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Press Release
8 September 2021

APG and Qontigo Launch STOXX Family of Groundbreaking Responsible Indices

BlackRock selected to implement the Developed Equities mandate

Amsterdam/Zug – APG Asset Management in collaboration with analytics and index provider Qontigo and asset manager BlackRock, have announced the launch of the iSTOXX APG World Responsible Investment Indices (iSTOXX APG RI Index Family). The iSTOXX APG World Responsible Low-Carbon SDI Index will be used for a Sustainable Development Investments (SDI) mandate managed by APG Asset Management in collaboration with BlackRock, with an initial investment of approximately EUR 1 billion.

The indices were built using APG's data sets, including one derived from the Sustainable Development Investments Asset Owner Platform (SDI AOP) representing investors managing over EUR 1.1 trillion. Founded in 2019, this platform – that is open to any institutional investor globally – aims to help accelerate investment aligned with the UN Sustainable Development Goals (SDGs) by providing common definitions, taxonomy and high-quality data sources. It is the first time that the SDI AOP data are used to build investable indices.

The development of the iSTOXX APG RI Index Family[1] is a clear result of APG's and its pension funds clients' ambition to steer increasing amounts of capital towards solutions contributing to the SDGs. It aligns with the objectives of pension fund clients who have set clear goals as to what extent their investments need to contribute to the SDGs.

APG is a leading long-term responsible investor. To maintain that leading position worldwide, APG wants to excel in aligning its portfolio with responsible investment (RI) ambitions and continue to set standards globally, together with like-minded peers. APG aims to promote ESG thought leadership inside and outside of its organization. This includes investing in the SDGs, extending the SDI platform, focusing on ensuring RI contributes to better returns, and aligning its portfolio with the Paris Climate Agreement.

Ronald van Dijk – Managing Director at APG Asset Management: "*Pension funds often ask why indices are a good solution when wanting to invest responsibly. Asset managers who are leading in responsible investing can meet this growing demand for tailored, sustainability-based index products that contribute to the SDGs and other ESG goals. APG keeps these ESG metrics relevant, inspired by the fast-growing ambitions of our clients. Our aim is to contribute to a global standard for investing in SDGs, and these new responsible SDI indices reflect this goal*."

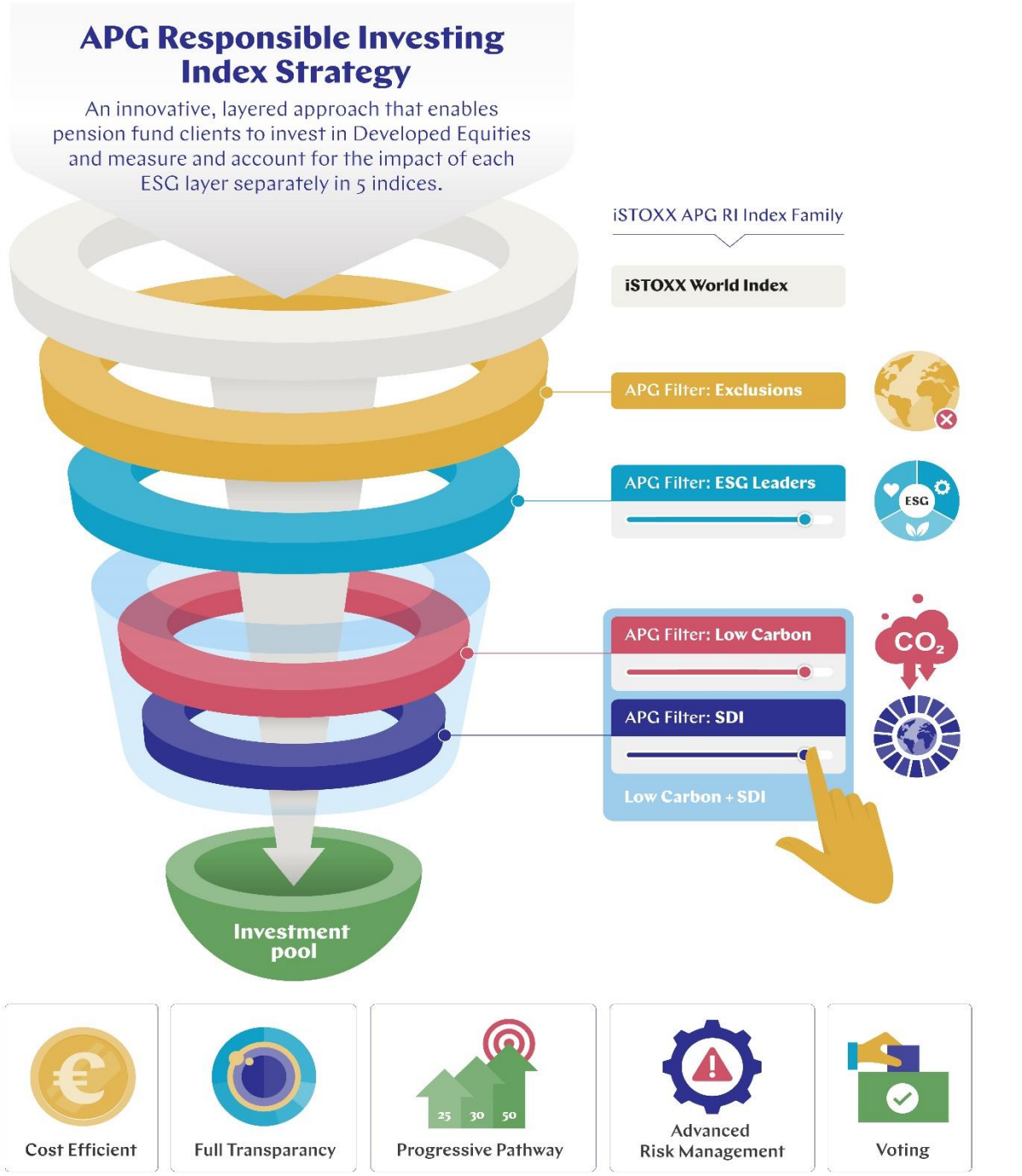
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[1] The iSTOXX APG World Responsible Investment Indices (iSTOXX APG RI Index Family) are calculated and maintained by STOXX Ltd., who is the Administrator of the iSTOXX APG RI Index Family under Regulation (EU) 2016/1011 specifically for the use by APG Asset Management N.V..

