RI TRANSPARENCY REPORT

2020

NN Investment Partners

An investor initiative in partnership with UNEP Finance Initiative and UN Global Compact
About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the PRI website, ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation’s response to the PRI during the reporting period specified above. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information.

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Usage restrictions

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**OO 01 Mandatory Gateway/Peering General**

**OO 01.1 Select the services and funds you offer**

<table>
<thead>
<tr>
<th>Select the services and funds you offer</th>
<th>% of asset under management (AUM) in ranges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund management</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>&lt;10%</td>
</tr>
<tr>
<td></td>
<td>10-50%</td>
</tr>
<tr>
<td></td>
<td>&gt;50%</td>
</tr>
<tr>
<td>Fund of funds, manager of managers, sub-advised products</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>&lt;10%</td>
</tr>
<tr>
<td></td>
<td>10-50%</td>
</tr>
<tr>
<td></td>
<td>&gt;50%</td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>&lt;10%</td>
</tr>
<tr>
<td></td>
<td>10-50%</td>
</tr>
<tr>
<td></td>
<td>&gt;50%</td>
</tr>
<tr>
<td>Total 100%</td>
<td></td>
</tr>
</tbody>
</table>

**OO 01.2 Additional information. [Optional]**

NN Investment Partners (hereafter referred to as NN IP) is the asset management arm of NN Group N.V., a publicly listed company. NN IP manages the assets of NN Group’s insurance businesses and offers retail and institutional customers a wide variety of actively managed investment products. Responsible investing is an integral part of NN IP’s business and reflects an investment approach that goes beyond specific concerns about environmental and social sustainability. It is an embodiment of our values concerning active and responsible share-ownership. This set of values is a long-term view that we put to work to the benefit of our clients and society at large. Based on this thinking we introduced our first sustainable equity fund in 2000, whilst being an early signatory to the PRI (2008).

NN IP offers products and services globally through offices across Europe, the United States and Asia, with the Netherlands as its main investment hub.

Within NN IP, Altis is responsible for the external fund manager selection for both institutional and retail clients. Altis is a wholly owned subsidiary of NN IP but operates at arms’ length, using its proprietary software platform to analyse external investment strategies on holdings level. In its assessment Altis incorporates the ESG performance of asset managers to ensure a full overview of an asset managers capabilities.

**OO 02 Mandatory Peering General**

**OO 02.1 Select the location of your organisation’s headquarters.**

Netherlands

**OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).**

- 1
- 2-5
- 6-10
- >10

**OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).**

937

**OO 02.4 Additional information. [Optional]**

Outside its headquarters in The Hague, NN Investment Partners has offices with investment staff in Brussels, London, New York, Warsaw, Prague, Singapore, and Tokyo. In addition, we have several offices with sales staff.

**OO 03 Mandatory Descriptive General**

**OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.**

- Yes
- No

**OO 04 Mandatory Gateway/Peering General**

**OO 04.1 Indicate the year end date for your reporting year.**

31/12/2019

**OO 04.2 Indicate your total AUM at the end of your reporting year.**

- Total AUM
  - 27,274,000,000 EUR
  - 30,435,718,894 USD

**OO 04.4 Indicate the assets which are subject to an execution and/or advisory approach. Provide this figure based on the end of your reporting year.**

- Not applicable as we do not have any assets under execution and/or advisory approach
Provide an approximate percentage breakdown of your AUM at the end of your reporting year using the following asset classes and investment strategies:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Internally managed (%)</th>
<th>Externally managed (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Listed equity</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>Fixed income</td>
<td>72</td>
<td>2</td>
</tr>
<tr>
<td>Private equity</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Property</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Commodities</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Hedge funds</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Fund of hedge funds</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Forestry</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Farmland</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Inclusive finance</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Cash</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Money market instruments</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Other (1), specify</td>
<td>14</td>
<td>0</td>
</tr>
<tr>
<td>Other (2), specify</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Select how you would like to disclose your asset class mix:

- ✔️ as percentage breakdown
- ❌ as broad ranges

Publish asset class mix as per attached image [Optional].

Indicate whether your organisation has any off-balance sheet assets [Optional].

- ❌ Yes
- ✔️ No

Indicate whether your organisation uses fiduciary managers.
Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.

No, we do not use fiduciary managers.

As part of NN Group, the majority of our assets are managed in Fixed Income strategies. This spans the full range of Eurozone and US government bonds, other Developed Market bonds, Emerging Markets Debt, High Yield and Investment Grade corporate bonds, alternative debt (including ABS) and other fixed income products. We are also active in equity strategies and manage a considerable amount of assets in multi-assets.

Furthermore, as a strong and experienced responsible investment manager, we manage several Sustainable strategies in the equity, fixed income and multi-asset space. This includes Green Bond funds, European Sustainable Credits, European and Global Sustainable Equity strategies, as well as Impact Equity funds. On top of that, we were one of the first to launch 2 Sustainable Multi-Asset funds, that were also awarded the Belgian Towards Sustainability label in 2020.

Next to our presence in The Netherlands, we have investment capabilities in London, New York, Singapore, Tokyo and the CEE region.

### OO 09.1: Indicate the breakdown of your organisation’s AUM by market

<table>
<thead>
<tr>
<th>Market</th>
<th>AUM %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developed Markets</td>
<td>96</td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>04</td>
</tr>
<tr>
<td>Frontier Markets</td>
<td>0</td>
</tr>
<tr>
<td>Other Markets</td>
<td>0</td>
</tr>
</tbody>
</table>

As part of our Emerging Markets Debt franchise, we have a small exposure to Frontier Markets, which represents around 0.1% of the total AuM of NN Investment Partners.

### OO 10: Select the active ownership activities your organisation implemented in the reporting year

**Listed equity – engagement**
- ☑️ We engage with companies on ESG factors via our staff, collaborations or service providers.
- ☑️ We require our external managers to engage with companies on ESG factors on our behalf.
- ☐ We do not engage directly and do not require external managers to engage with companies on ESG factors.

**Listed equity – voting**
- ☑️ We cast our (proxy) votes directly or via dedicated voting providers
- ☑️ We require our external managers to vote on our behalf.
- ☐ We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

**Fixed income SSA – engagement**
- ☑️ We engage with SSA bond issuers on ESG factors via our staff, collaborations or service providers.
- ☐ We do not engage directly and do not require external managers to engage with SSA bond issuers on ESG factors. Please explain why you do not.

**Fixed income Corporate (financial) – engagement**
- ☑️ We engage with companies on ESG factors via our staff, collaborations or service providers.
- ☑️ We require our external managers to engage with companies on ESG factors on our behalf.
- ☐ We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

**Fixed income Corporate (non-financial) – engagement**
- ☑️ We engage with companies on ESG factors via our staff, collaborations or service providers.
- ☑️ We require our external managers to engage with companies on ESG factors on our behalf.
- ☐ We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

**Fixed income Corporate (securitised) – engagement**
- ☐ We engage with companies on ESG factors via our staff, collaborations or service providers.
- ☑️ We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

The characteristic of these type of investments makes it difficult to engage and it’s a small part of our AUM. We are of course exploring to expand engagement, but this type is not on our focus list for 2019.
<table>
<thead>
<tr>
<th>Required Section</th>
<th>Table of Contents</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>OO 11.1</td>
<td>Listed equity</td>
<td>We address ESG incorporation. We do not do ESG incorporation.</td>
</tr>
<tr>
<td></td>
<td>Fixed income - SSA</td>
<td>We address ESG incorporation. We do not do ESG incorporation.</td>
</tr>
<tr>
<td></td>
<td>Fixed income - corporate (financial)</td>
<td>We address ESG incorporation. We do not do ESG incorporation.</td>
</tr>
<tr>
<td></td>
<td>Fixed income - corporate (non-financial)</td>
<td>We address ESG incorporation. We do not do ESG incorporation.</td>
</tr>
<tr>
<td></td>
<td>Fixed income - securitised</td>
<td>We address ESG incorporation. We do not do ESG incorporation.</td>
</tr>
<tr>
<td></td>
<td>Money market instruments</td>
<td>We address ESG incorporation. We do not do ESG incorporation.</td>
</tr>
<tr>
<td></td>
<td>Other (1)</td>
<td>We address ESG incorporation. We do not do ESG incorporation.</td>
</tr>
<tr>
<td></td>
<td>Mult Asset</td>
<td>We address ESG incorporation. We do not do ESG incorporation.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Required Section</th>
<th>Table of Contents</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>OO 11.2</td>
<td>Listed equity</td>
<td>We incorporate ESG into our external manager selection process. We incorporate ESG into our external manager appointment process. We incorporate ESG into our external manager monitoring process. We do not do ESG incorporation.</td>
</tr>
<tr>
<td></td>
<td>Fixed income - corporate (financial)</td>
<td>We incorporate ESG into our external manager selection process. We incorporate ESG into our external manager appointment process. We incorporate ESG into our external manager monitoring process. We do not do ESG incorporation.</td>
</tr>
<tr>
<td></td>
<td>Fixed income - corporate (non-financial)</td>
<td>We incorporate ESG into our external manager selection process. We incorporate ESG into our external manager appointment process. We incorporate ESG into our external manager monitoring process. We do not do ESG incorporation.</td>
</tr>
</tbody>
</table>

As a responsible asset manager, we require all external managers that we work with to follow high standards on ESG integration. Consequently, all such external managers are PRI signatories. ESG aspects form an integral part of the conversations NN IP conducts with external managers. These conversations can revolve around the managers’ exclusion criteria, the thoroughness of their ESG integration approach, how ESG is incorporated into the investment process and decision-making and whether/how active ownership is conducted. Hence, we take into account whether there is engagement and how it is conducting, what the consequences of engagement might be and whether (proxy) voting is conducted and with what aims. Beyond these in-depth considerations on ESG integration,
screening and active ownership of external managers, NN IP also expects them to adhere to high governance standards.

### Core modules
- Organisational Overview
- Strategy and Governance

### RI implementation directly or via service providers
- Direct - Listed Equity incorporation
- Direct - Listed Equity active ownership
  - Engagements
  - (Proxy) voting
- Direct - Fixed Income
  - Fixed income - SSA
  - Fixed income - Corporate (financial)
  - Fixed income - Corporate (non-financial)
  - Fixed income - Securitised

### RI implementation via external managers
- Indirect - Selection, Appointment and Monitoring of External Managers
  - Listed Equities
  - Fixed income - Corporate (financial)
  - Fixed income - Corporate (non-financial)

### Closing module
- Closing module

### OO LE 01
Mandatory to Report, Voluntary to Disclose

#### OO LE 01.1
Provide a breakdown of your internally managed listed equities by passive, active - quantitative (quant), active - fundamental and active - other strategies.

