yes, the reference benchmark is aligned with each of the environmental or social characteristics promoted by the financial product. Details:</p> <p>However, in alignment with the implementation by APG AM of its clients' Exclusion Policy (*) all relevant constituents of the APG Exclusion List are excluded from the Pool.</p>

21. APG New Hedge Funds Pool



European Securities and
Markets Authority



EUROPEAN
BANKING
AUTHORITY



EUROPEAN
PENSION
AND OCCUPATIONAL PENSION AUTHORITY

JOINT COMMITTEE OF THE EUROPEAN
SUPERVISORY AUTHORITIES

Pre-contractual disclosure of a product that promotes E/S characteristics

Financial product: **APG New Hedge Funds Pool**
This product has: **Environmental and/or social characteristics**

No sustainable investment objective

The APG New Hedge Funds Pool (hereafter: ‘**Pool**’) promotes environmental or social characteristics but does not have as its main objective to be a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.



Environmental and/or social characteristics are promoted by the financial product

Environmental, social and governance risks and opportunities are an integral part of the investment processes of this Pool by means of the application of the Responsible Investment Policies of APG AM’s clients. APG AM applies these overarching policies on behalf of its clients to all investments while excluding investments involved in the production of anti-personnel mines, cluster munitions, chemical, biological or nuclear weapons, and tobacco based on the clients’ Exclusion Policy (*).

Please note that all documents marked with (*) can be found on our website under section “Sustainability-related disclosures”.²⁴

The investments of this Pool are described under “Investment Strategy”. This Pool only contains general E/S characteristics, because of the type of investments (described under ‘Investment Strategy’). The general E/S characteristics and the methodologies used to assess, measure and monitor these E/C characteristics can be described as follows:


All investments in the Pool are subject to specific ESG conditions and requirements. All managers are expected to comply with the Exclusion Policy. In addition, certain managers such as those that conduct fundamental analyses of securities are required to have a responsible investment policy in place and to demonstrate that they consider ESG-related risks and opportunities as part of their investment process. A Manager who maintains holdings in an investee company over a medium to longer term period is expected to have and implement a voting policy which addresses ESG issues in both equities and fixed income, as applicable. Furthermore, we require contractual commitment from the Manager to operate according to best practice standards.

²⁴ For English: <https://apg.nl/en/about-apg/asset-management/responsible-investment/> (EN)
For Dutch: <https://apg.nl/nl/over-apg/asset-management/verantwoord-beleggen/> (NL)

	<p>To measure the extent to which E/S characteristics are met, in 2021, APG AM will start to develop methods to assess the likely impacts of sustainability risks on the returns for its financial products and gain further insight into the impact of the various policy instruments, such as inclusion, exclusion and Sustainable Development Investments, on the ability to meet risk and return targets. Our aim is to be able to measure and monitor any impacts on an ongoing basis, initially for liquid investments and extending it to other asset categories at a later stage.</p>
	<p>Investment strategy</p> <p>What investment strategy does this financial product follow to meet the E/S characteristics?</p> <p>The Pool will invest substantially all of its assets in a single Fund of Hedge Funds. The Pool, through the Fund(s) of Hedge Funds, invests in single hedge funds, but also in funds, other fund of hedge funds and co-investments (each a "Portfolio Fund" and the investment manager of each Portfolio Fund, an "Underlying Manager" provided that in the case of Portfolio Funds structured on a managed account platform, the term "Portfolio Fund" refers to each individual mandate advised by an Underlying Manager and the term "Managed Account Fund" refers to the entity in which the Fund of Hedge Funds invests that is comprised of multiple Portfolio Funds). Outperformance should come from strategy and Portfolio Fund selection by the Fund of Hedge Funds manager.</p> <p>In seeking to meet the investment objective, a Fund of Hedge Funds manager may make certain investments from time to time that may, on a standalone basis possess expected return, risk, diversification, correlation or other characteristics that are individually either higher or lower than as set out in these Pool Specifics for the Pool overall, but that the Manager believes will assist in helping the Pool overall meet its objectives. The Portfolio Funds may pursue a variety of strategies, on the condition that the restrictions as set forth throughout this document are met. Some of the strategies pursued by these Portfolio Funds include:</p> <p>Distressed: strategies that primarily invest in the debt securities of companies or sovereign countries that are undergoing or are likely to go through bankruptcy or other restructuring due to high levels of debt that they cannot pay back or refinance. These strategies also include opportunities in non-performing loans, which are most often collateralized by commercial real estate or other assets.</p> <p>Credit RV: strategies that broadly focus on exploiting mispricing in corporate credit instruments, including bonds, loans, and derivatives such as credit default swaps.</p> <p>Quant Equity: funds that employ an equity long/short strategy in a systematic way, with little to no discretion in the underlying portfolio construction.</p> <p>Equity Long/Short: funds that primarily invest in the liquid, listed equities of companies. Managers typically conduct a bottom-up research process to identify companies that they believe are trading above or below their perceived view of the fundamental value of the company.</p> <p>Asset Backed Securities (ABS): funds that seek to identify mispricing in complex securities that are collateralized by pools of other assets.</p> <p>Arbitrage and Event: strategies that exploit mispricing in equity, debt, or option instruments that can arise around corporate transactions, including M&A (mergers and acquisitions), IPOs/FOs (initial public offerings/follow-on offerings), and other corporate actions.</p>

	<p>RV Fixed Income: funds that exploit relative value (RV) mispricing among liquid fixed income instruments (typically ones with low credit risk), often using significant leverage.</p> <p>Global Macro: funds that trade a broad range of strategies predicated on movements in underlying economic variables and the impact these have on global equity, fixed income, currency and commodity markets. Managers can employ a variety of techniques, both discretionary and systematic analysis, combinations of top down and bottom-up theses, quantitative and fundamental targets and long, medium-, and short-term holding periods.</p> <p>Specialty Finance: funds that typically invest in securities or loans backed by various forms of niche collateral and that require a high degree of industry-specific underwriting expertise. Collateral can vary greatly but may include assets such as intellectual property (TV/film content or pharmaceuticals), aviation and energy.</p> <p>Insurance/Weather: funds that sell protection against weather events or natural catastrophes such as hurricanes and earthquakes to property insurers/reinsurers.</p> <p>Trend Following: funds that exploit the persistent phenomenon of momentum in asset returns, i.e., the relationship between an asset's recent returns with its future returns.</p> <p>E/S characteristics are integrated in the investment strategy of this Pool as described above under "Environmental and/or social characteristics are promoted by the financial product".</p> <p>What are the binding elements for the investment selection? The Pool shall, indirectly, only make investments that meet the following criteria:</p> <p><u>Countries allowed</u> As a general rule the Pool, through (the) Fund(s) of Hedge Funds, will only make investments in Portfolio Funds managed by Underlying Managers that have a principal place of business or headquarters in the nations comprising the Organization for Economic Cooperation and Development, Bermuda, British Virgin Islands, Cayman Islands, Jersey, Guernsey, or the Isle of Man or that are regulated by a securities or commodities regulatory body located within the United States of America, the European Union (as of August 2019), Hong Kong, Singapore, Japan, South Korea, Switzerland, Norway, Canada, Australia or New Zealand, however, such investments may also be made in other countries with the approval of the Manager. Each Portfolio Fund may typically invest globally, subject to some geographic limitations in any individual Portfolio Fund's legal documentation.</p> <p><u>Sectors allowed</u> Each Portfolio Fund may typically invest in a wide or unlimited range of sectors, but these sectors may be limited from time to time in any individual Portfolio Fund's legal documentation.</p> <p><u>Credit ratings allowed</u> The Portfolio Funds are typically unrated. There are generally no credit rating-based restrictions placed on the Portfolio Funds, and these funds typically invest in companies and instruments of any (or no) credit ratings.</p> <p><u>Financial instruments allowed⁴</u></p>
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	<p>The Pool, indirectly through (the) Fund(s) of Hedge Funds, generally holds equity or debt investments in Portfolio Funds. Each Portfolio Fund's investment strategy, as well as the types of financial instruments permitted, is specified in such Portfolio Fund's legal documentation, although it is typical that a Portfolio Fund may invest in a broad or unlimited range of financial instruments.</p> <p><u>Objective derivative use</u> While the Pool currently does not employ derivatives it may generally invest in derivatives subject to legal limitations and limitations in any Portfolio Fund's legal documentation.</p> <p><u>FX Policy</u> The Pool is denominated in United States dollars and, through the Fund of Hedge Funds, typically makes USD denominated investments. The Pool shall, indirectly, only make investments that meet the following criteria:</p> <p><u>Max positions per country/sector/rating</u> <i>Portfolio Level Restrictions:</i> No more than 30% of a Fund of Hedge Fund's capital (calculated as the greater of net asset value and capital commitments) will be invested in any one strategy over the medium term (a rolling average over a 3-year periods).</p> <p>No single Portfolio Fund (other than a comingled Managed Account Fund') will exceed 10% of a Fund of Hedge Fund's capital at the time of investment in such Portfolio Fund and no comingled Managed Account Fund will exceed 25% of a Fund of Hedge Fund's capital at the time of investment in such comingled Managed Account Fund.</p> <p><i>Individual Portfolio Fund Restrictions</i> Any limits on exposure generally will be reflected in the legal documentation of an individual Portfolio Fund. While some Portfolio Funds do have contractual limits on certain permitted exposure (including for example geographical limitations, limitations related to sector or limitations related to counterparty ratings), most Portfolio Funds do not contain any such legal limitations and instead rely on the internal risk management and portfolio construction techniques of the Underlying Manager to set and monitor any such limitations.</p> <p>How is the strategy implemented in the investment process on a continuous basis? The way the Responsible Investment Policies of APG AM's clients are implemented and how ESG characteristics are integrated in the investment process is described under: "Environmental and/or social characteristics are promoted by the financial product". Compliance with these policies is monitored on a continuous basis.</p> <p>Is there an amount of potential investments excluded, as a result of the implementation of the selection criteria? Potential investments are excluded based on the investment strategy limitations and the implementation by APG AM of the clients' Exclusion Policy (*) as both described above.</p> <p>What is the policy to assess good governance practices of the investee companies?</p>
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	<p>The way APG AM assesses good governance practices of investee companies is integral to APG AM's investment strategy to follow E/S characteristics. Therefore, APG AM's policy to assess good governance practices of investee companies is described under "Investment Strategy".</p>
	<p>Asset allocation</p> <p>What is the minimum asset allocation planned for this product?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p> <p>In which economic sectors are the investments made?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Derivatives</p> <p>Does this financial product make use of derivatives?</p> <p>As of 21-01-2021, no derivatives are used on Pool level.</p> <p>If yes, how is the use of derivatives aligned with the E/S characteristics?</p>
	<p>What investments are included under "#2 Remainder"?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Do not significantly harm</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected at the end of Q1 2021.</p>
	<p>Sustainability indicators</p> <p>The sustainability indicators are assessed by means of the implementation of the Responsible Investment Policies of APG AM's clients under: "Environmental and/or social characteristics are promoted by the financial product".</p>
	<p>Website reference</p> <p>All information related to the sustainability-related disclosures can be found on the APG Asset Management website (*).</p>
	<p>Reference benchmark</p> <p>Is a specific index designated as a reference benchmark to determine whether this product is sustainable?</p> <p><input checked="" type="checkbox"/> No</p>

	<p><input type="checkbox"/> Yes, however the reference benchmark is not aligned with all the environmental or sustainable characteristics. Details:</p> <p><input type="checkbox"/> Yes, the reference benchmark is aligned with each of the environmental or social characteristics promoted by the financial product. Details:</p> <p>However, in alignment with the implementation by APG AM of its clients' Exclusion Policy (*) all relevant constituents of the APG Exclusion List are excluded from the Pool.</p>
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22. APG Opportunities Pool 2012



JOINT COMMITTEE OF THE EUROPEAN
SUPERVISORY AUTHORITIES

Pre-contractual disclosure of a product that promotes E/S characteristics

Financial product: **APG Opportunities Pool 2012**
This product has: **Environmental and/or social characteristics**

No sustainable investment objective

The APG Opportunities Pool 2012 (hereafter: ‘**Pool**’) promotes environmental or social characteristics but does not have as its main objective to be a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.



Environmental and/or social characteristics are promoted by the financial product


Environmental, social and governance risks and opportunities are an integral part of the investment processes of this Pool by means of the application of the Responsible Investment Policies of APG AM’s clients. APG AM applies these overarching policies on behalf of its clients to all investments while excluding investments involved in the production of anti-personnel mines, cluster munitions, chemical, biological or nuclear weapons, and tobacco based on the clients’ Exclusion Policy (*).