Using the iSTOXX World-A Index, a World Developed Markets Index, as the starting universe, the indices incrementally 'layer in' specific ESG filters (Exclusions, ESG Leaders, Carbon and SDI) allowing APG to measure and report on the impact on return and risk budget (measured by tracking error) for each of the individual criteria.

The five customized indices launched are:

- iSTOXX APG World-X Index
- iSTOXX APG World Responsible Index
- iSTOXX APG World Responsible Low-Carbon Index
- iSTOXX APG World Responsible SDI Index
- iSTOXX APG World Responsible Low-Carbon SDI Index



Source: As of 8 September 2021. For illustrative purposes only. More information on the methodology applied can be found in the iSTOXX Methodology Guide on page 618.

Qontigo's suite of Axioma portfolio solutions were used to build the STOXX indices. Optimizing for tracking error while constraining for unintended exposures, such as sector, regional and factor biases is pivotal to the overall strategy. Core to the objective is the SDI and Carbon Reduction Pathway – APG's plan to reduce the carbon footprint of its investments and to align with its 2025 sustainable investment targets.

"*When targeting the multiple objectives required to pursue sustainable pathways, index portfolio construction becomes an increasingly important part of the picture,"* said Hamish Seegopaul, Managing Director for R&D ESG and Quantitative Indices, Qontigo. *"The partnership with APG on data and index design is a great example of how we work together with our clients to create sustainable, scalable index-based investment solutions, using innovative approaches. We are thrilled to work with APG to deliver the first investable indices using data derived from the SDI AOP dataset."*

The indices will initially be used for an SDI mandate managed by APG for two existing APG clients who aim to double their investments in the SDGs by 2025. The APG Fund for Joint Account is based on the iSTOXX APG World Responsible Low-Carbon SDI Index and the investment portfolio is managed by BlackRock on a day-to-day basis. In addition to these indices, investors have complete flexibility to opt for a tailor-made index that aligns with their own responsible investment strategy.

Monique Donders, Country Head BlackRock Netherlands: *"We are pleased to partner with APG and Qontigo in developing and managing this cost efficient, transparent and customized STOXX index solution. APG has been at the forefront of asset owners globally seeking to use their investments to help achieve the UN Sustainable Development Goals. Managing such a sustainability-driven mandate requires close coordination, detailed risk management and scale. We believe this flexible, data-led approach holds great promise to become the standard as the investment industry continues to convert its responsible investment ambitions to concrete actions."*

More information

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Note to editors: photos of company spokespersons quoted are available on request.

About APG

As the largest pension provider in the Netherlands APG is responsible for the pensions of 4.7 million participants. APG provides executive consultancy, asset management, pension administration, pension communication and employer services. We work for pension funds and employers in the sectors of education, government, construction, cleaning, housing associations, sheltered employment organizations, medical specialists, and architects. APG Asset Management manages approximately €613 billion (July 2021) pension assets. With approximately 3,000 employees we work from Heerlen, Amsterdam, Brussels, New York, Hong Kong, Shanghai and Beijing.
www.apg.nl

About Qontigo

Qontigo is a leading global provider of innovative index, analytics and risk solutions that optimize investment impact. As the shift toward sustainable investing accelerates, Qontigo enables its clients—financial-products issuers, capital owners and asset managers—to deliver sophisticated and targeted solutions at scale to meet the increasingly demanding and unique sustainability goals of investors and asset owners worldwide.

Qontigo's solutions are enhanced by both our collaborative, customer-centric culture, which allows us to create tailored solutions for our clients, and our open architecture and modern technology that efficiently integrate with our clients' processes.

Part of the Deutsche Börse Group, Qontigo was created in 2019 through the combination of Axioma, DAX and STOXX. Headquartered in Eschborn, Germany, Qontigo's global presence includes offices in New York, London, Zug and Hong Kong.
www.qontigo.com

About BlackRock

BlackRock's purpose is to help more and more people experience financial well-being. As a fiduciary to investors and a leading provider of financial technology, we help millions of people build savings that serve them throughout their lives by making investing easier and more affordable. For additional information on BlackRock, please visit www.blackrock.com/corporate

About SDI AOP

Consisting of APG, AustralianSuper, British Columbia Investment Management Corporation and PGGM, we are an asset owner-led platform committed to accelerating investments into the UN Sustainable Development Goals (SDGs).

Powered by artificial intelligence combined with human intelligence, we have developed a standard for investing into the SDGs. The standard and its underlying data are available to the market through analytics and index provider Qontigo and can be integrated into any investment process. A shared understanding of what constitutes Sustainable Development Investments (SDIs) can greatly enhance

engagement with companies, regulators and other stakeholders. Companies and investors alike can use the standard in their disclosures in relation to the SDGs.
www.sdi-aop.org

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