<table>
<thead>
<tr>
<th>Strategy Type</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passive</td>
<td>0</td>
</tr>
<tr>
<td>Active - quantitative (quant)</td>
<td>8</td>
</tr>
<tr>
<td>Active - fundamental and active - other</td>
<td>92</td>
</tr>
</tbody>
</table>

#### OO LE 01.2
Additional information [Optional]

### OO FI 01
Mandatory to Report, Voluntary to Disclose

#### OO FI 01.1
Provide a breakdown of your internally managed fixed income securities by active and passive strategies

<table>
<thead>
<tr>
<th>Strategy Type</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>SSA Passive</td>
<td>0</td>
</tr>
<tr>
<td>SSA Active - quantitative (quant)</td>
<td>0</td>
</tr>
<tr>
<td>SSA Active - fundamental and active - other</td>
<td>100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strategy Type</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passive</td>
<td>0</td>
</tr>
<tr>
<td>Active - quantitative (quant)</td>
<td>0</td>
</tr>
<tr>
<td>Active - fundamental and active - other</td>
<td>100</td>
</tr>
</tbody>
</table>
**OO FI 03**
Mandatory

**OO FI 03.1**
Indicate the approximate (+/- 5%) breakdown of your SSA investments, by developed markets and emerging markets.

<table>
<thead>
<tr>
<th>SSA</th>
<th>Developed markets</th>
<th>Emerging markets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>90</td>
<td>10</td>
</tr>
</tbody>
</table>

**OO FI 03.2**
Indicate the approximate (+/- 5%) breakdown of your corporate and securitised investments by investment grade or high-yield securities.

<table>
<thead>
<tr>
<th>Type</th>
<th>Investment grade (+/- 5%)</th>
<th>High-yield (+/- 5%)</th>
<th>Total internally managed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate (financial)</td>
<td>+50%</td>
<td>&gt;50%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>10-50%</td>
<td>10-50%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>&lt;10%</td>
<td>&lt;10%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0%</td>
<td>0%</td>
<td></td>
</tr>
</tbody>
</table>

**OO SAM 01**
Mandatory to Report, Voluntary to Disclose

**OO SAM 01.1**
Provide a breakdown of your externally managed listed equities and fixed income by passive, active quant and, active fundamental and other active strategies.

<table>
<thead>
<tr>
<th>Listed equity (LE)</th>
<th>Passive</th>
<th>Active - quantitative (quant)</th>
<th>Active - fundamental and active - other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>60</td>
<td>0</td>
<td>40</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fixed income - Corporate (financial)</th>
<th>Passive</th>
<th>Active - quantitative (quant)</th>
<th>Active - fundamental and active - other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>60</td>
<td>0</td>
<td>40</td>
</tr>
<tr>
<td>Fixed income - Corporate (non-financial)</td>
<td>Passive</td>
<td>Active - quantitative (quant)</td>
<td>Active - fundamental and active - other</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>---------</td>
<td>-------------------------------</td>
<td>-------------------------------------------</td>
</tr>
<tr>
<td>60</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>50</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>40</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.
SG 01.1  Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2  Indicate the components/types and coverage of your policy.

<table>
<thead>
<tr>
<th>Policy components/types</th>
<th>Coverage by AUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy setting out your overall approach</td>
<td>☑ Applicable policies cover all AUM</td>
</tr>
<tr>
<td>Formalised guidelines on environmental factors</td>
<td>☑ Applicable policies cover a majority of AUM</td>
</tr>
<tr>
<td>Formalised guidelines on social factors</td>
<td>☑ Applicable policies cover a minority of AUM</td>
</tr>
<tr>
<td>Formalised guidelines on corporate governance factors</td>
<td></td>
</tr>
<tr>
<td>Fiduciary (or equivalent) duties</td>
<td></td>
</tr>
<tr>
<td>Asset class-specific RI guidelines</td>
<td></td>
</tr>
<tr>
<td>Sector specific RI guidelines</td>
<td></td>
</tr>
<tr>
<td>Screening / exclusions policy</td>
<td></td>
</tr>
<tr>
<td>Other, specify (1)</td>
<td></td>
</tr>
<tr>
<td>Stewardship Policy</td>
<td></td>
</tr>
<tr>
<td>Other, specify (2)</td>
<td></td>
</tr>
<tr>
<td>Viewpoint Policy</td>
<td></td>
</tr>
</tbody>
</table>

SG 01.3  Indicate if the investment policy covers any of the following.

☐ Your organisation’s definition of ESG and/or responsible investment and it’s relation to investments
☐ Your investment objectives that take ESG factors/real economy influence into account
☐ Time horizon of your investment
☐ Governance structure of organisational ESG responsibilities
☐ ESG incorporation approaches
☐ Active ownership approaches
☐ Reporting
☐ Climate change
☐ Understanding and incorporating client / beneficiary sustainability preferences
☐ Other RI considerations, specify (1)

Other description (1)

• NN’s norms-based RI criteria, that also reflect violations of OECD guidelines and Global Compact
• Other RI considerations, specify (2)

Other description (2)

• Restrictions on controversial behavior and activities

SG 01.4  Describe your organisation’s investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties and how they consider ESG factors and real economy impact.

We are a large, international asset manager and part of a Dutch listed international insurance company (NN Group). ESG is integrated in the investment process of 88% of our AuM (ultimo 2019) and it’s a core investment belief.

For both companies and sovereigns, we prefer inclusion over exclusion. We believe that engagement is one of the best ways to stimulate change. Regular dialogue on material issues and voting enable us to help companies tackle a wide range of issues and adapt business strategies to improve their ESG performance.

Responsible Investment is all about transparency, value creation, and incorporating ESG factors to identify the risks and opportunities that can impact long-term investment returns. It ensures that we live up to our values, demonstrate good corporate citizenship and to align our core business with the broader expectations of society at large.

We provide customer-oriented investment solutions to a wide range of clients and seek to invest their assets responsibly and with integrity, understanding the opportunities and risks involved.

We offer various sustainable investment solutions and measure the carbon footprint of our investments. In our impact strategies, we measure impact based on additional metrics that are most suitable to that particular strategy.

SG 01.5  Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

Responsible investing is a core investment belief at NN IP. Responsible investing matters and it works. We see it as the best way to enhance risk-adjusted returns while contributing to society as a whole. We believe that companies with sustainable business practices and high standards of corporate governance will become the success stories of the future. In all our investment capabilities we strive to improve the performance by using (new) ESG data and harvesting sustainable change at companies and issuers either by changes in their business model or via initiated engagement.

We engage in direct dialogues with the companies in which we invest, and focus on corporate preparedness for change. We have solid connections with other institutional investors, and take an active approach in our engagements with international sustainable initiatives and NGOs.

We are convinced of the benefits of integrating environmental, social and governance (ESG) information into the investment process for our equity, fixed income and multi-asset strategies. ESG is relevant because it relates to both competitiveness and the strategic choices companies but also governments make. Focusing on ESG factors enables our analysts to unlock potential value by identifying the associated opportunities and/or risks, which fund managers then use as the basis for their investment decisions. This is additional to our belief that risk-return of our investment improves by embedding both ESG integration as well as active ownership activities in our processes and practices.

We provide customer-oriented investment solutions to a wide range of clients and seek to invest their assets responsibly and with integrity, understanding the opportunities and risks involved. We offer various sustainable investment solutions and measure the carbon footprint of our investments. In our impact strategies, we measure impact based on additional metrics that are most suitable to that particular strategy.
Sustainable and Impact strategies, we describe in this policy document the additional thresholds and restrictions that are applicable.

SG 01 CC Mandatory to Report, Voluntary to Disclose Descriptive General

Private

SG 02 Mandatory Core Assessed PRI 6

SG 02.1 Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

- Policy setting out your overall approach
  - URL/Attachment
    - URL: https://www.nn-group.com/nn-group/file?uuid=c3ff4aeb-ba72-4aaa-8f94-b51205393930b&owner=c5df72fd-8a65-4f75-956d-5e37307a50c&contentid=2399
    - Attachment (will be made public)
  - Formalised guidelines on environmental factors
    - URL/Attachment
      - URL: https://assets.ctfassets.net/y4nxuejkhx03/7HDPqNfUaVk34zlEmwzbl/09bf64f33402f6ece3663c5a4d472657/Statement_on_Climate_Change.pdf
      - Attachment (will be made public)
  - Formalised guidelines on social factors
    - URL/Attachment
      - URL: https://www.nn-group.com/nn-group/file?uuid=fc9611b9-cd98-4cc6-8e43-4edcb0c7414e&owner=c5df72fd-8a65-4f75-956d-5e37307a50c&contentid=1652
      - Attachment (will be made public)
  - Formalised guidelines on corporate governance factors
    - URL/Attachment
      - URL: https://assets.ctfassets.net/y4nxuejkhx03/6Pc2JwL0iwK5rGgQQ0BRJb/62f7aa632b8726ae5e9c3a065bcaea7/NN-IP-Stewardship-Policy_Feb2020.pdf
      - Attachment (will be made public)
  - Fiduciary (or equivalent) duties
    - URL/Attachment
      - URL: https://assets.ctfassets.net/y4nxuejkhx03/6Pc2JwL0iwK5rGgQQ0BRJb/62f7aa632b8726ae5e9c3a065bcaea7/NN-IP-Stewardship-Policy_Feb2020.pdf
      - Attachment (will be made public)
  - Sector specific RI guidelines
    - URL/Attachment
      - URL: https://www.nn-group.com/nn-group/file?uuid=c3ff4aeb-ba72-4aaa-8f94-b51205393930b&owner=c5df72fd-8a65-4f75-956d-5e37307a50c&contentid=2399
      - Attachment (will be made public)
  - Screening / exclusions policy
    - URL/Attachment
      - URL: https://assets.ctfassets.net/y4nxuejkhx03/0yvm1T1ywOEVatLUIa6yYT/7d9c19467af1ff5237aa903a137fd5b3/NN_IP_Exclusion_criteria_overview.pdf
      - Attachment (will be made public)
SG 02.2 Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation’s definition of ESG and/or responsible investment and its relation to investments

URL/Attachment

URL
https://www.nn-group.com/nn-group/file?uuid=c3ff4aeb-ba72-4aaa-8f94-b5120933930b&owner=c5df72fd-8a65-4f75-956d-5e37307aa50d&contentid=2399

Attachment

Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment

URL
https://www.nn-group.com/nn-group/file?uuid=c3ff4aeb-ba72-4aaa-8f94-b5120933930b&owner=c5df72fd-8a65-4f75-956d-5e37307aa50d&contentid=2399

Attachment

Governance structure of organisational ESG responsibilities

URL/Attachment

URL
https://www.nn-group.com/nn-group/file?uuid=c3ff4aeb-ba72-4aaa-8f94-b5120933930b&owner=c5df72fd-8a65-4f75-956d-5e37307aa50d&contentid=3267

Attachment

ESG incorporation approaches
SG 02.3 Additional information [Optional]

On all of the above topics, our NN IP Responsible Investment report describes our activities and progress made in 2019. Please note that the information on Governance Structure of Organisational ESG Responsibilities and ESG Incorporation Approaches can be found in the NN IP RI Report 2019 in chapter Governance (page 8) and ESG Integration (page 48) respectively.