Please note that all documents marked with (*) can be found on our website under section “Sustainability-related disclosures”.²⁵





The way environmental, social and corporate governance risks and opportunities are integrated in investments of this Pool is described below. One approach which addresses E/S characteristics of this Pool regards;

- Sustainable Development Investments (*) – which looks at how the products and services of our investments contribute to achieving the Sustainable Development Goals such as no poverty, zero hunger, good health and wellbeing, quality education, clean water and sanitation, affordable and clean energy, sustainable cities and communities, life on land, industry, innovation and infrastructure, responsible consumption and production, climate action, life below water, and life on land;

²⁵ For English: <https://apg.nl/en/about-apg/asset-management/responsible-investment/> (EN)
For Dutch: <https://apg.nl/nl/over-apg/asset-management/verantwoord-beleggen/> (NL)

	<p>In addition, depending on the type of investment in the Pool, ESG factors are monitored to different extends and in different ways, in line with APG AM's overall responsible investment approach.</p> <p>To measure the extent to which E/S characteristics are met, in 2021, APG AM will start to develop methods to assess the likely impacts of sustainability risks on the returns for its financial products and gain further insight into the impact of the various policy instruments, such as inclusion, exclusion and Sustainable Development Investments, on the ability to meet risk and return targets. Our aim is to be able to measure and monitor any impacts on an ongoing basis, initially for liquid investments and extending it to other asset categories at a later stage.</p> <p>What APG AM already measures for this Pool is the extent of Sustainable Development Investments (SDI) in accordance with APG AM's SDI approach. Per 30 September 2020, in view of the Net Asset Value of this Pool, 39,44% of the investments in this Pool currently consist of SDIs in accordance with APG AM's SDI approach. These investments specifically relate to SDG 6 (Clean Water and Sanitation, 22,09%) and SDG 7 (Affordable and Clean Energy, 17,35%).</p>
	<p>Investment strategy</p> <p>What investment strategy does this financial product follow to meet the E/S characteristics?</p> <p>Since APG AM is no longer making new investments in this Pool, an active investment strategy is no longer pursued for this Pool. The investment strategy for this Pool was implemented via a well-structured investment process. This investment process, search and selection of opportunities (complementary to the other asset driven investment Pools), risk management and valuation, was tailored to building and monitoring a portfolio of assets with very diverse, tailor-made characteristics (with strategic and tactical drivers such as behavioral biases, lack of broad institutional acceptance, negative sentiment, illiquidity and unrecognized intrinsic value during exceptional market conditions).</p> <p>E/S characteristics are integrated in the investment strategy of this Pool as described above under "Environmental and/or social characteristics are promoted by the financial product".</p> <p>What are the binding elements for the investment selection?</p> <p><u>Countries allowed</u> Worldwide.</p> <p><u>Sectors allowed</u> All sectors allowed.</p> <p><u>Credit ratings allowed</u> All credit ratings allowed.</p> <p><u>Financial instruments allowed</u> Instruments only to be used in compliance with APG AM's Approved Instruments List as annually reviewed.</p>

	<p>Objective derivative use Only for efficient portfolio management and risk management purposes in accordance with the Dutch Pension Act (<i>Pensioenwet</i>). Derivatives use shall comply with APG AM's counter party policy, collateral policy, liquidity policy and market risk policy.</p> <p>FX Policy All active currency weights may be (partly) hedged to the benchmark currency weights.</p> <p>Max positions per country/sector/security (a) Country: Not applicable. (b) Sector: Not applicable. (c) Security: Not applicable.</p> <p>How is the strategy implemented in the investment process on a continuous basis? The way the Responsible Investment Policies of APG AM's clients are implemented and how ESG characteristics are integrated in the investment process is described under: "Environmental and/or social characteristics are promoted by the financial product". Compliance with these policies is monitored on a continuous basis.</p> <p>Is there an amount of potential investments excluded, as a result of the implementation of the selection criteria? Potential investments are excluded based on the investment strategy limitations and the implementation by APG AM of the clients' Exclusion Policy (*) as both described above.</p> <p>What is the policy to assess good governance practices of the investee companies? The way APG AM assesses good governance practices of investee companies is integral to APG AM's investment strategy to follow E/S characteristics. Therefore, APG AM's policy to assess good governance practices of investee companies is described above under "Investment Strategy".</p>
	<p>Asset allocation</p> <p>What is the minimum asset allocation planned for this product? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p> <p>In which economic sectors are the investments made? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Derivatives</p> <p>Does this financial product make use of derivatives? As of 21-01-2021 no derivatives are used.</p> <p>If yes, how is the use of derivatives aligned with the E/S characteristics?</p>

	Derivatives are used only for efficient portfolio management and risk management purposes in accordance with the Dutch Pension Act (<i>Pensioenwet</i>). Derivatives use shall comply with the Pool's counterparty policy, collateral policy, liquidity policy and market risk policy.
	What investments are included under “#2 Remainder”? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.
	Do not significantly harm Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected at the end of Q1 2021.
	Sustainability indicators The sustainability indicators are assessed by means of the implementation of the Responsible Investment Policies of APG AM's clients under: 'Environmental and/or social characteristics are promoted by the financial product'.
	Website reference All information related to the sustainability-related disclosures can be found on the APG Asset Management website (*).
	Reference benchmark Is a specific index designated as a reference benchmark to determine whether this product is sustainable? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, however the reference benchmark is not aligned with all the environmental or sustainable characteristics. Details: <input type="checkbox"/> Yes, the reference benchmark is aligned with each of the environmental or social characteristics promoted by the financial product. Details: However, in alignment with the implementation by APG AM of its clients' Exclusion Policy (*) all relevant constituents of the APG Exclusion List are excluded from the Pool.

23. APG Private Equity Pool 2012



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Pre-contractual disclosure of a product that promotes E/S characteristics

Financial product: **APG Private Equity Pool 2012**
This product has: **Environmental and/or social characteristics**

No sustainable investment objective

The APG Private Equity Pool 2012 (hereafter: ‘**Pool**’) promotes environmental or social characteristics but does not have as its main objective to be a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.



Environmental and/or social characteristics are promoted by the financial product

Environmental, social and governance risks and opportunities are an integral part of the investment processes of this Pool by means of the application of the Responsible Investment Policies of APG AM’s clients. APG AM applies these overarching policies on behalf of its clients to all investments while excluding investments involved in the production of anti-personnel mines, cluster munitions, chemical, biological or nuclear weapons, and tobacco based on the clients’ Exclusion Policy (*). The only exception is in the case of Secondary Investments where the exclusion and restriction policies cannot be enforced on the undrawn commitment element of a Secondary Investment.

Please note that all documents marked with (*) can be found on our website under section “Sustainability-related disclosures”.²⁶


The investments of this Pool are described under “Investment Strategy”. This Pool only contains general E/S characteristics, because of the type of investments (described under “Investment Strategy”). The general E/S characteristics and the methodologies used to assess, measure and monitor these E/C characteristics can be described as follows:

We assess Managers’ ESG performance as part of our underwriting process.



Co-investments and secondary investments that can be classified as SDIs as well as Managers with a track record of investing in SDIs are weighted positively.





To measure the extent to which E/S characteristics are met, in 2021, APG AM will start to develop methods to assess the likely impacts of sustainability risks on the returns for its financial products and gain further insight into the impact of the various policy instruments, such as inclusion, exclusion and Sustainable Development Investments,

²⁶ For English: <https://apg.nl/en/about-apg/asset-management/responsible-investment/> (EN)
For Dutch: <https://apg.nl/nl/over-apg/asset-management/verantwoord-beleggen/> (NL)

	<p>on the ability to meet risk and return targets. Our aim is to be able to measure and monitor any impacts on an ongoing basis, initially for liquid investments and extending it to other asset categories at a later stage.</p> <p>What APG AM already measures for this Pool is the extent of Sustainable Development Investments (SDI) in accordance with APG AM's SDI approach. Per 30 September 2020, in view of the Net Asset Value of this Pool, 5,22% of the investments in this Pool currently consist of SDIs in accordance with APG AM's SDI approach. These investments specifically relate to SDG 3 (Good Health and Well-Being, 3,36%), SDG 4 (Quality Education, 0,9%), SDG 12 (Responsible Consumption and Production, 0,73%), SDG 11 (Sustainable Cities and Communities, 0,11%), SDG 7 (Affordable and Clean Energy, 0,09%) and SDG 1 (No Poverty, 0,03%).</p>
	<p>Investment strategy</p> <p>What investment strategy does this financial product follow to meet the E/S characteristics?</p> <ul style="list-style-type: none"> – Private equity investments through commitments to external specialized fund of funds managers and through investments by APG In-house private equity management; – Partnership Investments: invest in attractive private equity partnership funds, in buyouts as well as venture, in Europe, United States and rest of the world; – Secondary Investments: invest in attractive existing partnership funds; – Co-Investments: investments directly or indirectly through Investee Funds made in privately negotiated transactions on a side-by-side basis with other investors, arranged by third party managers selected by the Manager where the Pool participates pari passu with lead investors. <p>Although the split over the various investment styles and types implicates that the total Pool composition is not pre-determined, there are a number of restrictions that will apply to the underlying portfolios within each investment type such as style weights that remain within a predetermined bandwidth and diversification within each style, as well as bandwidth for regional diversification purposes. The relevant criteria for this best effort strategy will be the optimal use of available opportunities, the extensive network and leverage skill and knowledge base when building the overall portfolio and diversifying within the private equity space.</p> <p>E/S characteristics are integrated in the investment strategy of this Pool as described above under "Environmental and/or social characteristics are promoted by the financial product".</p> <p>What are the binding elements for the investment selection?</p> <p><u>Countries allowed:</u> Worldwide.</p> <p><u>Sectors allowed:</u> All sectors allowed, except for infrastructure and real estate.</p> <p><u>Credit ratings allowed:</u> Not applicable. Private equity investments may involve non-rated companies.</p> <p><u>Financial instruments allowed</u></p>

	<p>Instruments only to be used in compliance with APG AM's Approved Instruments List as annually reviewed.</p> <p><u>Objective derivative use</u> Only for efficient portfolio management and risk management purposes in accordance with the Dutch Pension Act (<i>Pensioenwet</i>). Derivatives use shall comply with the Pool's counter party policy, collateral policy, liquidity policy and market risk policy.</p> <p><u>FX Policy</u>: All active currency weights may be (partly) hedged to the benchmark currency weights.</p> <p><u>Max positions per country/sector/security</u>: Not applicable.</p> <p>How is the strategy implemented in the investment process on a continuous basis? We review the Manager's ESG policy during diligence. If they do not have one, we require that they adopt one in the side letter. Our requirements discussed above are also included in the side letter with Managers.</p> <p>The Private Equity Pool has proprietary ESG checklists and tools that are used to evaluate each potential investment.</p> <p>Further details about the way the Responsible Investment Policies of APG AM's clients are implemented and how ESG characteristics are integrated in the investment process are described under: "Environmental and/or social characteristics are promoted by the financial product". Compliance with these policies is monitored on a continuous basis.</p> <p>Is there an amount of potential investments excluded, as a result of the implementation of the selection criteria? Potential investments are excluded based on the investment strategy limitations and the implementation by APG AM of the clients' Exclusion Policy (*) as both described above.</p> <p>APG AM has had to decline investments in managers that do not have ESG policies or procedures in place that meet our minimum standards or that will not comply with our side letter requirements on ESG reporting and exclusions. We estimate that 20-30% of the PE managers do not currently meet our standards; however, ESG is a growing trend, and we believe that number will shrink over time. We address ESG requirements early with a manager so that we don't waste time on managers that cannot comply at the time our investment. We also turn down several coinvests and secondary opportunities on an annual basis due to a company being a higher risk from an ESG standpoint or a company being in a higher risk industry, or in a secondary situation, on APG AM's exclusion list.</p> <p>What is the policy to assess good governance practices of the investee companies? Private Equity is a long-term asset class and usually requires a high degree of operational involvement by the PE Manager and direct influence over the governance structure of a portfolio company. The APG AM PE Implementation Guidelines describe APG AM's governance expectations which are the following:</p>
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	<p>(1) Fund and Manager-level governance: We strongly encourage Managers to operate in accordance with the ILPA Private Equity Principles, and we seek to have a seat on the Limited Partner Advisory Committee to ensure good governance practices are implemented. During diligence and throughout the life of an investment, we assess Managers' compliance with our Fee Principles, management and disclosure of conflicts of interest, and transparency with LPs, among other governance topics. We also expect ESG to be discussed at Limited Partner Advisory Committees and sponsored by senior Firm management.</p> <p>(2) Portfolio company governance: APG AM as a passive investor in a limited partnership context does not have direct influence over the portfolio companies owned by a private equity fund. We therefore expect the Manager to ensure good governance practices are followed at the portfolio company level and monitor this through our Annual ESG Report requirement and Limited Partner Advisory Committee meetings. In our side letter documentation, we also require GPs to report any portfolio company incidents to APG AM, including governance incidents. Furthermore, we assess in our ESG Assessment Tool the governance structures implemented at the company level to oversee ESG.</p> <p>Every manager also undergoes a thorough operational due diligence review prior to investment by the Portfolio Management Team and Risk Team with support from the ODD Center of Excellence. This review includes an APG specific PE DDQ as well as review of the firms operating procedures, audits and auditors, cash control policies, business continuity plan, compliance manual to name a few. Each manager also provides a DDQ annually to monitor changes and undergoes a thorough review of their policies and procedures every 4 years.</p>
	<p>Asset allocation</p> <p>What is the minimum asset allocation planned for this product? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p> <p>In which economic sectors are the investments made? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Derivatives</p> <p>Does this financial product make use of derivatives? As of 21-01-2021 no derivatives are used.</p> <p>If yes, how is the use of derivatives aligned with the E/S characteristics?</p>
	<p>What investments are included under “#2 Remainder”? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>