In addition to the above mentioned policies, NN IP publishes regularly insight reports, sharing NN IP’s view on ESG matters see https://www.nnip.com/en-INT/professional/insights.

SG 02.3 Additional information [Optional]
On all of the above topics, our NN IP Responsible Investment report describes our activities and progress made in 2019. Please note that the information on Governance Structure of Organisational ESG Responsibilities and ESG Incorporation Approaches can be found in the NN IP RI Report 2019 in chapter Governance (page 8) and ESG Integration (page 48) respectively.

In addition to the above mentioned policies, NN IP publishes regularly insight reports, sharing NN IP’s view on ESG matters see https://www.nnip.com/en-INT/professional/insights.

SG 03 Mandatory Core Assessed General

SG 03.1 Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

SG 03.2 Describe your policy on managing potential conflicts of interest in the investment process.

NN IP conducts business in a way which is fair, professional and in accordance with the best interests of our clients. Under EU legislation, we are required to maintain and operate effective organisational and administrative arrangements with a view to taking all possible steps to prevent conflicts of interest from adversely affecting the interests of our clients. We take all the appropriate steps to identify, prevent and manage conflicts of interest.

Several conflicts of interest could arise related to NN IP’s stewardship activities. If this occurs, NN IP will execute its voting and engagement policy, as agreed upon with our clients. If a business relationship might threaten the objectivity or nature of stewardship activities, our compliance department is consulted.
Engagement activities are to still be pursued, different stakeholders including the NN IP Board and clients are informed. Records are kept and updated regularly of investment activities where a conflict of interest entailing a risk of damage to the interests of one or more clients has arisen or may arise. For each identified conflict, we have appropriate measures in place to manage, control and prevent any potential adverse impact on our clients. (see also: Principle 2 of our Stewardship policy)

SG 03.3 Additional information [Optional]
More specifically on managing conflict of interests regarding our proxy voting process:
NN IP manages assets for the account of clients as well as for the account of NN Group's businesses, the proprietary assets. NN IP will cast proxy votes for all assets in a way that best serves the beneficial owner of the client assets. Client assets will only be voted in the exclusive interest of the clients, without taking into consideration the interest of NN Group's businesses. When voting for proprietary assets, NN IP may take into consideration all the different relationships of NN Group's businesses with the investee companies.
NN IP will maintain Chinese Walls between the management of proprietary assets and client assets. For this reason, NN IP has set up a proxy voting committee which is tasked with voting on client's assets and a separate proxy voting committee responsible for voting on proprietary assets.
As we maintain strict Chinese Walls between the proxy voting committee client's assets and the proxy voting committee proprietary assets, NN IP may cast different votes on a single voting issue. This procedure will prevent any conflicts of interest and allows us to serve the best interest of both our third party clients as well as NN Group businesses.

SG 04 Voluntary Descriptive General

SG 05 Mandatory Gateway/Core Assessed General

SG 05.1 Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.
- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad-hoc basis
  - It is not set/reviewed

SG 05.2 Additional information [Optional]
The progress made on our Responsible Investing Framework and our ambition to be a leader in RI is reviewed each quarter, with milestones recorded and discussion of additional objectives by the Management Team Investments of NN IP.
In addition, relevant RI developments (both internally as well as externally) and the progress update (also on PRI elements) are part of the agenda of the ESG committee, convening 4 to 5 times a year. Last but not least, the RI Steering Committee, consisting of the Head of Responsible Investing, Head of RI Equities, Head of RI Fixed Income, Head of Product Management & Development and Head of Marketing & Distribution BeNeLux meet on a biweekly basis to discuss current developments and progress made.

SG 06 Voluntary Descriptive General

SG 07 Mandatory Core Assessed General

SG 07.1 Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.

Roles
- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Internal Roles (triggers other options)
  - Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
  - Other Chief-level staff or head of department, specify
    Management team Investments (MTI)
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
  - Portfolio managers
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment

Select from the below internal roles
SG 07.2 For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

CEO: ensures alignment NN IP Executive Board and NN Group Management Board. Discussion and approval for strategic/tactical ESG related matters in the areas of Responsible Investing for NN IP.

CIO: Chair of ESG Committee, setting objectives and providing advice to NN IP’s Executive Board about positioning and future initiatives in the RI area and sponsor of RI activities within investment engine across all asset classes. Structured committees and working groups within NN IP (Proxy voting Committee, ESG Committee (policies and practices). The proxy voting committee casts votes on holdings for the account for clients as well as for own account. NN IP maintains barriers between the management of proprietary assets and client assets. The ESG committee discusses and decides on topics concerning the RI policy (including but not limited to norms-based criteria and exclusions). Active Ownership initiatives and ESG integration within NN IP including monitoring PRI commitments. Ad hoc task forces are created to cover ESG related topics, like the Carbon Footprint reporting task force as well as our Green Bonds Governance workstream. The respective heads of Equity and Fixed Income and RI Platform constitute the RI leadership team and sets objectives for portfolio managers and analysts related to ESG integration, and monitor progress. The RI Steerco oversees the general RI framework and approach and consists of senior managers from both investments as well as client office.

Dedicated RI staff: Enabling the investment professionals to implement RI related policies and practices, providing training and guidance.

Risk management and Product management review processes and policies implementation and ensures alignment in criteria and execution.

SG 07.3 Indicate the number of dedicated responsible investment staff your organisation has.

28

SG 07.4 Additional information [Optional]

The dedicated RI team and the fixed income and equity strategy teams added additional FTEs in RI and ESG integration and research in 2019. The RI team is embedded in the transversal Platform of Innovation and Responsible Investment. This allows us to optimally combine our innovation skills and expertise with responsible investing, for example resulting in a missing values algorithm that can be used in case of incomplete ESG data (both in analysis and in reporting), the development of our proprietary ESG indicators and the use of new types of data sources and how to analyse them.

SG 07 CC Mandatory to Report, Voluntary to Disclose Descriptive General

Private

SG 08 Voluntary Additional Assessed General

Private

SG 09 Mandatory Core Assessed PRI 4,5

SG 09.1 Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Principles for Responsible Investment

Your organisation’s role in the initiative during the reporting period (see definitions) Advanced
<table>
<thead>
<tr>
<th>Initiative</th>
<th>Your organisation's role in the initiative during the reporting period (see definitions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDP Climate Change</td>
<td>Moderate</td>
</tr>
<tr>
<td>NN IP colleagues participated in some events and subcommittees and steering committees of PRI in 2019. NN IP was sponsor of the academic day at PRI in person in 2019.</td>
<td></td>
</tr>
<tr>
<td>CDP Forests</td>
<td>Moderate</td>
</tr>
<tr>
<td>NN Group is an investor signatory to the CDP Climate Change program and has collaborated in the 2019 Non-Disclosure Campaign.</td>
<td></td>
</tr>
<tr>
<td>CDP Water</td>
<td>Moderate</td>
</tr>
<tr>
<td>NN Group is an investor signatory to the CDP Forests program and has collaborated in the 2019 Non-Disclosure Campaign.</td>
<td></td>
</tr>
<tr>
<td>CFA Institute Centre for Financial Market Integrity</td>
<td>Moderate</td>
</tr>
<tr>
<td>Climate Action 100+</td>
<td>Moderate</td>
</tr>
<tr>
<td>Code for Responsible Investment in SA (CRISA)</td>
<td>Moderate</td>
</tr>
<tr>
<td>Council of Institutional Investors (CII)</td>
<td>Moderate</td>
</tr>
<tr>
<td>Eumedion</td>
<td>Advanced</td>
</tr>
<tr>
<td>NN IP is an active participant of the Research Committee, The PR committee, Audit Committee, Investment Committee and chairs the Legal Committee.</td>
<td></td>
</tr>
<tr>
<td>Extractive Industries Transparency Initiative (EITI)</td>
<td>Moderate</td>
</tr>
<tr>
<td>ESG Research Australia</td>
<td>Moderate</td>
</tr>
<tr>
<td>Invest Europe Responsible Investment Roundtable</td>
<td>Moderate</td>
</tr>
<tr>
<td>Global Investors Governance Network (GIGN)</td>
<td>Moderate</td>
</tr>
<tr>
<td>Global Impact Investing Network (GIIN)</td>
<td>Moderate</td>
</tr>
<tr>
<td>Global Real Estate Sustainability Benchmark (GRESB)</td>
<td>Basic</td>
</tr>
<tr>
<td>NN IP became a member of GRESB in 2017</td>
<td></td>
</tr>
<tr>
<td>Green Bond Principles</td>
<td>Basic</td>
</tr>
<tr>
<td>NN Group is an investor member of GRESB Real Estate. A representative of NN's Investment Office is a member of the Real Estate Advisory Board. NN IP is also actively involved in the Infrastructure Debt Industry Working Group.</td>
<td></td>
</tr>
</tbody>
</table>
NN IP is a member of the Green Bond Principles of the International Capital Markets Association (ICMA), contributing to the annual update of the principles. NN IP joined the Climate Bonds Initiative (CBI).