	<p>Do not significantly harm</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected at the end of Q1 2021.</p>
	<p>Sustainability indicators</p> <p>The sustainability indicators are assessed by means of the implementation of the Responsible Investment Policies of APG AM's clients under: "Environmental and/or social characteristics are promoted by the financial product".</p>
	<p>Website reference</p> <p>All information related to the sustainability-related disclosures can be found on the APG Asset Management website (*).</p>
	<p>Reference benchmark</p> <p>Is a specific index designated as a reference benchmark to determine whether this product is sustainable?</p> <p><input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Yes, however the reference benchmark is not aligned with all the environmental or sustainable characteristics. Details:</p> <p><input type="checkbox"/> Yes, the reference benchmark is aligned with each of the environmental or social characteristics promoted by the financial product. Details:</p> <p>However, in alignment with the implementation by APG AM of its clients' Exclusion Policy (*) all relevant constituents of the APG Exclusion List are excluded from the Pool.</p>

24. APG Private Equity Pool 2013



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Pre-contractual disclosure of a product that promotes E/S characteristics

Financial product: **APG Private Equity Pool 2013**
This product has: **Environmental and/or social characteristics**

No sustainable investment objective

The APG Private Equity Pool 2013 (hereafter: ‘Pool’) promotes environmental or social characteristics but does not have as its main objective to be a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.



Environmental and/or social characteristics are promoted by the financial product

Environmental, social and governance risks and opportunities are an integral part of the investment processes of this Pool by means of the application of the Responsible Investment Policies of APG AM’s clients. APG AM applies these overarching policies on behalf of its clients to all investments while excluding investments involved in the production of anti-personnel mines, cluster munitions, chemical, biological or nuclear weapons, and tobacco based on the clients’ Exclusion Policy (*). The only exception is in the case of Secondary Investments where the exclusion and restriction policies cannot be enforced on the undrawn commitment element of a Secondary Investment.

Please note that all documents marked with (*) can be found on our website under section “Sustainability-related disclosures”.²⁷

The investments of this Pool are described under “Investment Strategy”. This Pool only contains general E/S characteristics, because of the type of investments (described under “Investment Strategy”). The general E/S characteristics and the methodologies used to assess, measure and monitor these E/C characteristics can be described as follows:

We assess Managers’ ESG performance as part of our underwriting process.



Co-investments and secondary investments that can be classified as SDIs as well as Managers with a track record of investing in SDIs are weighted positively.





To measure the extent to which E/S characteristics are met, in 2021, APG AM will start to develop methods to assess the likely impacts of sustainability risks on the returns for its financial products and gain further insight into the impact of the various policy instruments, such as inclusion, exclusion and Sustainable Development Investments,

²⁷ For English: <https://apg.nl/en/about-apg/asset-management/responsible-investment/> (EN)
For Dutch: <https://apg.nl/nl/over-apg/asset-management/verantwoord-beleggen/> (NL)

	<p>on the ability to meet risk and return targets. Our aim is to be able to measure and monitor any impacts on an ongoing basis, initially for liquid investments and extending it to other asset categories at a later stage.</p> <p>What APG AM already measures for this Pool is the extent of Sustainable Development Investments (SDI) in accordance with APG AM's SDI approach. Per 30 September 2020, in view of the Net Asset Value of this Pool, 10,72% of the investments in this Pool currently consist of SDIs in accordance with APG AM's SDI approach. These investments specifically relate to SDG 3 (Good Health and Well-Being, 5,21%), SDG 11 (Sustainable Cities and Communities, 2,18%), SDG 4 (Quality Education, 1,58%), SDG 12 (Responsible Consumption and Production, 1,17%), SDG 2 (Zero Hunger, 0,36%) and SDG 7 (Affordable and Clean Energy, 0,22%).</p>
	<p>Investment strategy</p> <p>What investment strategy does this financial product follow to meet the E/S characteristics?</p> <ul style="list-style-type: none"> – Fund-of-funds Investments: private equity investments through commitments to external fund of funds managers. – In-house Private Equity: private equity investments made by the Manager in-house. <p>Although the split over these two investment styles implicates that the total Pool composition is not pre-determined, there are a number of restrictions that will apply to the underlying portfolios within each investment style such as style weights that remain within a predetermined bandwidth and diversification within each style, as well as bandwidth for regional diversification purposes. The relevant criteria for this best effort strategy will be the optimal use of available opportunities, the extensive network and leverage skill and knowledge base when building the overall portfolio and diversifying within the private equity space.</p> <p>E/S characteristics are integrated in the investment strategy of this Pool as described above under "Environmental and/or social characteristics are promoted by the financial product".</p> <p>What are the binding elements for the investment selection?</p> <p><u>Countries allowed</u> Worldwide.</p> <p><u>Sectors allowed</u> All sectors allowed, except for infrastructure and real estate.</p> <p><u>Credit ratings allowed</u> Not applicable. Private equity investments may involve non-rated companies.</p> <p><u>Financial instruments allowed</u> Instruments only to be used in compliance with APG AM's Approved Instruments List as annually reviewed.</p> <p><u>Objective derivative use</u></p>

	<p>Only for efficient portfolio management and risk management purposes in accordance with the Dutch Pension Act (<i>Pensioenwet</i>). Derivatives use shall comply with the Pool's counter party policy, collateral policy, liquidity policy and market risk policy.</p> <p><u>FX Policy</u> All active currency weights may be (partly) hedged to the benchmark currency weights.</p> <p><u>Max positions per country/sector/security:</u> Not applicable.</p> <p>How is the strategy implemented in the investment process on a continuous basis? We review the Manager's ESG policy during diligence. If they do not have one, we require that they adopt one in the side letter. Our requirements discussed above are also included in the side letter with Managers.</p> <p>The Private Equity Pool has proprietary ESG checklists and tools that are used to evaluate each potential investment.</p> <p>Further details about the way the Responsible Investment Policies of APG AM's clients are implemented and how ESG characteristics are integrated in the investment process are described under: "Environmental and/or social characteristics are promoted by the financial product". Compliance with these policies is monitored on a continuous basis.</p> <p>Is there an amount of potential investments excluded, as a result of the implementation of the selection criteria? Potential investments are excluded based on the investment strategy limitations and the implementation by APG AM of the clients' Exclusion Policy (*) as both described above.</p> <p>APG AM has had to decline investments in managers that do not have ESG policies or procedures in place that meet our minimum standards or that will not comply with our side letter requirements on ESG reporting and exclusions. We estimate that 20-30% of the PE managers do not currently meet our standards; however, ESG is a growing trend, and we believe that number will shrink over time. We address ESG requirements early with a manager so that we don't waste time on managers that cannot comply at the time our investment. We also turn down several coinvests and secondary opportunities on an annual basis due to a company being a higher risk from an ESG standpoint or a company being in a higher risk industry, or in a secondary situation, on APG AM's exclusion list.</p> <p>What is the policy to assess good governance practices of the investee companies? Private Equity is a long-term asset class and usually requires a high degree of operational involvement by the PE Manager and direct influence over the governance structure of a portfolio company. The APG AM PE Implementation Guidelines describe APG AM's governance expectations which are the following:</p> <p>(1) Fund and Manager-level governance: We strongly encourage Managers to operate in accordance with the ILPA Private Equity Principles, and we seek to have a seat on</p>
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	<p>the Limited Partner Advisory Committee to ensure good governance practices are implemented. During diligence and throughout the life of an investment, we assess Managers' compliance with our Fee Principles, management and disclosure of conflicts of interest, and transparency with LPs, among other governance topics. We also expect ESG to be discussed at Limited Partner Advisory Committees and sponsored by senior Firm management.</p> <p>(2) Portfolio company governance: APG AM as a passive investor in a limited partnership context does not have direct influence over the portfolio companies owned by a private equity fund. We therefore expect the Manager to ensure good governance practices are followed at the portfolio company level and monitor this through our Annual ESG Report requirement and Limited Partner Advisory Committee meetings. In our side letter documentation, we also require GPs to report any portfolio company incidents to APG AM, including governance incidents. Furthermore, we assess in our ESG Assessment Tool the governance structures implemented at the company level to oversee ESG.</p> <p>Every manager also undergoes a thorough operational due diligence review prior to investment by the Portfolio Management Team and Risk Team with support from the ODD Center of Excellence. This review includes an APG specific PE DDQ as well as review of the firms operating procedures, audits and auditors, cash control policies, business continuity plan, compliance manual to name a few. Each manager also provides a DDQ annually to monitor changes and undergoes a thorough review of their policies and procedures every 4 years.</p>
	<p>Asset allocation</p> <p>What is the minimum asset allocation planned for this product? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p> <p>In which economic sectors are the investments made? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Derivatives</p> <p>Does this financial product make use of derivatives? As of 21-01-2021 no derivatives are used.</p> <p>If yes, how is the use of derivatives aligned with the E/S characteristics?</p>
	<p>What investments are included under “#2 Remainder”? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>

	<p>Do not significantly harm</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected at the end of Q1 2021.</p>
	<p>Sustainability indicators</p> <p>The sustainability indicators are assessed by means of the implementation of the Responsible Investment Policies of APG AM's clients under: "Environmental and/or social characteristics are promoted by the financial product".</p>
	<p>Website reference</p> <p>All information related to the sustainability-related disclosures can be found on the APG Asset Management website (*).</p>
	<p>Reference benchmark</p> <p>Is a specific index designated as a reference benchmark to determine whether this product is sustainable?</p> <p><input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Yes, however the reference benchmark is not aligned with all the environmental or sustainable characteristics. Details:</p> <p><input type="checkbox"/> Yes, the reference benchmark is aligned with each of the environmental or social characteristics promoted by the financial product. Details:</p> <p>However, in alignment with the implementation by APG AM of its clients' Exclusion Policy (*) all relevant constituents of the APG Exclusion List are excluded from the Pool.</p>

25. APG Private Equity Pool 2014-2015



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Pre-contractual disclosure of a product that promotes E/S characteristics

Financial product: **APG Private Equity Pool 2014-2015**
This product has: **Environmental and/or social characteristics**

No sustainable investment objective

The APG Private Equity Pool 2014-2015 (hereafter: ‘Pool’) promotes environmental or social characteristics but does not have as its main objective to be a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.



Environmental and/or social characteristics are promoted by the financial product

Environmental, social and governance risks and opportunities are an integral part of the investment processes of this Pool by means of the application of the Responsible Investment Policies of APG AM’s clients. APG AM applies these overarching policies on behalf of its clients to all investments while excluding investments involved in the production of anti-personnel mines, cluster munitions, chemical, biological or nuclear weapons, and tobacco based on the clients’ Exclusion Policy (*). The only exception is in the case of Secondary Investments where the exclusion and restriction policies cannot be enforced on the undrawn commitment element of a Secondary Investment.

Please note that all documents marked with (*) can be found on our website under section “Sustainability-related disclosures”.²⁸


The investments of this Pool are described under “Investment Strategy” This Pool only contains general E/S characteristics, because of the type of investments (described under “Investment Strategy”). The general E/S characteristics and the methodologies used to assess, measure and monitor these E/C characteristics can be described as follows:

We assess Managers’ ESG performance as part of our underwriting process.