### HKVCA: ESG Committee

**Institutional Investors Group on Climate Change (IIGCC)**

Your organisation's role in the initiative during the reporting period (see definitions)

<table>
<thead>
<tr>
<th>Level</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moderate</td>
<td>NN Group's Chief Investment Officer (CIO) J. van der Giessen was elected to the board of the Institutional Investors Group on Climate Change (IIGCC) in 2019. NN IP also participated in some of the initiatives of the IIGCC in 2019. For example, together with colleagues from NN Group it started to participate in the IIGCC Paris Aligned Investment Initiative (ongoing in 2020).</td>
</tr>
</tbody>
</table>

### Interfaith Center on Corporate Responsibility (ICCR)

**International Corporate Governance Network (ICGN)**

Your organisation's role in the initiative during the reporting period (see definitions)

<table>
<thead>
<tr>
<th>Level</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moderate</td>
<td>NN IP is a member of the ICGN.</td>
</tr>
</tbody>
</table>

### Investor Group on Climate Change, Australia/New Zealand (IGCC)

**International Integrated Reporting Council (IIRC)**

Your organisation's role in the initiative during the reporting period (see definitions)

<table>
<thead>
<tr>
<th>Level</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moderate</td>
<td>NN is an active member of the IIRC and is involved in the Special Interest Group (SIG) on Integrated Thinking &amp; Strategy. We also participated in the annual Report Critique Project.</td>
</tr>
</tbody>
</table>

### Investor Network on Climate Risk (INCR)/CERES

**Local Authority Pension Fund Forum**

**Principles for Financial Action in the 21st Century**

**Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify**

**VBDO, JapanSIF, Belgian working groups on sustainable investment of FebeFijn and Beama, SpainSIF & Italian Forum per la Finanza Sostenibile**

Your organisation's role in the initiative during the reporting period (see definitions)

<table>
<thead>
<tr>
<th>Level</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced</td>
<td>NN Group is a member and active supporter of the VBDO. We participate in several of their benchmark studies and reports. In 2019 NN IP hosted several roundtables. NN IP is a member of the working committee of JapanSIF. NN IP was in 2019 an active member on the revival of BElsif, contributing to the development of a new Quality Standard.</td>
</tr>
</tbody>
</table>

### Responsible Finance Principles in Inclusive Finance

**Shareholder Association for Research and Education (Share)**

**United Nations Environmental Program Finance Initiative (UNEP FI)**

Your organisation's role in the initiative during the reporting period (see definitions)

<table>
<thead>
<tr>
<th>Level</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic</td>
<td>NN Group is a member of UNEP FI, more specifically we are one of the founding signatories of the Principles for Sustainable Insurance (PSI).</td>
</tr>
</tbody>
</table>

### United Nations Global Compact

### Other collaborative organisation/initiative, specify

CFA Society VBA Netherlands

Your organisation's role in the initiative during the reporting year (see definitions)

<table>
<thead>
<tr>
<th>Level</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced</td>
<td>NN IP is an active member of the responsible investment working group and another senior manager is board member of CFA Society VBA Netherlands with the responsibility within the board for RI and the coordination of RI initiatives across CFA.</td>
</tr>
</tbody>
</table>
Other collaborative organisation/initiative, specify

- **EFAMA (European Fund and Asset Management Association), DUFAS**

  Your organisation’s role in the initiative during the reporting year (see definitions)
  Advanced

  Provide a brief commentary on the level of your organisation’s involvement in the initiative. (Optional)

  NN IP is actively involved in EFAMA’s corporate governance working group and working group on responsible investing. NN IP is actively involved in the working group on Sustainable Finance of DUFAS.

Other collaborative organisation/initiative, specify

- **Dutch CIO Forum**

  Your organisation’s role in the initiative during the reporting year (see definitions)
  Advanced

  Provide a brief commentary on the level of your organisation’s involvement in the initiative. (Optional)

  Dutch CIO Forum is an initiative in which several large Dutch institutional investors are represented to discuss various RI topics related to the financial sector.

Other collaborative organisation/initiative, specify

- **Platform Living Wage Financials**

  Your organisation’s role in the initiative during the reporting year (see definitions)
  Advanced

  Provide a brief commentary on the level of your organisation’s involvement in the initiative. (Optional)

  NN IP’s is one of the founding members of this initiative launched in 2018.

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**SG 99.2**

**Mandatory to Report, Voluntary to Disclose**

**Descriptive**

**PRI 1**

**SG 10**

**Mandatory**

**Core Assessed**

**PRI 4**

**SG 10.1**

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

- Yes

**SG 10.2**

Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

- Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.: NN IP regularly provides educational sessions on topics related to RI, sustainability or e.g. impact investing. We host in-house sessions and participate in joint initiatives.

  **Frequency of contribution**
  - Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other

- Provided financial support for academic or industry research on responsible investment

  **Description**
  University NCU Taiwan: multi-year programme on ESG information disclosures and collaborations extended & started with both ECCE (University Maastricht) and Yale University.

  **Frequency of contribution**
  - Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other

- Provided input and/or collaborated with academia on RI related work

  **Description**
  NN IP participation in Engagement programme Sustainalytics is provided as input for research by two universities on engagement effectiveness and NNIP is board member of ABIS Brussels and RI staff member was part of scientific board of NBM Conference Berlin 2019.
Encouraged better transparency and disclosure of responsible investment practices across the investment industry

**Description**
NN IP is publicly outspoken on the need and necessity of disclosure and transparency. This is reflected in our public RI report, our publications and statements and our participation in several investment industry meetings (such as CFA Society) and via our active membership of several European local Sustainable Investment Forums (SIF’s).

**Frequency of contribution**
- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Spoke publicly at events and conferences to promote responsible investment

**Description**
NN IP is publicly outspoken on the need and necessity of integrating ESG factors in investment process. Both CIO and other senior investment colleagues spoke publicly to promote responsible investments / ESG integration at events organised for institutional clients, as well as seminars organised by external parties, for instance seminars in New York, Bangkok, Copenhagen, Singapore, Amsterdam, Milan, Warsaw, The Hague etc.

**Frequency of contribution**
- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Wrote and published in-house research papers on responsible investment

**Description**
NN IP publishes frequently on RI related topics and discloses these via the website, social media and in the dedicated 2019 RI report.

**Frequency of contribution**
- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Encouraged the adoption of the PRI

**Description**
NN IP publicly displays its signatory ship as well as in conversations with other signatories to increase their transparency.

**Frequency of contribution**
- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)

**Description**
NN IP reacted via Eumedion Netherlands, Dufas in the Netherlands (and EFAMA) and via the Belgian BEAMA on the EU sustainable finance agenda and via its membership of Dutch association on Sustainable Finance (VBDO).
SG 10.3 Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]

NNIP has shared insights to the further integration of ESG aspects in the investment process in conferences, panels, round tables and seminars by actively participating or hosting these. NNIP spoke publicly to promote responsible investments at events organised for institutional clients, as well as seminars organised by external parties. These events were mainly in Europe, but also in Asia.

We have engaged with multiple companies and advised them on the implementation of integrated reporting and increased disclosure of ESG information.
Indicate whether your organisation uses investment consultants.

- Yes, we use investment consultants
- No, we do not use investment consultants

Within NN IP, a dedicated fiduciary advice team is operational. The remit of this team is to provide fiduciary investment advice to external institutional investors. NN IP does not outsource responsibilities to investment consultants or external fiduciary advisors.

Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors
- Yes, in order to assess future climate-related risks and opportunities
- No, our organisation does not currently carry out scenario analysis and/or modelling

To get more insight into specific drivers of climate-related risks and opportunities that may impact investment performance, NN Group has worked on scenario analyses for its proprietary assets. Supported by external consultant ERM, various distinctive analysis and models were developed, focused on the largest asset categories on the NN Group balance sheet: (i) government bonds, (ii) residential mortgages and (iii) non-financial corporate exposures. Where possible we considered a relevant short-, medium-, and long-term scenario, aligned with the TCFD recommendations. NN IP was actively involved in the project team to help perform the scenario analyses for NN Group.

In 2020, NN IP aims to assess how we can use the findings from the climate change scenario analysis carried out by NN Group and determine what type of additional climate scenario analysis is needed to have a complete overview of future risks and opportunities and see how we can integrate this into our strategic asset allocation. In addition, we are also looking into possibilities to incorporate systematic stress testing on climate related issues using the Inevitable Policy Response scenario of PRI.

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)

Sustainable Development Goals as a global action agenda

- Other, specify(2)

Energy transition (to low carbon economy)

- None of the above

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

Total AUM

1,859,313,000 EUR

204,952,312 USD

Specify the framework or taxonomy used.

- We use the environmental parameters in the Sustainalytics methodology next to the specific ISS ESG Climate solutions parameters for carbon footprinting calculations
- We included our Green Bond strategies and Climate & Environment Impact Equity strategy as dedicated low carbon investment strategy

- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
Our external engagement provider Sustainalytics includes climate risk in their engagement activities. In addition, we are an active member of Climate Action 100+.

SG 14.3 Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify

Our external engagement provider Sustainalytics includes climate risk in their engagement activities, on top of our own activities.

SG 14.4 If you selected disclosure on emissions risks, list any specific climate-related disclosure tools or frameworks that you used.

We use the framework and methodology of ISS Ethix Climate Solutions. They provide us with the carbon data of our holdings, which are incorporated in our portfolio management system Aladdin. Several metrics are available to the portfolio managers to include in their investment decision making process and in subsequent reporting to clients.

SG 14.5 Additional information [Optional]

To better understand investment exposure to potential environmental risks, NN Investment Partners partnered with ISS Ethix Climate Solutions, one of the leading providers of carbon, waste and water data. By building an in-house portfolio screening tool, we are able to meet current and future information requirements of clients, enabling on-demand reporting across asset classes. The tool enables NN IP to gain a complete overview of its investments’ emissions across Scopes 1, 2 and 3 (this is beyond the current market standard of Scope 1 and 2). On top of the information provided by ISS, we apply a missing values algorithm, to estimate the emissions that are not available.

SG 14 CC Voluntary mandatory, Voluntary to disclose General

SG 15 Mandatory to Report, Voluntary to Disclose Descriptive PRI 1

SG 15.1 Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
- Yes

SG 15.2 Indicate the percentage of your total AUM invested in environmental and social themed areas.
- 1%

SG 15.3 Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.