Co-investments and secondary investments that can be classified as SDIs as well as Managers with a track record of investing in SDIs are weighted positively.





To measure the extent to which E/S characteristics are met, in 2021, APG AM will start to develop methods to assess the likely impacts of sustainability risks on the returns for its financial products and gain further insight into the impact of the various policy

²⁸ For English: <https://apg.nl/en/about-apg/asset-management/responsible-investment/> (EN)
For Dutch: <https://apg.nl/nl/over-apg/asset-management/verantwoord-beleggen/> (NL)

	<p>instruments, such as inclusion, exclusion and Sustainable Development Investments, on the ability to meet risk and return targets. Our aim is to be able to measure and monitor any impacts on an ongoing basis, initially for liquid investments and extending it to other asset categories at a later stage.</p> <p>What APG AM already measures for this Pool is the extent of Sustainable Development Investments (SDI) in accordance with APG AM's SDI approach. Per 30 September 2020, in view of the Net Asset Value of this Pool, 10,3% of the investments in this Pool currently consist of SDIs in accordance with APG AM's SDI approach. These investments specifically relate to SDG 3 (Good Health and Well-Being, 5,76%), SDG 6 (Clean Water and Sanitation, 1,72%), SDG 12 (Responsible Consumption and Production, 1,02%), SDG 9 (Industry, Innovation and Infrastructure, 0,7%), SDG 11 (Sustainable Cities and Communities, 0,57%), SDG 4 (Quality Education, 0,27%), SDG 2 (Zero Hunger, 0,13%), SDG 1 (No Poverty, 0,08%) and SDG 7 (Affordable and Clean Energy, 0,05%).</p>
	<p>Investment strategy</p> <p>What investment strategy does this financial product follow to meet the E/S characteristics?</p> <ul style="list-style-type: none"> – Fund-of-funds Investments: private equity investments through commitments to external fund of funds managers. – Secondary Investments: invest in attractive existing partnership funds. – Co-Investments: investments directly or indirectly through Investee Funds made in privately negotiated transactions on a side-by-side basis with other investors, arranged by third party managers selected by the Manager where the Pool participates pari passu with lead investors. <p>Although the split over the various investment types implicates that the total Pool composition is not pre-determined, there are a number of restrictions that will apply to the underlying portfolios within each investment type such as style weights that remain within a predetermined bandwidth and diversification within each style, as well as bandwidth for regional diversification purposes. The relevant criteria for this best effort strategy will be the optimal use of available opportunities, the extensive network and leverage skill and knowledge base when building the overall portfolio and diversifying within the private equity space.</p> <p>E/S characteristics are integrated in the investment strategy of this Pool as described above under "Environmental and/or social characteristics are promoted by the financial product".</p> <p>What are the binding elements for the investment selection?</p> <p><u>Countries allowed</u> Worldwide.</p> <p><u>Sectors allowed</u> All sectors allowed, except for infrastructure and real estate.</p> <p><u>Credit ratings allowed</u> Not applicable. Private equity investments may involve non-rated companies.</p>

	<p><u>Financial instruments allowed</u> Instruments only to be used in compliance with APG AM's Approved Instruments List as annually reviewed.</p> <p><u>Objective derivative use</u> Only for efficient portfolio management and risk management purposes in accordance with the Dutch Pension Act (<i>Pensioenwet</i>). Derivatives use shall comply with the Pool's counter party policy, collateral policy, liquidity policy and market risk policy.</p> <p><u>FX Policy</u> All active currency weights may be (partly) hedged to the benchmark currency weights.</p> <p><u>Max positions per country/sector/security</u> Not applicable.</p> <p>How is the strategy implemented in the investment process on a continuous basis? We review the Manager's ESG policy during diligence. If they do not have one, we require that they adopt one in the side letter. Our requirements discussed above are also included in the side letter with Managers.</p> <p>The Private Equity Pool has proprietary ESG checklists and tools that are used to evaluate each potential investment.</p> <p>Further details about the way the Responsible Investment Policies of APG AM's clients are implemented and how ESG characteristics are integrated in the investment process are described under: "Environmental and/or social characteristics are promoted by the financial product". Compliance with these policies is monitored on a continuous basis.</p> <p>Is there an amount of potential investments excluded, as a result of the implementation of the selection criteria? Potential investments are excluded based on the investment strategy limitations and the implementation by APG AM of the clients' Exclusion Policy (*) as both described above.</p> <p>APG AM has had to decline investments in managers that do not have ESG policies or procedures in place that meet our minimum standards or that will not comply with our side letter requirements on ESG reporting and exclusions. We estimate that 20-30% of the PE managers do not currently meet our standards; however, ESG is a growing trend, and we believe that number will shrink over time. We address ESG requirements early with a manager so that we don't waste time on managers that cannot comply at the time our investment. We also turn down several coinvests and secondary opportunities on an annual basis due to a company being a higher risk from an ESG standpoint or a company being in a higher risk industry, or in a secondary situation, on APG AM's exclusion list.</p> <p>What is the policy to assess good governance practices of the investee companies?</p>
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	<p>The way APG AM assesses good governance practices of investee companies is integral to APG AM's investment strategy to follow E/S characteristics. Therefore, APG AM's policy to assess good governance practices of investee companies is described under "Investment Strategy".</p> <p>Private Equity is a long-term asset class and usually requires a high degree of operational involvement by the PE Manager and direct influence over the governance structure of a portfolio company. The APG AM PE Implementation Guidelines describe APG AM's governance expectations which are the following:</p> <p>(1) Fund and Manager-level governance: We strongly encourage Managers to operate in accordance with the ILPA Private Equity Principles, and we seek to have a seat on the Limited Partner Advisory Committee to ensure good governance practices are implemented. During diligence and throughout the life of an investment, we assess Managers' compliance with our Fee Principles, management and disclosure of conflicts of interest, and transparency with LPs, among other governance topics. We also expect ESG to be discussed at Limited Partner Advisory Committees and sponsored by senior Firm management.</p> <p>(2) Portfolio company governance: APG AM as a passive investor in a limited partnership context does not have direct influence over the portfolio companies owned by a private equity fund. We therefore expect the Manager to ensure good governance practices are followed at the portfolio company level and monitor this through our Annual ESG Report requirement and Limited Partner Advisory Committee meetings. In our side letter documentation, we also require GPs to report any portfolio company incidents to APG AM, including governance incidents. Furthermore, we assess in our ESG Assessment Tool the governance structures implemented at the company level to oversee ESG.</p> <p>Every manager also undergoes a thorough operational due diligence review prior to investment by the Portfolio Management Team and Risk Team with support from the ODD Center of Excellence. This review includes an APG specific PE DDQ as well as review of the firms operating procedures, audits and auditors, cash control policies, business continuity plan, compliance manual to name a few. Each manager also provides a DDQ annually to monitor changes and undergoes a thorough review of their policies and procedures every 4 years.</p>
	<p>Asset allocation</p> <p>What is the minimum asset allocation planned for this product?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p> <p>In which economic sectors are the investments made?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Derivatives</p> <p>Does this financial product make use of derivatives?</p>

	<p>As of 21-01-2021 no derivatives are used.</p> <p>If yes, how is the use of derivatives aligned with the E/S characteristics?</p>
	<p>What investments are included under “#2 Remainder”?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Do not significantly harm</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected at the end of Q1 2021.</p>
	<p>Sustainability indicators</p> <p>The sustainability indicators are assessed by means of the implementation of the Responsible Investment Policies of APG AM's clients under: “Environmental and/or social characteristics are promoted by the financial product”.</p>
	<p>Website reference</p> <p>All information related to the sustainability-related disclosures can be found on the APG Asset Management website (*).</p>
	<p>Reference benchmark</p> <p>Is a specific index designated as a reference benchmark to determine whether this product is sustainable?</p> <p><input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Yes, however the reference benchmark is not aligned with all the environmental or sustainable characteristics. Details:</p> <p><input type="checkbox"/> Yes, the reference benchmark is aligned with each of the environmental or social characteristics promoted by the financial product. Details:</p> <p>However, in alignment with the implementation by APG AM of its clients' Exclusion Policy (*) all relevant constituents of the APG Exclusion List are excluded from the Pool.</p>

26. APG Private Equity Pool 2016-2017



European Securities and
Markets Authority



JOINT COMMITTEE OF THE EUROPEAN
SUPERVISORY AUTHORITIES

Pre-contractual disclosure of a product that promotes E/S characteristics

Financial product: **APG Private Equity Pool 2016-2017**
This product has: **Environmental and/or social characteristics**

No sustainable investment objective

The APG Private Equity Pool 2016-2017 (hereafter: ‘Pool’) promotes environmental or social characteristics but does not have as its main objective to be a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.



Environmental and/or social characteristics are promoted by the financial product

Environmental, social and governance risks and opportunities are an integral part of the investment processes of this Pool by means of the application of the Responsible Investment Policies of APG AM’s clients. APG AM applies these overarching policies on behalf of its clients to all investments while excluding investments involved in the production of anti-personnel mines, cluster munitions, chemical, biological or nuclear weapons, and tobacco based on the clients’ Exclusion Policy (*). The only exception is in the case of Secondary Investments where the exclusion and restriction policies cannot be enforced on the undrawn commitment element of a Secondary Investment.


Please note that all documents marked with (*) can be found on our website under section “Sustainability-related disclosures”.²⁹

The investments of this Pool are described under “Investment Strategy”. This Pool only contains general E/S characteristics, because of the type of investments (described under “Investment Strategy”). The general E/S characteristics and the methodologies used to assess, measure and monitor these E/C characteristics can be described as follows:

We assess Managers’ ESG performance as part of our underwriting process. The Private Equity Pool invests in Funds in which the Manager: 1) has an ESG policy, 2) agrees to comply with our Exclusion Policy, 3) reports on the progress of ESG initiatives, and 4) agrees to consider the UNGC Principles in their investment process.







Co-investments and secondary investments that can be classified as SDIs as well as Managers with a track record of investing in SDIs are weighted positively.

²⁹ For English: <https://apg.nl/en/about-apg/asset-management/responsible-investment/> (EN)
For Dutch: <https://apg.nl/nl/over-apg/asset-management/verantwoord-beleggen/> (NL)

	<p>To measure the extent to which E/S characteristics are met, in 2021, APG AM will start to develop methods to assess the likely impacts of sustainability risks on the returns for its financial products and gain further insight into the impact of the various policy instruments, such as inclusion, exclusion and Sustainable Development Investments, on the ability to meet risk and return targets. Our aim is to be able to measure and monitor any impacts on an ongoing basis, initially for liquid investments and extending it to other asset categories at a later stage.</p> <p>What APG AM already measures for this Pool is the extent of Sustainable Development Investments (SDI) in accordance with APG AM's SDI approach. Per 30 September 2020, in view of the Net Asset Value of this Pool, 10,34% of the investments in this Pool currently consist of SDIs in accordance with APG AM's SDI approach. These investments specifically relate to SDG 3 (Good Health and Well-Being, 7,08%), SDG 11 (Sustainable Cities and Communities, 1,43%), SDG 4 (Quality Education, 0,63%), SDG 6 (Clean Water and Sanitation, 0,46%), SDG 7 (Affordable and Clean Energy, 0,41%), SDG 9 (Industry, Innovation and Infrastructure, 0,19%), SDG 2 (Zero Hunger, 0,11%) and SDG 12 (Responsible Consumption and Production, 0,03%).</p>
	<p>Investment strategy</p> <p>What investment strategy does this financial product follow to meet the E/S characteristics?</p> <ul style="list-style-type: none"> – Fund-of-funds Investments: private equity investments through commitments to external fund of funds managers. – Secondary Investments: invest in attractive existing partnership funds. – Co-Investments: investments directly or indirectly through Investee Funds made in privately negotiated transactions on a side-by-side basis with other investors, arranged by third party managers selected by the Manager where the Pool participates pari passu with lead investors. <p>Although the split over the various investment types implicates that the total Pool composition is not pre-determined, there are a number of restrictions that will apply to the underlying portfolios within each investment type such as style weights that remain within a predetermined bandwidth and diversification within each style, as well as bandwidth for regional diversification purposes. The relevant criteria for this best effort strategy will be the optimal use of available opportunities, the extensive network and leverage skill and knowledge base when building the overall portfolio and diversifying within the private equity space.</p> <p>E/S characteristics are integrated in the investment strategy of this Pool as described above under "Environmental and/or social characteristics are promoted by the financial product".</p> <p>What are the binding elements for the investment selection?</p> <p><u>Countries allowed</u> Worldwide.</p> <p><u>Sectors allowed</u> All sectors allowed, except for infrastructure and real estate.</p>

	<p><u>Credit ratings allowed</u> Not applicable. Private equity investments may involve non-rated companies.</p> <p><u>Financial instruments allowed</u> Instruments only to be used in compliance with APG AM's Approved Instruments List as annually reviewed.</p> <p><u>Objective derivative use</u> Only for efficient portfolio management and risk management purposes in accordance with the Dutch Pension Act (<i>Pensioenwet</i>). Derivatives use shall comply with the Pool's counter party policy, collateral policy, liquidity policy and market risk policy.</p> <p><u>FX Policy</u> All active currency weights may be (partly) hedged to the benchmark currency weights.</p> <p><u>Max positions per country/sector/security</u> Not applicable.</p> <p>In addition to the above investment restrictions, the Private Equity Pool only invests in Funds in which the Manager: 1) has an ESG policy, 2) agrees to comply with APG's Exclusion Policy, 3) reports on the progress of ESG initiatives, and 4) agrees to consider the UNGC Principles in their investment process.</p> <p>Using a proprietary ESG Manager Assessment Tool, the ESG performance of Managers of potential primary fund investments is evaluated across six dimensions: ESG Integration, Measuring Impact, Best Practice RI Standards, SDIs, Climate Change, and Diversity. The Private Equity Pool invests with Managers that achieve a good score and/or Managers who have demonstrated a commitment to improve their performance, and consequently their score.</p> <p>Co-investments and secondary investments that can be classified as SDIs as well as Managers with a track record of investing in SDIs are weighted positively.</p> <p>How is the strategy implemented in the investment process on a continuous basis? We review the Manager's ESG policy during diligence. If they do not have one, we require that they adopt one in the side letter. Our requirements discussed above are also included in the side letter with Managers.</p> <p>The Private Equity Pool has proprietary ESG checklists and tools that are used to evaluate each potential investment.</p> <p>Further details about the way the Responsible Investment Policies of APG AM's clients are implemented and how ESG characteristics are integrated in the investment process are described under: "Environmental and/or social characteristics are promoted by the financial product". Compliance with these policies is monitored on a continuous basis.</p>
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	<p>Is there an amount of potential investments excluded, as a result of the implementation of the selection criteria?</p> <p>Potential investments are excluded based on the investment strategy limitations and the implementation by APG AM of the clients' Exclusion Policy (*) as both described above.</p> <p>APG AM has had to decline investments in managers that do not have ESG policies or procedures in place that meet our minimum standards or that will not comply with our side letter requirements on ESG reporting and exclusions. We estimate that 20-30% of the PE managers do not currently meet our standards; however, ESG is a growing trend, and we believe that number will shrink over time. We address ESG requirements early with a manager so that we don't waste time on managers that cannot comply at the time our investment. We also turn down several coinvests and secondary opportunities on an annual basis due to a company being a higher risk from an ESG standpoint or a company being in a higher risk industry, or in a secondary situation, on APG AM's exclusion list.</p> <p>What is the policy to assess good governance practices of the investee companies?</p> <p>Private Equity is a long-term asset class and usually requires a high degree of operational involvement by the PE Manager and direct influence over the governance structure of a portfolio company. The APG AM PE Implementation Guidelines describe APG AM's governance expectations which are the following:</p> <p>(1) Fund and Manager-level governance: We strongly encourage Managers to operate in accordance with the ILPA Private Equity Principles, and we seek to have a seat on the Limited Partner Advisory Committee to ensure good governance practices are implemented. During diligence and throughout the life of an investment, we assess Managers' compliance with our Fee Principles, management and disclosure of conflicts of interest, and transparency with LPs, among other governance topics. We also expect ESG to be discussed at Limited Partner Advisory Committees and sponsored by senior Firm management.</p> <p>(2) Portfolio company governance: APG AM as a passive investor in a limited partnership context does not have direct influence over the portfolio companies owned by a private equity fund. We therefore expect the Manager to ensure good governance practices are followed at the portfolio company level and monitor this through our Annual ESG Report requirement and Limited Partner Advisory Committee meetings. In our side letter documentation, we also require GPs to report any portfolio company incidents to APG AM, including governance incidents. Furthermore, we assess in our ESG Assessment Tool the governance structures implemented at the company level to oversee ESG.</p> <p>Every manager also undergoes a thorough operational due diligence review prior to investment by the Portfolio Management Team and Risk Team with support from the ODD Center of Excellence. This review includes an APG specific PE DDQ as well as review of the firms operating procedures, audits and auditors, cash control policies, business continuity plan, compliance manual to name a few. Each manager also provides a DDQ annually to monitor changes and undergoes a thorough review of their policies and procedures every 4 years.</p>
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	<p>Asset allocation</p> <p>What is the minimum asset allocation planned for this product? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p> <p>In which economic sectors are the investments made? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Derivatives</p> <p>Does this financial product make use of derivatives? As of 21-01-2021 no derivatives are used.</p> <p>If yes, how is the use of derivatives aligned with the E/S characteristics?</p>
	<p>What investments are included under “#2 Remainder”? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Do not significantly harm</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected at the end of Q1 2021.</p>
	<p>Sustainability indicators</p> <p>The sustainability indicators are assessed by means of the implementation of the Responsible Investment Policies of APG AM's clients under: “Environmental and/or social characteristics are promoted by the financial product”.</p>
	<p>Website reference</p> <p>All information related to the sustainability-related disclosures can be found on the APG Asset Management website (*).</p>
	<p>Reference benchmark</p> <p>Is a specific index designated as a reference benchmark to determine whether this product is sustainable?</p> <p><input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Yes, however the reference benchmark is not aligned with all the environmental or sustainable characteristics. Details:</p> <p><input type="checkbox"/> Yes, the reference benchmark is aligned with each of the environmental or social characteristics promoted by the financial product. Details:</p>

	However, in alignment with the implementation by APG AM of its clients' Exclusion Policy (*) all relevant constituents of the APG Exclusion List are excluded from the Pool.
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27. APG Private Equity Pool 2018-2019



JOINT COMMITTEE OF THE EUROPEAN
SUPERVISORY AUTHORITIES

Pre-contractual disclosure of a product that promotes E/S characteristics

Financial product: **APG Private Equity Pool 2018-2019**

This product has: **Environmental and/or social characteristics**

No sustainable investment objective

The APG Private Equity Pool 2018-2019 (hereafter: 'Pool') promotes environmental or social characteristics but does not have as its main objective to be a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.



Environmental and/or social characteristics are promoted by the financial product


Environmental, social and governance risks and opportunities are an integral part of the investment processes of this Pool by means of the application of the Responsible Investment Policies of APG AM's clients. APG AM applies these overarching policies on behalf of its clients to all investments while excluding investments involved in the production of anti-personnel mines, cluster munitions, chemical, biological or nuclear weapons, and tobacco based on the clients' Exclusion Policy (*). The only exception is in the case of Secondary Investments where the exclusion and restriction policies cannot be enforced on the undrawn commitment element of a Secondary Investment.

Please note that all documents marked with (*) can be found on our website under section "Sustainability-related disclosures".³⁰

The investments of this Pool are described under "Investment Strategy". This Pool only contains general E/S characteristics, because of the type of investments (described under "Investment Strategy"). The general E/S characteristics and the methodologies used to assess, measure and monitor these E/C characteristics can be described as follows:





The Private Equity Pool invests in Funds in which the Manager: 1) has an ESG policy, 2) agrees to comply with our Exclusion Policy, 3) reports on the progress of ESG initiatives, and 4) agrees to consider the UNGC Principles in their investment process.



³⁰ For English: <https://apg.nl/en/about-apg/asset-management/responsible-investment/> (EN)
For Dutch: <https://apg.nl/nl/over-apg/asset-management/verantwoord-beleggen/> (NL)

	<p>Using a proprietary ESG Manager Assessment Tool, the ESG performance of Managers of potential primary fund investments is evaluated across six dimensions: ESG Integration, Measuring Impact, Best Practice RI Standards, SDIs, Climate Change, and Diversity. The Private Equity Pool invests with Managers that achieve a good score and/or Managers who have demonstrated a commitment to improve their performance, and consequently their score.</p> <p>Co-investments and secondary investments that can be classified as SDIs as well as Managers with a track record of investing in SDIs are weighted positively.</p> <p>To measure the extent to which E/S characteristics are met, in 2021, APG AM will start to develop methods to assess the likely impacts of sustainability risks on the returns for its financial products and gain further insight into the impact of the various policy instruments, such as inclusion, exclusion and Sustainable Development Investments, on the ability to meet risk and return targets. Our aim is to be able to measure and monitor any impacts on an ongoing basis, initially for liquid investments and extending it to other asset categories at a later stage.</p> <p>What APG AM already measures for this Pool is the extent of Sustainable Development Investments (SDI) in accordance with APG AM's SDI approach. Per 30 September 2020, in view of the Net Asset Value of this Pool, 8,02% of the investments in this Pool currently consist of SDIs in accordance with APG AM's SDI approach. These investments specifically relate to SDG 3 (Good Health and Well-Being, 6,21%), SDG 12 (Responsible Consumption and Production, 0,68%), SDG 9 (Industry, Innovation and Infrastructure, 0,56%), SDG 4 (Quality Education, 0,35%) and SDG 10 (Reduced Inequalities, 0,22%).</p>
	<p>Investment strategy</p> <p>What investment strategy does this financial product follow to meet the E/S characteristics?</p> <ul style="list-style-type: none"> – Fund-of-funds Investments: private equity investments through commitments to external fund of funds managers. – Secondary Investments: invest in attractive existing partnership funds and/or restructuring existing funds and create new terms (and in some cases in conjunction with additional primary capital), and equity co-investment interests in a company or companies. – Co-Investments: investments directly or indirectly through Investee Funds made in privately negotiated transactions on a side-by-side basis with other investor(s), arranged by general partners selected by the Manager where the Pool participates generally pari passu with the lead general partners. <p>Although the split over the various investment types implicates that the total Pool composition is not pre-determined, there are a number of restrictions that will apply to the underlying portfolios within each investment type such as style weights that remain within a pre-determined bandwidth and diversification within each style, as well as bandwidth for regional diversification purposes. The relevant criteria for this best effort strategy will be the optimal use of available opportunities, the extensive network and leverage skill and knowledge base when building the overall portfolio and diversifying within the private equity space.</p>