Area

- Energy efficiency / Clean technology

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Other (1)

Brief description and measures of investment

We invest in this theme through our Green Bonds strategies and the Equity Impact Opportunities strategies. All investments are related to certain themes and SDGs and we have plotted those against the PRI themes. The exposure in Corporates and Financials is too small to report. In Green bonds, we measure the exposure as a percentage vs all Fixed Income exposure and in equities, we measure against our total equity exposure.

- Renewable energy

22
We invest in this theme through our Green Bonds strategies and the Equity Impact Opportunities strategies. All investments are related to certain themes and SDGs and we have plotted those against the PRI themes. In Green bonds, we measure the exposure as a percentage vs all Fixed Income exposure and in equities, we measure against our total equity exposure.

- **Green buildings**
  - **Asset class invested**
    - Listed equity
    - Fixed income - SSA
    - Fixed income - Corporate (financial)
    - Fixed income - Corporate (non-financial)
    - Fixed income - Securitised
    - Other (1)

- **Sustainable forestry**
- **Sustainable agriculture**
- **Microfinance**
- **SME financing**
- **Social enterprise / community investing**
- **Affordable housing**
- **Education**

We invest in this theme through our Equity Impact Opportunities strategies, particularly through our Health and Well-being fund. All investments are related to certain themes and SDGs and we have plotted those against the PRI themes. In equities, we measure the percentage as exposure to theme against our total equity exposure.

- **Global health**
  - **Asset class invested**
    - Listed equity
    - Fixed income - SSA
    - Fixed income - Corporate (financial)
    - Fixed income - Corporate (non-financial)
    - Fixed income - Securitised
    - Other (1)
We disclose to clients/beneficiaries only.

Describe what processes are in place and the outputs or outcomes achieved

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed income - Securitised</td>
<td>For the ABS strategies, we firmly believe in incorporating ESG scorings in the due diligence process. Instead of working with exclusion list from external parties, which typically have a backward-looking view, we score transactions on Environmental, Social and Governance with a forward looking view. For example, we score mortgage loans provided to purchase energy efficient houses more favourably. Energy efficient houses need less energy to be heated, resulting in lower energy bills, which decreases the probability of nonpayment on the mortgage. Furthermore, they will need less investments in the move from fossil fuel to renewable energy. Not only the collateral of the transaction is scored, but also underwriting standards and ESG score of the originator will be taken into account. We aim to have ESG scorings for each transaction in the portfolio by the end of 2020.</td>
</tr>
<tr>
<td>Money market instruments</td>
<td>For our Money market instruments, we use the same line of thinking and ESG considerations as for our corporate credit strategies and sovereign bond strategies.</td>
</tr>
<tr>
<td>Other (1) [as defined in Organisational Overview module]</td>
<td>Multi Assets: here we combine the ESG integration measures practised by both our equity and fixed income teams, which are either then being incorporated by our multi asset portfolio managers or parts of the strategies are internally delegated to the fixed income and equity portfolio managers.</td>
</tr>
</tbody>
</table>

We disclose to the public

Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public.

Disclosure to clients/beneficiaries

Yes

Describe any specific features of your approach to responsible investment that you believe are particularly innovative.

Determining Green bond eligibility and launch of Green Bonds short duration fund

The NN IP Green Bond investment process filters out “greenwashing” of green bond issuers. We ensure that we only invest in bonds that have a clear positive impact. We believe that it is essential to make our own assessment of every Green Bond issue to ensure that it meets the minimum standards specified in the Green Bond Principles (GBP) and Climate Bond Initiative taxonomy (CBI). On top of this, we assess the greenness of each issuer. In addition, a Green Bond governance workflow has been established in 2017 to ensure a proper due diligence and governance on the assessment of the eligibility of an issuer as a green bond for our investment strategy, with the RI team performing the due diligence.

In 2019, we launched the Green Bond Short Duration fund, to meet the growing demand of our clients to invest in Green Bonds but limit their interest rate sensitivity.

Sustainable Enhanced Equity funds

We have launched a range of Sustainable Enhanced Equity funds with our partner Irish Life Investment Managers (ILIM). These funds are suitable for investors who want to invest responsibly while staying close to a traditional benchmark. We incorporate active sustainable choices while minimising tracking error. More information can be found on: https://www.nnip.com/en-INT/professional/insights/sustainable-enhanced-funds-new-options-for-your-investment-toolkit.

Missing values algorithm

When it comes to data that is used for investment analysis and reporting, we have constructed a missing values algorithm that computes the missing data points using machine learning. The algorithm uses correlation between other data fields and company characteristics to make an educated guess of what a reasonable value might be, rather than just taking an average. This enhances the quality of the data, which is particularly useful when it comes to ESG data, as often the data coverage is not complete (yet) for the entire universe.

TruValue Labs data

As much of the more commonly used ESG data is backward-looking, we also use sources that offer more forward-looking information. One source of such data is TruValue Labs, which applies artificial intelligence to unstructured ESG data, tapping into information from non-company-reported resources. This supplements the ESG data we receive from more traditional providers and gives us a new angle on ESG performance.
Disclosure to clients/beneficiaries

- How responsible investment considerations are included in manager selection, appointment and monitoring processes
- Details of the responsible investment activities carried out by managers on your behalf
- E, S and/or G impacts and outcomes that have resulted from your managers’ investments and/or active ownership
- Other

Ad hoc/when requested

Listed equity - Incorporation

**Do you disclose?**
- We do not proactively disclose it to the public and/or clients/beneficiaries
- We disclose to clients/beneficiaries only
- We disclose it publicly

The information disclosed to clients/beneficiaries is the same
- Yes
- No

Disclosure to public and URL

**Disclosure to public and URL**
- Broad approach to ESG incorporation
- Detailed explanation of ESG incorporation strategy used

Quarterly or more frequently

https://www.nnip.com/en-INT/professional/asset-management/responsible-investing

Listed equity - Engagement

**Do you disclose?**
- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only
- We disclose to the public

The information disclosed to clients/beneficiaries is the same
- Yes
- No

Disclosure to public and URL

**Disclosure to public and URL**
- Details on the overall engagement strategy
- Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals
- Number of engagements undertaken
- Breakdown of engagements by type/topic
- Breakdown of engagements by region
- An assessment of the current status of the progress achieved and outcomes against defined objectives
- Examples of engagement cases
- Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.)
- Details on whether the provided information has been externally assured
- Outcomes that have been achieved from the engagement
- Other information

Annually

https://www.nn-group.com/nn-group/file?uuid=c3332247-f4a4-4f96-964c-4f4f510ee6ff&owner=c5df726f-8a65-4775-956d-5e37307aa50c&contentid=3267

Listed equity – (Proxy) Voting

**Do you disclose?**
- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
We disclose to the public.

<table>
<thead>
<tr>
<th>Disclosure to public and URL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The information disclosed to clients/beneficiaries is the same</strong></td>
</tr>
<tr>
<td>✔ Yes</td>
</tr>
<tr>
<td>☐ No</td>
</tr>
</tbody>
</table>

**Disclosure to public and URL**

- **Disclosure to public and URL**
  - ✔ Disclose all voting decisions
  - ☐ Disclose some voting decisions
  - ☐ Only disclose abstentions and votes against management
- **Quarterly or more frequently**


**Fixed income**

**Do you disclose?**

- ☐ We do not disclose to either clients/beneficiaries or the public.
- ☓ We disclose to clients/beneficiaries only.
- ✔ We disclose to the public

<table>
<thead>
<tr>
<th>Disclosure to public and URL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The information disclosed to clients/beneficiaries is the same</strong></td>
</tr>
<tr>
<td>✔ Yes</td>
</tr>
<tr>
<td>☐ No</td>
</tr>
</tbody>
</table>

**Disclosure to public and URL**

- ☒ Broad approach to RI incorporation
- ✔ Detailed explanation of RI incorporation strategy used
- **Quarterly**

https://www.nnip.com/en-INT/professional/asset-management/responsible-investing

**Additional information [Optional]**

On the website the information was somewhat dispersed available, we now have a new dedicated RI website.

https://www.nnip.com/en-INT/professional/asset-management/responsible-investing

In our Annual RI Report 2019 we also disclose numbers and metrics on voting and engagement.

The Head of Marketing and Media Relations is part of the RI Steerco and works alongside the Heads of the investment teams to both position our ESG expertise and experience and assist us in strengthening our advocacy and transparency.

**SG Checks**

If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.
SAM 01

Indicate which of the following ESG incorporation strategies you require your external manager(s) to implement on your behalf for all your listed equity and/or fixed income assets:

**Active investment strategies**

<table>
<thead>
<tr>
<th>Active investment strategies</th>
<th>Listed Equity</th>
<th>FI - Corporate (financial)</th>
<th>FI - Corporate (non-financial)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Screening</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Thematic</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Integration</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>None of the above</td>
<td>🔴</td>
<td>🔴</td>
<td>🔴</td>
</tr>
</tbody>
</table>

**Passive investment strategies**

<table>
<thead>
<tr>
<th>Passive investment strategies</th>
<th>Listed Equity</th>
<th>FI - Corporate (financial)</th>
<th>FI - Corporate (non-financial)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Screening</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Thematic</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Integration</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>None of the above</td>
<td>🔴</td>
<td>🔴</td>
<td>🔴</td>
</tr>
</tbody>
</table>

**SAM 01.2 Additional information [Optional]**

Altis is the department/subsidiary, situated at arms’ length in NN IP, responsible for selecting and monitoring external funds managers for institutional and retail clients. ESG is not only in the interest of our clients, but is at the heart of the business strategy of NN IP and Altis. For all the external fund managers that are screened, selected, and monitored by Altis, we incorporate ESG criteria as we regard it as essential that the investment strategies have ESG incorporated at all levels, regardless of their style or asset category.

Regarding screening, not only based from a regulatory perspective but also from client’s and our own internal values/criteria, it is essential that all investment strategies apply a screening based on ESG criteria. These can entail negative screenings, like exclusions (for example, excluding controversial weapons, tobacco, controversial countries - international sanctions). However, they can also entail positive screening where ESG factors are being applied to select securities based on positive ESG elements. Altis believes that these criteria are as applicable for passive strategies, as well as for active strategies.

For many of our clients, thematic incorporation is requested. This further increased the demand for the incorporation of ESG elements as themes on investment strategies across all categories. Altis therefore applies these criteria in their searches and selections. Examples of such themes implemented in investment strategies (that are covered by Altis) are water usage, energy consumption, gender equality, life science and affordable health care.