	<p>E/S characteristics are integrated in the investment strategy of this Pool as described above under “Environmental and/or social characteristics are promoted by the financial product”.</p> <p>What are the binding elements for the investment selection?</p> <p><u>Countries allowed</u> Worldwide.</p> <p><u>Sectors allowed</u> All sectors allowed, except for purely infrastructure and real estate assets.</p> <p><u>Credit ratings allowed</u> Not applicable. Private equity investments may involve non-rated companies.</p> <p><u>Financial instruments allowed</u> Instruments by the Pool in Co-investments only to be used in compliance with APG AM's Approved Instruments List as annually reviewed and APG AM's Instrument & Classification Dictionary. The objective is to co-invest alongside an Investee Fund either through an intermediary vehicle or directly into a company in substantially the same instruments as those used by the Investee Fund for their investment.</p> <p><u>Objective derivative use</u> Only for efficient portfolio management and risk management purposes in accordance with the Dutch Pension Act (<i>Pensioenwet</i>). Derivatives use shall comply with the Pool's counterparty policy, collateral policy, liquidity policy and market risk policy.</p> <p><u>FX Policy</u> All active currency weights may be (partly) hedged to the benchmark currency weights.</p> <p><u>Max positions per country/sector/security</u> Not applicable.</p> <p>In addition to the above investment restrictions, the Private Equity Pool only invests in Funds in which the Manager: 1) has an ESG policy, 2) agrees to comply with APG's Exclusion Policy, 3) reports on the progress of ESG initiatives, and 4) agrees to consider the UNGC Principles in their investment process.</p> <p>Using a proprietary ESG Manager Assessment Tool, the ESG performance of Managers of potential primary fund investments is evaluated across six dimensions: ESG Integration, Measuring Impact, Best Practice RI Standards, SDIs, Climate Change, and Diversity. The Private Equity Pool invests with Managers that achieve a good score and/or Managers who have demonstrated a commitment to improve their performance, and consequently their score.</p> <p>Co-investments and secondary investments that can be classified as SDIs as well as Managers with a track record of investing in SDIs are weighted positively.</p>
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	<p>How is the strategy implemented in the investment process on a continuous basis?</p> <p>We review the Manager's ESG policy during diligence. If they do not have one, we require that they adopt one in the side letter. Our requirements discussed above are also included in the side letter with Managers.</p> <p>The Private Equity Pool has proprietary ESG checklists and tools that are used to evaluate each potential investment.</p> <p>Further details about the way the Responsible Investment Policies of APG AM's clients are implemented and how ESG characteristics are integrated in the investment process are described under: "Environmental and/or social characteristics are promoted by the financial product". Compliance with these policies is monitored on a continuous basis.</p> <p>Is there an amount of potential investments excluded, as a result of the implementation of the selection criteria?</p> <p>Potential investments are excluded based on the investment strategy limitations and the implementation by APG AM of the clients' Exclusion Policy (*) as both described above.</p> <p>APG AM has had to decline investments in managers that do not have ESG policies or procedures in place that meet our minimum standards or that will not comply with our side letter requirements on ESG reporting and exclusions. We estimate that 20-30% of the PE managers do not currently meet our standards; however, ESG is a growing trend, and we believe that number will shrink over time. We address ESG requirements early with a manager so that we don't waste time on managers that cannot comply at the time our investment. We also turn down several coinvests and secondary opportunities on an annual basis due to a company being a higher risk from an ESG standpoint or a company being in a higher risk industry, or in a secondary situation, on APG AM's exclusion list.</p> <p>What is the policy to assess good governance practices of the investee companies?</p> <p>Private Equity is a long-term asset class and usually requires a high degree of operational involvement by the PE Manager and direct influence over the governance structure of a portfolio company. The APG AM PE Implementation Guidelines describe APG AM's governance expectations which are the following:</p> <p>(1) Fund and Manager-level governance: We strongly encourage Managers to operate in accordance with the ILPA Private Equity Principles, and we seek to have a seat on the Limited Partner Advisory Committee to ensure good governance practices are implemented. During diligence and throughout the life of an investment, we assess Managers' compliance with our Fee Principles, management and disclosure of conflicts of interest, and transparency with LPs, among other governance topics. We also expect ESG to be discussed at Limited Partner Advisory Committees and sponsored by senior Firm management.</p> <p>(2) Portfolio company governance: APG AM as a passive investor in a limited partnership context does not have direct influence over the portfolio companies owned by a private equity fund. We therefore expect the Manager to ensure good governance practices are followed at the portfolio company level and monitor this</p>
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	<p>through our Annual ESG Report requirement and Limited Partner Advisory Committee meetings. In our side letter documentation, we also require GPs to report any portfolio company incidents to APG AM, including governance incidents. Furthermore, we assess in our ESG Assessment Tool the governance structures implemented at the company level to oversee ESG.</p> <p>Every manager also undergoes a thorough operational due diligence review prior to investment by the Portfolio Management Team and Risk Team with support from the ODD Center of Excellence. This review includes an APG specific PE DDQ as well as review of the firms operating procedures, audits and auditors, cash control policies, business continuity plan, compliance manual to name a few. Each manager also provides a DDQ annually to monitor changes and undergoes a thorough review of their policies and procedures every 4 years.</p>
	<p>Asset allocation</p> <p>What is the minimum asset allocation planned for this product?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p> <p>In which economic sectors are the investments made?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Derivatives</p> <p>Does this financial product make use of derivatives?</p> <p>As of 21-01-2021 no derivatives are used.</p> <p>If yes, how is the use of derivatives aligned with the E/S characteristics?</p>
	<p>What investments are included under “#2 Remainder”?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Do not significantly harm</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected at the end of Q1 2021.</p>
	<p>Sustainability indicators</p> <p>The sustainability indicators are assessed by means of the implementation of the Responsible Investment Policies of APG AM's clients under: “Environmental and/or social characteristics are promoted by the financial product”.</p>
	<p>Website reference</p>

	<p>All information related to the sustainability-related disclosures can be found on the APG Asset Management website (*).</p>
	<p>Reference benchmark</p> <p>Is a specific index designated as a reference benchmark to determine whether this product is sustainable?</p> <p><input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Yes, however the reference benchmark is not aligned with all the environmental or sustainable characteristics. Details:</p> <p><input type="checkbox"/> Yes, the reference benchmark is aligned with each of the environmental or social characteristics promoted by the financial product. Details:</p> <p>However, in alignment with the implementation by APG AM of its clients' Exclusion Policy (*) all relevant constituents of the APG Exclusion List are excluded from the Pool.</p>

28. APG Private Equity Pool 2020-2021



European Securities and
Markets Authority



JOINT COMMITTEE OF THE EUROPEAN
SUPERVISORY AUTHORITIES

Pre-contractual disclosure of a product that promotes E/S characteristics

Financial product: **APG Private Equity Pool 2020-2021**

This product has: **Environmental and/or social characteristics**

No sustainable investment objective

The APG Private Equity Pool 2020-2021 (hereafter: ‘Pool’) promotes environmental or social characteristics but does not have as its main objective to be a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.



Environmental and/or social characteristics are promoted by the financial product

Environmental, social and governance risks and opportunities are an integral part of the investment processes of this Pool by means of the application of the Responsible Investment Policies of APG AM’s clients. APG AM applies these overarching policies on behalf of its clients to all investments while excluding investments involved in the production of anti-personnel mines, cluster munitions, chemical, biological or nuclear weapons, and tobacco based on the clients’ Exclusion Policy (*). The only exception is in the case of Secondary Investments where the exclusion and restriction policies cannot be enforced on the undrawn commitment element of a Secondary Investment.

Please note that all documents marked with (*) can be found on our website under section “Sustainability-related disclosures”.³¹

The investments of this Pool are described under “Investment Strategy” This Pool only contains general E/S characteristics, because of the type of investments (described under “Investment Strategy”). The general E/S characteristics and the methodologies used to assess, measure and monitor these E/C characteristics can be described as follows:

The Private Equity Pool invests in Funds in which the Manager: 1) has an ESG policy, 2) agrees to comply with our Exclusion Policy, 3) reports on the progress of ESG initiatives, and 4) agrees to consider the UNGC Principles in their investment process.

Using a proprietary ESG Manager Assessment Tool, the ESG performance of Managers of potential primary fund investments is evaluated across six dimensions: ESG Integration, Measuring Impact, Best Practice RI Standards, SDIs, Climate Change, and Diversity. The Private Equity Pool invests with Managers that achieve a good score







³¹ For English: <https://apg.nl/en/about-apg/asset-management/responsible-investment/> (EN)

For Dutch: <https://apg.nl/nl/over-apg/asset-management/verantwoord-beleggen/> (NL)

	<p>and/or Managers who have demonstrated a commitment to improve their performance, and consequently their score.</p> <p>Co-investments and secondary investments that can be classified as SDIs as well as Managers with a track record of investing in SDIs are weighted positively.</p> <p>To measure the extent to which E/S characteristics are met, in 2021, APG AM will start to develop methods to assess the likely impacts of sustainability risks on the returns for its financial products and gain further insight into the impact of the various policy instruments, such as inclusion, exclusion and Sustainable Development Investments, on the ability to meet risk and return targets. Our aim is to be able to measure and monitor any impacts on an ongoing basis, initially for liquid investments and extending it to other asset categories at a later stage.</p>
	<p>Investment strategy</p> <p>What investment strategy does this financial product follow to meet the E/S characteristics?</p> <ul style="list-style-type: none"> – Fund-of-funds Investments: private equity investments through commitments to external fund of funds managers. – Primary Investments: invest in attractive new Investee Funds. – Secondary Investments: invest in attractive existing Investee Funds and/or restructuring existing Investee Funds and create new terms (and in some cases in conjunction with additional primary capital), and equity co-investment interests in a portfolio company or portfolio companies. – Co-Investments: investments in a portfolio company directly or indirectly through Investee Funds made in privately negotiated transactions on a side-by-side basis with other investor(s), arranged by general partners selected by the Manager where the Pool participates generally pari passu with the lead general partners. <p>Although the split over the various investment types implicates that the total Pool composition is not pre-determined, there are a number of restrictions that will apply to the underlying portfolios within each investment type such as style weights that remain within a pre-determined bandwidth and diversification within each style, as well as bandwidth for regional diversification purposes. The relevant criteria for this best effort strategy will be the optimal use of available opportunities, the extensive network and leverage skill and knowledge base when building the overall portfolio and diversifying within the private equity space.</p> <p>E/S characteristics are integrated in the investment strategy of this Pool as described above under “Environmental and/or social characteristics are promoted by the financial product”.</p> <p>What are the binding elements for the investment selection?</p> <p><u>Countries allowed</u> Worldwide</p> <p><u>Sectors allowed</u> All sectors allowed, except for purely infrastructure and real estate assets.</p>

	<p><u>Credit ratings allowed</u> Not applicable. Private equity investments may involve non-rated companies.</p> <p><u>Financial instruments allowed</u> Instruments by the Pool in Co-investments only to be used in compliance with APG AM's Approved Instruments List as annually reviewed and APG AM's Instrument & Classification Dictionary. The objective is to co-invest alongside an Investee Fund either through an intermediary vehicle or directly into a company in substantially the same instruments as those used by the Investee Fund for their investment.</p> <p><u>Objective derivative use</u> Only for efficient portfolio management and risk management purposes in accordance with the Dutch Pension Act (<i>Pensioenwet</i>). Derivatives use shall comply with APG AM's counterparty policy, collateral policy, liquidity policy and market risk policy.</p> <p><u>FX Policy</u> All active currency weights may be (partly) hedged to the benchmark currency weights.</p> <p><u>Max positions per country/sector/security</u> Not applicable.</p> <p>In addition to the above investment restrictions, the Private Equity Pool only invests in Funds in which the Manager: 1) has an ESG policy, 2) agrees to comply with APG's Exclusion Policy, 3) reports on the progress of ESG initiatives, and 4) agrees to consider the UNGC Principles in their investment process.</p> <p>Using a proprietary ESG Manager Assessment Tool, the ESG performance of Managers of potential primary fund investments is evaluated across six dimensions: ESG Integration, Measuring Impact, Best Practice RI Standards, SDIs, Climate Change, and Diversity. The Private Equity Pool invests with Managers that achieve a good score and/or Managers who have demonstrated a commitment to improve their performance, and consequently their score.</p> <p>Co-investments and secondary investments that can be classified as SDIs as well as Managers with a track record of investing in SDIs are weighted positively. E/S characteristics are integrated in the investment strategy of this Pool as described above under "Environmental and/or social characteristics are promoted by the financial product".</p> <p>How is the strategy implemented in the investment process on a continuous basis? We review the Manager's ESG policy during diligence. If they do not have one, we require that they adopt one in the side letter. Our requirements discussed above are also included in the side letter with Managers.</p> <p>The Private Equity Pool has proprietary ESG checklists and tools that are used to evaluate each potential investment.</p>
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	<p>Further details about the way the Responsible Investment Policies of APG AM's clients are implemented and how ESG characteristics are integrated in the investment process are described under: "Environmental and/or social characteristics are promoted by the financial product". Compliance with these policies is monitored on a continuous basis.</p> <p>Is there an amount of potential investments excluded, as a result of the implementation of the selection criteria?</p> <p>Potential investments are excluded based on the investment strategy limitations and the implementation by APG AM of the clients' Exclusion Policy (*) as both described above.</p> <p>APG AM has had to decline investments in managers that do not have ESG policies or procedures in place that meet our minimum standards or that will not comply with our side letter requirements on ESG reporting and exclusions. We estimate that 20-30% of the PE managers do not currently meet our standards; however, ESG is a growing trend, and we believe that number will shrink over time. We address ESG requirements early with a manager so that we don't waste time on managers that cannot comply at the time our investment. We also turn down several coinvests and secondary opportunities on an annual basis due to a company being a higher risk from an ESG standpoint or a company being in a higher risk industry, or in a secondary situation, on APG AM's exclusion list.</p> <p>What is the policy to assess good governance practices of the investee companies?</p> <p>Private Equity is a long-term asset class and usually requires a high degree of operational involvement by the PE Manager and direct influence over the governance structure of a portfolio company. The APG AM PE Implementation Guidelines describe APG AM's governance expectations which are the following:</p> <p>(1) Fund and Manager-level governance: We strongly encourage Managers to operate in accordance with the ILPA Private Equity Principles, and we seek to have a seat on the Limited Partner Advisory Committee to ensure good governance practices are implemented. During diligence and throughout the life of an investment, we assess Managers' compliance with our Fee Principles, management and disclosure of conflicts of interest, and transparency with LPs, among other governance topics. We also expect ESG to be discussed at Limited Partner Advisory Committees and sponsored by senior Firm management.</p> <p>(2) Portfolio company governance: APG AM as a passive investor in a limited partnership context does not have direct influence over the portfolio companies owned by a private equity fund. We therefore expect the Manager to ensure good governance practices are followed at the portfolio company level and monitor this through our Annual ESG Report requirement and Limited Partner Advisory Committee meetings. In our side letter documentation, we also require GPs to report any portfolio company incidents to APG AM, including governance incidents. Furthermore, we assess in our ESG Assessment Tool the governance structures implemented at the company level to oversee ESG.</p> <p>Every manager also undergoes a thorough operational due diligence review prior to investment by the Portfolio Management Team and Risk Team with support from the</p>
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	<p>ODD Center of Excellence. This review includes an APG specific PE DDQ as well as review of the firms operating procedures, audits and auditors, cash control policies, business continuity plan, compliance manual to name a few. Each manager also provides a DDQ annually to monitor changes and undergoes a thorough review of their policies and procedures every 4 years.</p>
	<p>Asset allocation</p> <p>What is the minimum asset allocation planned for this product?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p> <p>In which economic sectors are the investments made?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Derivatives</p> <p>Does this financial product make use of derivatives?</p> <p>As of 21-01-2021 no derivatives are used.</p> <p>If yes, how is the use of derivatives aligned with the E/S characteristics?</p>
	<p>What investments are included under “#2 Remainder”?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Do not significantly harm</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected at the end of Q1 2021.</p>
	<p>Sustainability indicators</p> <p>The sustainability indicators are assessed by means of the implementation of the Responsible Investment Policies of APG AM's clients under: “Environmental and/or social characteristics are promoted by the financial product”.</p>
	<p>Website reference</p> <p>All information related to the sustainability-related disclosures can be found on the APG Asset Management website (*).</p>
	<p>Reference benchmark</p> <p>Is a specific index designated as a reference benchmark to determine whether this product is sustainable?</p> <p><input checked="" type="checkbox"/> No</p>