When it comes to integration, Altis reviews every step of the investment process to check the presence and quality of ESG elements. For Altis, regardless of the style or asset category, ESG should be incorporated in the screening of the universe, analysis/research, selection of the securities, portfolio construction, trading elements (with regards to buy and sell decisions), and in the reporting. In the annual ESG questionnaire that Altis sends out to asset managers (with an in-depth segment on their funds), it is being assessed at which steps the fund manager applies ESG factors in the investment process.

SAM 02

Indicate what RI-related information your organisation typically covers in the majority of selection documentation for your external managers:

<table>
<thead>
<tr>
<th>LE</th>
<th>FI - Corporate (financial)</th>
<th>FI - Corporate (non-financial)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your organisation’s investment strategy and how ESG objectives relate to it</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>ESG incorporation requirements</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>ESG reporting requirements</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Other</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>No RI information covered in the selection documentation</td>
<td>🔴</td>
<td>🔴</td>
</tr>
</tbody>
</table>

You selected an ‘Other’ option in table SAM 02.1 above, please specify:

- In 2019, Altis updated and further improved the ESG questionnaire for rating both external managers and their investment strategies (funds and mandates) in a more detailed manner. These ratings are based on two questionnaires:
  - A Manager questionnaire (about 75 ESG data points):
  - A Strategy questionnaire (about 25 ESG data points):

  With the updated questionnaire we now additionally request evidence for below topics:
  - Active Ownership Policy, Practices and Reports (voting & engagement)
  - ESG- or environmental footprint-targets in the investment strategy

SAM 02.2 Explain how your organisation evaluates the investment manager’s ability to align between your investment strategy and their investment approach:
<table>
<thead>
<tr>
<th>ESG people/oversight</th>
<th>LE</th>
<th>FI - Corporate (financial)</th>
<th>FI - Corporate (non-financial)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assess ESG expertise of investment teams</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Review the oversight and responsibilities of ESG implementation</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Review how is ESG implementation enforced/ensured</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Review the manager’s RI promotion efforts and engagement with the industry</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None of the above</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Process/portfolio construction/investment valuation</th>
<th>LE</th>
<th>FI - Corporate (financial)</th>
<th>FI - Corporate (non-financial)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review the process for ensuring the quality of the ESG data used</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Review and agree the use of ESG data in the investment decision making process</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Review and agree the impact of ESG analysis on investment decisions</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Review and agree ESG objectives (e.g. risk reduction, return seeking, real-world impact)</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Review and agree manager’s ESG risk framework</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Review and agree ESG risk limits at the portfolio level (portfolio construction) and other ESG objectives</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Review how ESG materiality is evaluated by the manager</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Review process for defining and communicating on ESG incidents</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Review and agree ESG reporting frequency and detail</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Other, specify</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None of the above</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Within the ESG people/oversight section Altis/NNIP also reviews the extent to which the manager dedicates time and resources to ESG awareness and ESG training sessions.

**SAM 02.3 Indicate the selection process and its ESG/RI components**

- ✔ Review ESG/RI responses to RFP, RII, DDQ etc.
- ✔ Review responses to PRI’s Limited Partners’ Responsible Investment Due Diligence Questionnaire (LP DDQ)
- ✔ Review publicly available information on ESG/RI
- ✔ Review assurance process on ESG/RI data and processes
- ✔ Review PRI Transparency Reports
- ✔ Request and discuss PRI Assessment Reports
- ✔ Meetings with the potential shortlisted managers covering ESG/RI themes
- ✔ Site visits to potential managers offices
- ✔ Other, specify

Other, sending out our annual ESG questionnaire on company and strategy(s) level, checking all the elements, and also evaluating the progress/developments that have been made in the field of ESG.

**SAM 02.4 When selecting external managers does your organisation set any of the following:**

- ✔ Review ESG/RI responses to RFP, RII, DDQ etc.
- ✔ Review responses to PRI’s Limited Partners’ Responsible Investment Due Diligence Questionnaire (LP DDQ)
- ✔ Review publicly available information on ESG/RI
- ✔ Review assurance process on ESG/RI data and processes
- ✔ Review PRI Transparency Reports
- ✔ Request and discuss PRI Assessment Reports
- ✔ Meetings with the potential shortlisted managers covering ESG/RI themes
- ✔ Site visits to potential managers offices
- ✔ Other, specify
ESG performance development targets ☑ ☑ ☑
ESG score ☑ ☑ ☑
ESG weight ☑ ☑ ☑
Real world economy targets ☑ ☑ ☑
Other RI considerations ☑ ☑ ☑
None of the above ☐ ☐ ☐

You selected an 'Other' option in table SAM 02.4 above; please specify

Within the ESG assessment questionnaire next to the above Altis/NNIP also evaluates:
- The Manager's capability to apply (client-specific) exclusion policies;
- RI considerations relating to voting & engagement reporting capabilities.

SAM 02.5 | Describe how the ESG information reviewed and discussed affects the selection decision making process. [OPTIONAL]

The ESG input for the selection decision making process of Altis consists out of two parts: 1. The evaluation (including the Altis analyst score) of the annual ESG questionnaire of the fund manager and the underlying strategy. 2. The ESG risk score (Sustainalytics) and environmental footprint (carbon, water, and waste from ISS Climate Solutions). Altis uses these two elements to assess the width and breadth of Responsible Investing policies and practices of the 1) company, the ESG integration in 2) the strategy, and 3) the environmental effects of the strategy. Next to the Altis RFP on Investment Due Diligence and Operational Due Diligence, this ESG input will receive a score in the total scoring of a manager and strategy. In general it is considered 25-30% of the total score. There are however parts of these 2 elements of ESG input that function as red flags or complete 'NO-GO's'. For example, if from our ESG questionnaire it appears that the fund manager is not a PRI signatory, or that the compensation policy is excessive, this fund manager will not be taken into account for a potential selection. Altis will however take this opportunity to engage the fund manager and clarify why selection is not possible under the current conditions.

SAM 03 | Mandatory

Indicate how your organisation typically evaluates the manager’s active ownership practices in the majority of the manager selection process.

SAM 03.1 | Engagement

<table>
<thead>
<tr>
<th>LE</th>
<th>Fi - Corporate (financial)</th>
<th>Fi - Corporate (non-financial)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review the manager’s engagement policy</td>
<td>☑ ☑ ☑</td>
<td>☑ ☑ ☑</td>
</tr>
<tr>
<td>Review the manager’s engagement process (with examples and outcomes)</td>
<td>☑ ☑ ☑</td>
<td>☑ ☑ ☑</td>
</tr>
<tr>
<td>Ensure whether engagement outcomes feed back into the investment decision-making process</td>
<td>☑ ☑ ☑</td>
<td>☑ ☑ ☑</td>
</tr>
<tr>
<td>Other engagement issues in your selection process specify</td>
<td>☑ ☑ ☑</td>
<td>☑ ☑ ☑</td>
</tr>
</tbody>
</table>

If you select ‘Other’ option, specify

The number of engagements per theme (E, S, G), and whether engagements follow from designated ESG themes or from company controversies.

SAM 03.2 | (Proxy) voting

<table>
<thead>
<tr>
<th>LE</th>
<th>Review the manager’s voting policy - LE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review the manager’s voting policy</td>
<td>☑ ☑ ☑</td>
</tr>
<tr>
<td>Review the manager’s ability to align voting activities with clients’ specific voting policies</td>
<td>☑ ☑ ☑</td>
</tr>
<tr>
<td>Review the manager’s process for informing clients about voting decisions</td>
<td>☑ ☑ ☑</td>
</tr>
<tr>
<td>Ensure that voting outcomes feed back into the investment decision-making process</td>
<td>☑ ☑ ☑</td>
</tr>
<tr>
<td>Review the number of votes cast as a percentage of ballots/AGMs or holdings and available rationale</td>
<td>☑ ☑ ☑</td>
</tr>
<tr>
<td>Other active ownership voting issues in your selection process; specify</td>
<td>☑ ☑ ☑</td>
</tr>
</tbody>
</table>

If you select any ‘Other’ option(s), specify

Altis investigates whether there are specific ESG voting topics/themes, # votes against management proposal, and whether the voting is done inhouse or third-party advised.

SAM 03.3 | Describe how you assess if the manager’s engagement approach is effective.

☑ Impact on investment decisions
☐ Financial impact on target company or asset class
☐ Impact on ESG profile of company or the portfolio
☐ Evidence of changes in corporate practices (i.e. ESG policies and implementation activities)
☐ Other, specify

We assess whether the manager is able to take up new ESG engagement topics, or whether they are reluctant to improve/develop in this area.

☐ None of the above
### SAM 03.3
Describe how you assess if the manager’s voting approach is effective/appropriate

- Impact on investment decisions
- Impact on ESG profile of company or the portfolio
- Evidence of changes in corporate practices (i.e. ESG policies and implementation activities)
- Other, specify

Assess whether the manager is willing/able to vote against management proposal, and whether the manager is simply following third party advice or is making an effort to build an opinion of their own.

- None of the above

### SAM 03.4
Additional information [OPTIONAL]

Altis believes that active ownership is fundamentally closely connected to ESG integration. The regulatory developments have even further underlined this importance for the managers but especially for our clients. In the Altis ESG questionnaire, we dedicate an extensive chapter on Active Ownership including all the activities, reporting, influences on investment processes and results, whether asset managers are able to set up their own beliefs and opinions on ESG topics, and are willing and able to align with the policies of clients.