	<p><input type="checkbox"/> Yes, however the reference benchmark is not aligned with all the environmental or sustainable characteristics. Details:</p> <p><input type="checkbox"/> Yes, the reference benchmark is aligned with each of the environmental or social characteristics promoted by the financial product. Details:</p> <p>However, in alignment with the implementation by APG AM of its clients' Exclusion Policy (*) all relevant constituents of the APG Exclusion List are excluded from the Pool.</p>
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29. APG Strategic Real Estate Pool



European Securities and
Markets Authority



EUROPEAN
BANKING
AUTHORITY



EUROPEAN
PENSION
AND OCCUPATIONAL PENSION AUTHORITY

JOINT COMMITTEE OF THE EUROPEAN
SUPERVISORY AUTHORITIES

Pre-contractual disclosure of a product that promotes E/S characteristics

Financial product: **APG Strategic Real Estate Pool**
This product has: **Environmental and/or social characteristics**

No sustainable investment objective

The APG Strategic Real Estate Pool (hereafter: ‘Pool’) promotes environmental or social characteristics but does not have as its main objective to be a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.



Environmental and/or social characteristics are promoted by the financial product

Environmental, social and governance risks and opportunities are an integral part of the investment processes of this Pool by means of the application of the Responsible Investment Policies of APG AM’s clients. APG AM applies these overarching policies on behalf of its clients to all investments while excluding investments involved in the production of anti-personnel mines, cluster munitions, chemical, biological or nuclear weapons, and tobacco based on the clients’ Exclusion Policy (*).



Please note that all documents marked with (*) can be found on our website under section “Sustainability-related disclosures”.³²






The E/S characteristics of the listed investments in this Pool are addressed in the specific policies and targets that apply to this Pool:

- Carbon reduction target & Climate Risk (*) – in which we mainly address environmental and climate risk related adverse impacts;
- Sustainable Development Investments (*) – which looks at how the products and services of our investments contribute to Sustainable Development Goals such as no poverty, zero hunger, good health and wellbeing, quality education, clean water and sanitation, affordable and clean energy, sustainable cities and communities, life on land, industry, innovation and infrastructure, responsible consumption and production, climate action, life below water, and life on land;
- Corporate Governance Framework and Voting Policy (*) – which addresses matters such as environmental, social, employee, human rights, and anti-corruption and anti-bribery through the way we vote on the annual general meetings of the companies in which we invest on behalf of our clients.

³² For English: <https://apg.nl/en/about-apg/asset-management/responsible-investment/> (EN)
For Dutch: <https://apg.nl/nl/over-apg/asset-management/verantwoord-beleggen/> (NL)

	<p>– <u>Inclusion</u> (*) – which is based on the UN Global Compact themes (human rights, labour, environment, and anti-corruption) and the expectations of investors and companies under the OECD Guidelines.</p> <p>The methodologies used to assess, measure and monitor these E/C characteristics are described in the policy documents.</p> <p>Further E/S characteristics of the investments in this Pool are addressed in the APG Real Estate Responsible Investment Implementation Guidelines based on which we set certain requirements and expectations for all investments in this Pool in the pre-investment, due diligence, and investment phase, which are further described below.</p> <p>We expect managers to demonstrate a strong commitment, processes, and track record concerning the management of ESG issues and a strategy that has a low-ESG risk resulting from the region, nature, or type of assets. Furthermore, in the due diligence process, we require an in-depth assessment of the root causes, measures that have been taken to avoid reoccurrence, and the residual reputation risk/liabilities from any controversies or ESG related reputational issues. Generally, we require managers to have a responsible investment policy in place, or in the absence of one, to commit to drafting one. In that regard, we also expect managers to provide documentation and examples concerning ESG policies, process and ESG track-record, as well as examples of previous investment analyses and/or situations where ESG considerations were addressed. Standard conditions for all new private real estate investments include:</p> <ol style="list-style-type: none"> 1. the manager commits to participating in annual GRESB surveys during the life of the investment; 2. The manager commits to agreed-upon strategies aiming at achieving an above average GRESB score within three years. In addition to that we would ultimately strive for a score among the 40% highest GRESB scores (4- or 5-star rating); 3. Monitor performance of the assets against the CRREM pathways (www.crrem.eu and www.crrem.org); 4. Achieve 100% energy data coverage; 5. Green building certification of assets in operation. <p>To measure the extent to which E/S characteristics are met, in 2021, APG AM will start to develop methods to assess the likely impacts of sustainability risks on the returns for its financial products and gain further insight into the impact of the various policy instruments, such as inclusion, exclusion and Sustainable Development Investments, on the ability to meet risk and return targets. Our aim is to be able to measure and monitor any impacts on an ongoing basis, initially for liquid investments and extending it to other asset categories at a later stage.</p> <p>What APG AM already measures for this Pool is the extent of Sustainable Development Investments (SDI) in accordance with APG AM's SDI approach. Per 30 September 2020, in view of the Net Asset Value of this Pool, 53,49% of the investments in this Pool currently consist of SDIs in accordance with APG AM's SDI approach. These investments specifically relate to SDG 11 (Sustainable Cities and Communities, 53,18%) and SDG 8 (Good Health and Well-Being, 0,31%). Further, the performance against the</p>
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	<p>GRESB standard is measured across listed and non-listed entities. Approximately 87,2% (by value) of this Pool reports to GRESB.</p>
	<p>Investment strategy</p> <p>What investment strategy does this financial product follow to meet the E/S characteristics?</p> <p>The Pool has a strong focus on sustainable core strategies, meant to deliver income and growth from stabilized institutional-quality real estate assets. Investment decisions will be based on fundamental bottom-up research which is quantitative and qualitative of nature whilst taking top-down considerations into account. Investments can be made through companies, funds, joint ventures and co-investments. The Pool invests in both listed and private real estate, as both types fundamentally exhibit the same risk-return characteristics.</p> <p>E/S characteristics are integrated in the investment strategy of this Pool as described above under “Environmental and/or social characteristics are promoted by the financial product”.</p> <p>What are the binding elements for the investment selection?</p> <p>The Pool shall, either directly or indirectly, only make investments that meet various criteria concerning amongst others allowed Regions, Countries, Real Estate Sectors and Financial instruments. Reference is made to the Pool Specifics and Pool Terms & Conditions for a full descriptions of applicable investment restrictions.</p> <p>How is the strategy implemented in the investment process on a continuous basis?</p> <p>The way the Responsible Investment Policies of APG AM’s clients are implemented, and how ESG characteristics are integrated in the investment process, is described under: “Environmental and/or social characteristics are promoted by the financial product”. Compliance with these policies is monitored on a continuous basis.</p> <p>Is there an amount of potential investments excluded, as a result of the implementation of the selection criteria?</p> <p>Potential investments are excluded based on the investment strategy limitations and the implementation by APG AM of the clients’ Exclusion Policy (*) as both described above.</p> <p>What is the policy to assess good governance practices of the investee companies?</p> <p>The way APG AM assesses good governance practices of investee companies is integral to APG AM’s investment strategy to follow E/S characteristics. Therefore, APG AM’s policy to assess good governance practices of investee companies is described under “Investment Strategy”.</p>
	<p>Asset allocation</p> <p>What is the minimum asset allocation planned for this product?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p> <p>In which economic sectors are the investments made?</p>

	<p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Derivatives</p> <p>Does this financial product make use of derivatives? As of 21-01-2021 no derivatives are used.</p> <p>If yes, how is the use of derivatives aligned with the E/S characteristics?</p>
	<p>What investments are included under “#2 Remainder”?</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Do not significantly harm</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected at the end of Q1 2021.</p>
	<p>Sustainability indicators</p> <p>The sustainability indicators are assessed by means of the implementation of the Responsible Investment Policies of APG AM's clients under: “Environmental and/or social characteristics are promoted by the financial product”.</p>
	<p>Website reference</p> <p>All information related to the sustainability-related disclosures can be found on the APG Asset Management website (*).</p>
	<p>Reference benchmark</p> <p>Is a specific index designated as a reference benchmark to determine whether this product is sustainable?</p> <p><input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Yes, however the reference benchmark is not aligned with all the environmental or sustainable characteristics. Details:</p> <p><input type="checkbox"/> Yes, the reference benchmark is aligned with each of the environmental or social characteristics promoted by the financial product. Details:</p> <p>However, in alignment with the implementation by APG AM of its clients' Exclusion Policy (*) all relevant constituents of the APG Exclusion List are excluded from the Pool.</p>

30. APG Tactical Real Estate Pool



European Securities and
Markets Authority



EUROPEAN
BANKING
AUTHORITY



EUROPEAN
PENSION
AND OCCUPATIONAL PENSION AUTHORITY

JOINT COMMITTEE OF THE EUROPEAN
SUPERVISORY AUTHORITIES

Pre-contractual disclosure of a product that promotes E/S characteristics

Financial product: **APG Tactical Real Estate Pool**
This product has: **Environmental and/or social characteristics**

No sustainable investment objective

The APG Tactical Real Estate Pool (hereafter: ‘**Pool**’) promotes environmental or social characteristics but does not have as its main objective to be a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.



Environmental and/or social characteristics are promoted by the financial product


Environmental, social and governance risks and opportunities are an integral part of the investment processes of this Pool by means of the application of the Responsible Investment Policies of APG AM’s clients. APG AM applies these overarching policies on behalf of its clients to all investments while excluding investments involved in the production of anti-personnel mines, cluster munitions, chemical, biological or nuclear weapons, and tobacco based on the clients’ Exclusion Policy (*).

Please note that all documents marked with (*) can be found on our website under section “Sustainability-related disclosures”.³³


The E/S characteristics of this Pool are addressed in the specific policies and targets that apply to this Pool:

- Carbon reduction target & Climate Risk (*) – in which we mainly address environmental and climate risk related adverse impacts;
- Sustainable Development Investments (*) – which looks at how the products and services of our investments contribute to achieving the Sustainable Development Goals such as no poverty, zero hunger, good health and wellbeing, quality education, clean water and sanitation, affordable and clean energy, sustainable cities and communities, life on land, industry, innovation and infrastructure, responsible consumption and production, climate action, life below water, and life on land;
- Corporate Governance Framework and Voting Policy (*) – which addresses matters such as environmental, social, employee, human rights, and anti-corruption and anti-bribery through the way we vote on the annual general meetings of the companies in which we invest on behalf of our clients.

³³ For English: <https://apg.nl/en/about-apg/asset-management/responsible-investment/> (EN)
For Dutch: <https://apg.nl/nl/over-apg/asset-management/verantwoord-beleggen/> (NL)

	<p>– <u>Inclusion</u> (*) – which is based on the UN Global Compact themes (human rights, labour, environment, and anti-corruption) and the expectations of investors and companies under the OECD Guidelines.</p> <p>The methodologies used to assess, measure and monitor these E/C characteristics are described in the policy documents.</p> <p>To measure the extent to which E/S characteristics are met, in 2021, APG AM will start to develop methods to assess the likely impacts of sustainability risks on the returns for its financial products and gain further insight into the impact of the various policy instruments, such as inclusion, exclusion and Sustainable Development Investments, on the ability to meet risk and return targets. Our aim is to be able to measure and monitor any impacts on an ongoing basis, initially for liquid investments and extending it to other asset categories at a later stage.</p> <p>What APG AM already measures for this Pool is the extent of Sustainable Development Investments (SDI) in accordance with APG AM's SDI approach. Per 30 September 2020, in view of the Net Asset Value of this Pool, 34,68% of the investments in this Pool currently consist of SDIs in accordance with APG AM's SDI approach. These investments specifically relate to SDG 11 (Sustainable Cities and Communities). Further, we measure the performance of the investments using the GRESB benchmark, which includes the GRESB Public Disclosure scores. About 55,3% (by value) in this Pool participates in the GRESB Real Estate benchmark.</p>
	<p>Investment strategy</p> <p>What investment strategy does this financial product follow to meet the E/S characteristics?</p> <p>The Pool has a fundamentally orientated investment strategy in order to identify relative value among listed real estate companies and funds. Investment decisions will be based on fundamental bottom-up research which is quantitative and qualitative of nature whilst taking top-down considerations into account. In addition to the internally managed strategy, the Pool may invest in strategies that are externally managed as well. E/S characteristics are integrated in the investment strategy of this Pool as described above under “Environmental and/or social characteristics are promoted by the financial product”.</p> <p>What are the binding elements for the investment selection?</p> <p>The Pool shall, either directly or indirectly, only make investments that meet various criteria concerning amongst others allowed Bèta, Regions, Countries, Real Estate Sectors and Financial instruments. Reference is made to the Pool Specifics and Pool Terms & Conditions for a full descriptions of applicable investment restrictions.</p> <p>How is the strategy implemented in the investment process on a continuous basis?</p> <p>The way the Responsible Investment Policies of APG AM's clients are implemented and how ESG characteristics are integrated in the investment process is described under: “Environmental and/or social characteristics are promoted by the financial product”. Compliance with these policies is monitored on a continuous basis.</p> <p>Is there an amount of potential investments excluded, as a result of the implementation of the selection criteria?</p>

	<p>Potential investments are excluded based on the investment strategy limitations and the implementation by APG AM of the clients' Exclusion Policy (*) as both described above.</p> <p>What is the policy to assess good governance practices of the investee companies? The way APG AM assesses good governance practices of investee companies is integral to APG AM's investment strategy to follow E/S characteristics. Therefore, APG AM's policy to assess good governance practices of investee companies is described under "Investment Strategy".</p>
	<p>Asset allocation</p> <p>What is the minimum asset allocation planned for this product? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p> <p>In which economic sectors are the investments made? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Derivatives</p> <p>Does this financial product make use of derivatives? As of 21-01-2021 no derivatives are used.</p> <p>If yes, how is the use of derivatives aligned with the E/S characteristics?</p>
	<p>What investments are included under "#2 Remainder"? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in the end of Q1 2021.</p>
	<p>Do not significantly harm</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected at the end of Q1 2021.</p>
	<p>Sustainability indicators</p> <p>The sustainability indicators are assessed by means of the implementation of the Responsible Investment Policies of APG AM's clients under: "Environmental and/or social characteristics are promoted by the financial product".</p>
	<p>Website reference</p> <p>All information related to the sustainability-related disclosures can be found on the APG Asset Management website (*).</p>

	<p>Reference benchmark</p> <p>Is a specific index designated as a reference benchmark to determine whether this product is sustainable?</p> <p><input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Yes, however the reference benchmark is not aligned with all the environmental or sustainable characteristics. Details:</p> <p><input type="checkbox"/> Yes, the reference benchmark is aligned with each of the environmental or social characteristics promoted by the financial product. Details:</p> <p>However, in alignment with the implementation by APG AM of its clients' Exclusion Policy (*) all relevant constituents of the APG Exclusion List are excluded from the Pool.</p>
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31. APG Developed Equities RI Index Pool



European Securities and
Markets Authority



EUROPEAN
BANKING
AUTHORITY



EUROPEAN
EQUITY
PRICING
AND OCCUPATIONAL PENSION AUTHORITY

JOINT COMMITTEE OF THE EUROPEAN
SUPERVISORY AUTHORITIES

Pre-contractual disclosure of a product that promotes E/S characteristics

Financial product: **APG Developed Equities RI Index Pool**
This product has: **Environmental and/or social characteristics**

No sustainable investment objective

The APG Developed Equities RI Index Pool (hereafter: ‘**Pool**’) promotes environmental or social characteristics but does not have as its main objective to be a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.



Environmental and/or social characteristics are promoted by the financial product

Environmental, social and governance risks and opportunities are an integral part of the investment processes of this Pool by means of the application of the Responsible Investment Policies of APG AM’s clients. APG AM applies these overarching policies on behalf of its clients to all investments while excluding investments involved in the production of anti-personnel mines, cluster munitions, chemical, biological or nuclear weapons, and tobacco based on the clients’ Exclusion Policy (*).


Please note that all documents marked with (*) can be found on our website under section “Sustainability-related disclosures”.³⁴

Environmental, social and corporate governance risks and opportunities are also an integral part of the benchmark construction for this Pool. The index that is tracked by the Pool targets a carbon footprint lower than the parent index, applies a minimum target exposure to Sustainable Development Investments (SDIs), and includes companies that are classified by APG as ESG Leaders.







The E/S characteristics of this Pool are addressed in the specific policies and targets that apply to this Pool:

- Carbon reduction target & Climate Risk (*) – in which we mainly address environmental and climate risk related adverse impacts;
- Sustainable Development Investments (*) – which looks at how the products and services of our investments contribute to achieving the Sustainable Development Goals such as no poverty, zero hunger, good health and wellbeing, quality education, clean water and sanitation, affordable and clean energy, sustainable cities and communities, life on land, industry, innovation and infrastructure,

³⁴ For English: <https://apg.nl/en/about-apg/asset-management/responsible-investment/> (EN)
For Dutch: <https://apg.nl/nl/over-apg/asset-management/verantwoord-beleggen/> (NL)

	<p>responsible consumption and production, climate action, life below water, and life on land;</p> <ul style="list-style-type: none"> – <u>Corporate Governance Framework and Voting Policy (*)</u> – which addresses matters such as environmental, social, employee, human rights, and anti-corruption and anti-bribery through the way we vote on the annual general meetings of the companies in which we invest on behalf of our clients. – <u>Inclusion (*)</u> – which is based on the UN Global Compact themes (human rights, labour, environment, and anti-corruption) and the expectations of investors and companies under the OECD Guidelines. <p>The methodologies used to assess, measure and monitor these E/S characteristics are described in the policy documents.</p> <p>To measure the extent to which E/S characteristics are met, in 2021, APG AM will start to develop methods to assess the likely impacts of sustainability risks on the returns for its financial products and gain further insight into the impact of the various policy instruments, such as inclusion, exclusion and Sustainable Development Investments, on the ability to meet risk and return targets. Our aim is to be able to measure and monitor any impacts on an ongoing basis, initially for liquid investments and extending it to other asset categories at a later stage.</p> <p>What APG AM already measures for this Pool is the extent of Sustainable Development Investments (SDI) in accordance with APG AM's SDI approach.</p>
	<p>Investment strategy</p> <p>What investment strategy does this financial product follow to meet the E/S characteristics?</p> <p>The Pool seeks to track an index that selects and re-weights companies based on ESG criteria and sustainability frameworks. The index excludes all constituents that are on the APG Exclusion List, and includes companies that are classified by APG as ESG Leaders. The index makes use of optimization techniques to have a minimum target exposure to Sustainable Development Investments (SDIs), a maximum target carbon emission intensity and controlled factor and tracking error risk versus a market-cap weighted parent index. The parent index is the iSTOXX World index.</p> <p>E/S characteristics are integrated in the investment strategy of this Pool as described above under “Environmental and/or social characteristics are promoted by the financial product”.</p> <p>What are the binding elements for the investment selection?</p> <p>The Pool shall, either directly or indirectly, only make investments that meet the following criteria:</p> <p><u>Countries allowed</u></p> <p>All developed countries that are allowed based on risk framework set by the APG AM Risk Committee. Depositary receipts are deemed to be the country exposure of the country of incorporation of the underlying company or issuer.</p> <p><u>Sectors allowed</u></p> <p>All sectors allowed.</p>

	<p><u>Concentration limit</u> The country and sector classifications refer respectively to the MSCI classification and GICS sector definitions and the limits are set against the given Pool benchmark.</p> <p><u>Country limits</u> An active country weight of maximum +2.5%.</p> <p><u>Sector limits</u> An active sector weight of maximum +2.5%.</p> <p><u>Security limits</u> An active issuer weight of maximum +0.50%.</p> <p><u>Off benchmark limit</u> Investments in off benchmark issuers are not allowed; depositary receipts of benchmark names are not considered off benchmark holdings.</p> <p><u>Credit ratings allowed</u> Not applicable.</p> <p><u>Financial instruments allowed</u> Instruments only to be used in compliance with APG's Approved Instruments List as annually reviewed.</p> <p><u>Derivatives</u> Not allowed.</p> <p><u>FX Policy</u> No FX hedging.</p> <p>How is the strategy implemented in the investment process on a continuous basis? The way the Responsible Investment Policies of APG AM's clients are implemented and how ESG characteristics are integrated in the investment process is described under: "Environmental and/or social characteristics are promoted by the financial product". Compliance with these policies is monitored on a continuous basis.</p> <p>Is there an amount of potential investments excluded, as a result of the implementation of the selection criteria? Potential investments are excluded based on the investment strategy limitations, and the implementation by APG AM of the clients' Exclusion Policy (*) and Inclusion Policy (*) as described above.</p> <p>What is the policy to assess good governance practices of the investee companies? The way APG AM assesses good governance practices of investee companies is integral to APG AM's investment strategy to follow E/S characteristics. Therefore, APG AM's policy to assess good governance practices of investee companies is described under "Investment Strategy".</p>
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	<p>Asset allocation</p> <p>What is the minimum asset allocation planned for this product? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in 2021.</p> <p>In which economic sectors are the investments made? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in 2021.</p>
	<p>Derivatives</p> <p>Does this financial product make use of derivatives? Derivatives are not used.</p> <p>If yes, how is the use of derivatives aligned with the E/S characteristics? -</p>
	<p>What investments are included under “#2 Remainder”? Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in 2021.</p>
	<p>Do not significantly harm</p> <p>Please note that this part will be completed as prescribed by the final version of the Regulatory Technical Standards of the Sustainable Finance Disclosure Regulation (EU/2019/2088). The publication of the final version is expected in 2021.</p>
	<p>Sustainability indicators</p> <p>The sustainability indicators are assessed by means of the implementation of the Responsible Investment Policies of APG AM's clients under “Environmental and/or social characteristics are promoted by the financial product”.</p>
	<p>Website reference</p> <p>All information related to the sustainability-related disclosures can be found on the APG Asset Management website (*).</p>
	<p>Reference benchmark</p> <p>Is a specific index designated as a reference benchmark to determine whether this product is sustainable?</p> <p><input type="checkbox"/> No</p> <p><input checked="" type="checkbox"/> Yes, however the reference benchmark is not aligned with all the environmental or sustainable characteristics.</p> <p>Details: Environmental, social and corporate governance risks and opportunities are an integral part of the benchmark construction. The index excludes all constituents that are on the APG Exclusion List, and includes companies that are classified by APG as ESG Leaders. The index makes use of optimization techniques to have a minimum</p>

	<p>target exposure to Sustainable Development Investments (SDIs), a maximum target carbon emission intensity, and controlled factor and tracking error risk versus a market-cap weighted parent index. The parent index is the iSTOXX World index.</p> <p><input type="checkbox"/> Yes, the reference benchmark is aligned with each of the environmental or social characteristics promoted by the financial product. Details:</p>
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