### SAM 04
Mandatory

<table>
<thead>
<tr>
<th>SAM 04.1</th>
<th>Indicate if in the majority of cases and where the structure of the product allows, your organisation does any of the following as part of the manager appointment and/or commitment process</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ Sets standard benchmarks or ESG benchmarks</td>
<td></td>
</tr>
<tr>
<td>☑ Defines ESG objectives and/or ESG related exclusions/restrictions</td>
<td></td>
</tr>
<tr>
<td>☑ Sets incentives and controls linked to the ESG objectives</td>
<td></td>
</tr>
<tr>
<td>☑ Requires reporting on ESG objectives</td>
<td></td>
</tr>
<tr>
<td>☑ Requires the investment manager to adhere to ESG guidelines, regulations, principles or standards</td>
<td></td>
</tr>
<tr>
<td>☑ Other, specify (1)</td>
<td></td>
</tr>
</tbody>
</table>

Specify

- Green Bonds objectives, when applicable.
- Other, specify (2)
- None of the above

<table>
<thead>
<tr>
<th>SAM 04.2</th>
<th>Provide an example per asset class of your benchmarks, objectives, incentives/controls and reporting requirements that would typically be included in your managers’ appointment.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Asset class</strong></td>
<td><strong>Benchmarks</strong></td>
</tr>
<tr>
<td>Listed equity (LE)</td>
<td>Standard benchmark</td>
</tr>
<tr>
<td></td>
<td>ESG benchmark, specify</td>
</tr>
<tr>
<td></td>
<td>FTSE ET 100 index, MSCI World Leaders Index, MSCI World Custom ESG Index, MSCI EM Custom ESG index.</td>
</tr>
<tr>
<td><strong>ESG Objectives</strong></td>
<td><strong>Incentives and controls</strong></td>
</tr>
<tr>
<td>ESG related strategy, specify</td>
<td>☑ Fee based incentive</td>
</tr>
<tr>
<td>We use multiple ESG specific investment strategies, such as ESG best-in-class index strategies, ESG Multi-factor strategies and strategies targeting either environmental/climate change objectives or SDG-objectives.</td>
<td>☑ Communication and remedy of breaches</td>
</tr>
<tr>
<td>ESG related investment restrictions, specify</td>
<td>☑ Termination</td>
</tr>
<tr>
<td>Exclusions: Cluster munition (Controversial weapons), Tobacco, Palm oil, violations of UN Global Compact Principals Best-in-class: ESG Leaders (Highest ESG scoring 90% per sector) Carbon reduction: 20% lower footprint than the index, and/or yearly improvement of 2-5%.</td>
<td></td>
</tr>
<tr>
<td>ESG integration, specify</td>
<td></td>
</tr>
<tr>
<td>Apply ESG factors/criteria in the universe filtering, research process, portfolio construction and reporting requirements. For example, a manager has to demonstrate how ESG criteria (qualitative/quantitative) are used in their questionnaire when they visit a company.</td>
<td></td>
</tr>
<tr>
<td>☑ Engagement, specify</td>
<td></td>
</tr>
<tr>
<td>☑ Voting, specify</td>
<td></td>
</tr>
<tr>
<td>☑ Promoting responsible investment</td>
<td></td>
</tr>
<tr>
<td>☑ ESG specific improvements</td>
<td></td>
</tr>
<tr>
<td>The portfolio construction has to lead to an ESG score better than the index. If not the case, portfolio needs to be restructured. The ESG score needs to improve versus the benchmark in a 3-5 years window.</td>
<td></td>
</tr>
<tr>
<td>☑ Other, specify</td>
<td></td>
</tr>
<tr>
<td>☑ ESG guidelines/regulation, principles/standards, specify</td>
<td></td>
</tr>
<tr>
<td>In general, the ESG guidelines have to adhere to the regulation of our client’s domicile. The investments have to be in line with the IMBV (signed agreement of Dutch pension funds).</td>
<td></td>
</tr>
<tr>
<td>☑ Incentives and controls</td>
<td></td>
</tr>
<tr>
<td>☑ Communication and remedy of breaches</td>
<td></td>
</tr>
<tr>
<td>☑ Termination</td>
<td></td>
</tr>
</tbody>
</table>
### Reporting Requirements

- Monthly
- Quarterly
- Bi-annually
- Annually
- Ad-hoc/when requested

**Fixed income - Corporate (financial)**

### Benchmark

- Standard benchmark, specify
  - Bloomberg Barclays Global Aggregate Corporate index
  - Bloomberg Barclays Euro Aggregate index
- ESG benchmark, specify
  - Bloomberg Barclays MSCI Global Corporate Sustainable index
  - Bloomberg Barclays Euro Green Bond Index

### ESG Objectives

- Other, specify
- ESG related strategy, specify
  - We use multiple ESG specific Fixed Income investment strategies, such as investment grade ESG strategies and Green Bonds strategies, both targeting either above benchmark ESG portfolio characteristics or contributions towards environmental/climate change objectives such as investments in climate change mitigation or adaption.
- ESG related investment restrictions, specify
  - Exclusions: Cluster munition (Controversial weapons), Tobacco, Violators of Global Compact Principals, UN global sanctions list (countries)
- Green Bond selection
  - ESG integration, specify
    - Apply ESG factors/criteria in the universe filtering, research process, portfolio construction and reporting requirements. For example, the manager has to demonstrate what kind of ESG criteria are used to identify and verify whether the bonds in the portfolio match their Green Bond definition.
  - Engagement, specify
  - Voting, specify
  - Promoting responsible investment
  - ESG specific improvements
    - The portfolio construction has to lead to an ESG score better than the index. If not the case, portfolio needs to be restructured.
- Other, specify
- ESG guidelines/regulation, principles/standards, specify
  - In general, the ESG guidelines have to adhere to the regulation of our client’s domicile. The investments have to be in line with the IMVB (signed agreement of Dutch pension funds).

### Incentives and Controls

- Fee based incentive
- Communication and remedy of breaches
- Termination
- No fee/ breach of contract

### Reporting Requirements

- Ad-hoc/when requested
- Annually
- Bi-annually
- Quarterly
- Monthly

**Fixed income - Corporate (non-financial)**

### Benchmark

- Standard benchmark, specify
  - Bloomberg Barclays Global Aggregate Corporate index
  - Bloomberg Barclays Euro Aggregate index
- ESG benchmark, specify
  - Bloomberg Barclays MSCI Global Corporate Sustainable index
  - Bloomberg Barclays MSCI Euro Green Bond Index

### ESG Objectives

- Other, specify
- ESG related strategy, specify
  - We use multiple ESG specific Fixed Income investment strategies, such as investment grade ESG strategies and Green Bonds strategies, both targeting either above benchmark ESG portfolio characteristics or contributions towards environmental/climate change objectives such as investments in climate change mitigation or adaption.
ESG related investment restrictions, specify

Exclusions: Cluster munition (Controversial weapons), Tobacco, Violators of Global Compact Principals, UN global sanctions list (countries) Green Bond selection

ESG integration, specify

Apply ESG factors/criteria in the universe filtering, research process, portfolio construction and reporting requirements. For example, the manager has to demonstrate what kind of ESG criteria are used to identify and verify whether the bonds in the portfolio match their Green Bond definition.

Engagement, specify

Voting, specify

Promoting responsible investment

ESG specific improvements

The portfolio construction has to lead to an ESG score better than the index. If not the case, portfolio needs to be restructured.

Other, specify

ESG guidelines/regulation, principles/standards, specify

In general, the ESG guidelines have to adhere to the regulation of our client’s domicile. The investments have to be in line with the IMVB (signed agreement of Dutch pension funds)

Incentives and controls

Fee based incentive

Communication and remedy of breaches

Termination

No fee/ breach of contract

Reporting requirements

Ad-hoc/when requested

Annually

Bi-annually

Quarterly

Monthly

SAM 04.3 Indicate which of these actions your organisation might take if any of the requirements are not met

Discuss requirements not met and set project plan to rectify

Place investment manager on a “watch list”

Track and investigate reason for non-compliance

Re-negotiate fees

Failing all actions, terminate contract with the manager

Other, specify

provide insights and help the manager with our own ESG data and knowledge to bring the manager in line with client’s demand

No actions are taken if any of the ESG requirements are not met

SAM 04.4 Provide additional information relevant to your organisation’s appointment processes of external managers. [OPTIONAL]

In addition to the ESG capabilities of a manager (whether they can meet our and client demands, but also can keep up with regulatory requirements), it is for Altis essential to determine whether the manager is thoroughly committed to Responsible Investing practices. In other words, in the appointment of a manager, Altis will evaluate whether the manager is only able to implement ESG criteria or whether they have a drive to implement ESG. Our beliefs are focused on managers that have a moral drive to do well when it comes to ESG. These are likely the ones that will have a personal motivation to follow changes in the field of ESG, but also to come up with own developments and so deliver the best possible ESG results for our clients.

SAM 06 Mandatory Additional Assessed PRI 1

SAM 06.1 When monitoring managers, indicate which of the following active ownership information your organisation typically reviews and evaluates from the investment manager in meetings/calls

(Proxy) voting

LE

Report on voting undertaken (with outcomes and examples) - LE

Report on voting decisions taken - LE

Adherence with the agreed upon voting policy - LE

Other RI considerations relating to (proxy) voting in investment management agreements, specify - LE

None of the above - LE

If you select any ‘Other’ option(s), specify

Here as well, we encourage the manager to align with our voting themes/views.

SAM 07 Mandatory Core Assessed PRI 2

TRANSPARENCY
SAM 07.1
For the listed equities for which you have given your external managers a (proxy) voting mandate, indicate the approximate percentage (+/- 5%) of votes that were cast during the reporting year.

☑ Votes cast (to the nearest 5%)

*100%

Specify the basis on which this percentage is calculated:

- Of the total number of ballot items on which they could have issued instructions
- Of the total number of company meetings at which they could have voted
- Of the total value of your listed equity holdings on which they could have voted

☐ We do not collect this information.

SAM 07.2
For the listed equities for which you have given your external managers a mandate to engage on your behalf, indicate the approximate percentage (+/- 5%) of companies that were engaged with during the reporting year.

55/58
45%Proportion (to the nearest 5%)

The numbers provided under SAM 07.2 are calculated in the following way: - Number of companies engaged: Based on the reported number provided by the managers on the calendar year of 2019. The number is a summation of all the managers selected for running mandates on behalf of our clients — in total 15 managers. - Proportion: as Altis, our opinion is that managers should not only engage with companies that are in their portfolio, but also with the companies in their investable universe. As the investable universe is perhaps for some mandates/strategies far larger than the actual list of companies that they might invest in, the proportion can appear low because of this.

SAM 08
Mandatory to Report, Voluntary to Disclose

Descriptive

PRI 1

SAM 08.1
Describe how you ensure that best RI practice is applied to managing your assets

☑ Encourage improved RI practices with existing investment managers

Measures
Following our annual ESG questionnaire, we take the opportunity to give feedback to our managers (also non-selected ones). We inform them how they scored on several elements, encourage them and also help them to improve their RI practices. Our advice is perhaps urgent, as the managers are aware that if they don’t change, they will lose our clients’ business.

☑ Move assets over to investment managers with better RI practices

Measures
There have already been examples where we advised our clients to move their assets to other managers. This was partly based on improved ESG objectives by the clients but also on managers offering better ESG scores or active ownership. For example, a client of ours was invested in a US Small Cap strategy with manager X. Manager X had however no intention of doing anything with ESG-related criteria. Manager X is a small boutique. We advised and moved the client to a larger manager, which offered a similar investment style, yet far better ESG characteristics on a company and strategy level.

☑ Other, specify

Custom ESG Solutions

Measures
Our clients have some broad similarities when it comes to ESG (integration, targets, reporting requirements). Yet in most cases, they have very distinctive ‘personal’ objective when it comes to ESG. As Altis and NN IP, we try to help them in setting their objectives in a practical/implementable way. For this, we select managers from whom we know they can create a solution with our help that fits the clients’ requirements when it comes to ESG. An example is the Custom ESG indices at Northern Trust for clients.

☐ None of the above

SAM 09
Mandatory

Additional Assessed

PRI 1, 6

SAM 09.1
Provide examples of how ESG issues have been addressed in the manager selection, appointment and/or monitoring process for your organisation during the reporting year.

☑ Add Example 1

<table>
<thead>
<tr>
<th>Topic or issue</th>
<th>Incorrect statement on ESG exclusions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conducted by</td>
<td>Internal staff</td>
</tr>
<tr>
<td>Asset class</td>
<td>Listed Equity</td>
</tr>
<tr>
<td>Scope and process</td>
<td>In our annual ESG questionnaire, this manager stated that they do not exclude any company, sector or region. The strategy of the manager is however an impact strategy and has to adhere to the Dutch regulation for our investors (meaning excluding cluster munition).</td>
</tr>
<tr>
<td>Outcomes</td>
<td>We contacted the manager to discuss this issue. They preferred to focus on the positive selection elements, but actually based on their principles were already excluding Controversial Weapons and other segments/sectors. We advised them to change the text on their website and in our ESG questionnaire, to indicate alignment with regulation and investment practice.</td>
</tr>
</tbody>
</table>

☑ Add Example 2

<table>
<thead>
<tr>
<th>Topic or issue</th>
<th>Incomplete statement on ESG exclusions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conducted by</td>
<td>Internal staff</td>
</tr>
<tr>
<td>Asset class</td>
<td>Listed Equity</td>
</tr>
<tr>
<td>-------------</td>
<td>---------------</td>
</tr>
<tr>
<td><strong>Scope and process</strong></td>
<td>For us and our institutional clients, it is important that our managers report on their voting policies and capabilities. Regarding this, the properties analyst at Altis noticed that most EU/US managers in his category were communicating that voting rights for the clients was not applicable. Dutch managers did not have this issue.</td>
</tr>
<tr>
<td><strong>Outcomes</strong></td>
<td>Our analyst engaged US and European property managers to offer this opportunity to our clients. Most managers have accepted the proposal to allow our clients (or Altis on behalf of our clients) to cast votes.</td>
</tr>
</tbody>
</table>

**Add Example 3**

<table>
<thead>
<tr>
<th>Topic or issue</th>
<th>Green washing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Conducted by</strong></td>
<td>Internal staff</td>
</tr>
<tr>
<td><strong>Asset class</strong></td>
<td>Fixed income – corporate (financial)</td>
</tr>
<tr>
<td><strong>Scope and process</strong></td>
<td>For several of the institutional clients, Altis has conducted a Green (sovereign) Bonds search. As this is a hot topic, there are a lot of managers claiming to offer Green Bond strategies nowadays.</td>
</tr>
<tr>
<td><strong>Outcomes</strong></td>
<td>In the search analysis, we have held workshops for our clients to help them on the definitions of Green Bonds. This was done to also better align the Green Bonds search with their ESG objectives. With a clear definition and objective, we not only helped the client, but also were able to help some of the managers in the search with their view/definitions on Green Bonds, and were able to identify strategies that were not actual Green Bond strategies, but just claiming to be. This will help us to ensure we can provide proper feedback to clients and managers.</td>
</tr>
</tbody>
</table>

**Add Example 4**

<table>
<thead>
<tr>
<th>Topic or issue</th>
<th>Engagement of managers following our annual ESG questionnaire</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Conducted by</strong></td>
<td>Internal staff</td>
</tr>
<tr>
<td><strong>Asset class</strong></td>
<td>All asset classes</td>
</tr>
<tr>
<td><strong>Scope and process</strong></td>
<td>This is a recurring topic/issue, but Altis sends out the ESG questionnaire on an annual basis. Altis does this not only to collect valuable information on a manager’s ESG capabilities, but also to engage managers on certain ESG topics and try to help them improve.</td>
</tr>
<tr>
<td><strong>Outcomes</strong></td>
<td>For this reporting year, we have sent out the questionnaire to 101 managers. We have engaged approximately 75% of them. The main topics of engagement were: ESG policies, ESG reporting capabilities, ESG integration in the remuneration policy, and on environmental and social policies.</td>
</tr>
</tbody>
</table>

☐ Add Example 5
☐ Add Example 6
☐ Add Example 7
☐ We are not able to provide examples

**SAM 09.2 Additional information.**

As indicated throughout this assessment report, Altis includes ESG not only in its monitoring process, but also in its selection process and for its reporting to the clients. Altis continues to develop its ESG capabilities. In 2019, we have made strong improvements on our ESG questionnaire, by evaluating the results from our first questionnaire in 2018, and by including new topics/development related to ESG/SRI and SDGs.

In addition to this, our capabilities on ESG reporting have strongly improved due to new contracts with third-party data providers (Sustainalytics and ISS Ethis). We can now offer our clients better insights to the ESG risk profile of their portfolio and also the underlying strategies. Furthermore, we can now use this data better for our selection process. We have included this in our quantitative analysis phase of the search process, when moving from the Long List to the Short List.

For our selection processes, ESG is 1/3 of the total score, next to 1/3 for Investment Due Diligence and 1/3 for Operational Due Diligence.

☐ If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.
**LEI 01 Mandatory Gateway PRI 1**

**LEI 01.1 Indicate which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities, and the breakdown of your actively managed listed equities by strategy or combination of strategies.**

<table>
<thead>
<tr>
<th>Strategy Type</th>
<th>Percentage of Active Listed Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Screening alone (i.e., not combined with any other strategies)</td>
<td>3%</td>
</tr>
<tr>
<td>Thematic alone (i.e., not combined with any other strategies)</td>
<td></td>
</tr>
<tr>
<td>Integration alone (i.e., not combined with any other strategies)</td>
<td></td>
</tr>
<tr>
<td>Screening and integration strategies</td>
<td>95%</td>
</tr>
<tr>
<td>Thematic and integration strategies</td>
<td></td>
</tr>
<tr>
<td>Screening and thematic strategies</td>
<td></td>
</tr>
<tr>
<td>All three strategies combined</td>
<td>2%</td>
</tr>
<tr>
<td>We do not apply incorporation strategies</td>
<td></td>
</tr>
</tbody>
</table>

**LEI 01.3 If assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]**

Our starting point when managing clients’ assets is to enhance long term value. We believe that social, environmental, legal and ethical aspects of business activities have a material impact on company performance.

We apply different ESG incorporation strategies. We apply negative screening (excluding certain type of business activities such as controversial weapons and arms trade, tobacco, thermal coal) based on our ethical, societal and business values. We offer specialised Sustainable funds (combining ESG integration and engagement combined with more extensive positive and negative screening criteria), impact funds and tailor-made Responsible Investment solutions to those clients that opt for comprehensive ESG integration and appreciate a focus on ESG opportunities and solutions. We apply ESG integration throughout 97% of our equity AUM (as at December 31, 2019). This means that by using both external data providers and in-house proprietary analysis all ‘mainstream’ analysts include ESG aspects in their investment cases. ESG factors are a key aspect of our decisions as to whether or not to invest in companies. Being an active manager we initiate in-depth discussions with companies about controversies and/or gaps in their strategy and policies that are material to their business and used as input for our voting practices.

**LEI 02 Voluntary Additional Assessed PRI 1**

**LEI 02.1 Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.**

<table>
<thead>
<tr>
<th>ESG Information Type</th>
<th>ESG Research Provider</th>
<th>Sell-side</th>
<th>In-house – Specialised ESG Analyst or Team</th>
<th>In-house – Analyst or Portfolio Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw ESG Company Data</td>
<td>Yes</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>ESG Research Provider</td>
<td>Yes</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Sell-side</td>
<td>Yes</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>In-house – Specialised ESG Analyst or Team</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>In-house – Analyst or Portfolio Manager</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Company-related Analysis or Ratings</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>ESG Research Provider</td>
<td>Yes</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Sell-side</td>
<td>Yes</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>In-house – Specialised ESG Analyst or Team</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>In-house – Analyst or Portfolio Manager</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Sector-related Analysis or Ratings</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>ESG Research Provider</td>
<td>Yes</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Sell-side</td>
<td>Yes</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>In-house – Specialised ESG Analyst or Team</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>In-house – Analyst or Portfolio Manager</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Country-related Analysis or Ratings</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>ESG Research Provider</td>
<td>Yes</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Sell-side</td>
<td>Yes</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>In-house – Specialised ESG Analyst or Team</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>In-house – Analyst or Portfolio Manager</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Screened Stock List</td>
<td>Yes</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>ESG Research Provider</td>
<td>Yes</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Sell-side</td>
<td>Yes</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>In-house – Specialised ESG Analyst or Team</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>In-house – Analyst or Portfolio Manager</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>ESG Issue-specific Analysis or Ratings</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>ESG Research Provider</td>
<td>Yes</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Sell-side</td>
<td>Yes</td>
<td></td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>
In-house – specialised ESG analyst or team
In-house – analyst or portfolio manager
Other, specify
Academic ESG Research (ECCE, YALE) and NGO (stakeholder associations) insights
ESG research provider
Sell-side
In-house – specialised ESG analyst or team
In-house – analyst or portfolio manager

LEI 02.2 Indicate whether you incentivise brokers to provide ESG research.

Yes

LEI 02.3 Describe how you incentivise brokers.

The incorporation of ESG research is an important aspect in our discussion with brokers whereby it is asked how brokers have integrated ESG research in their offering. Under MiFid II, NNIP absorbs the costs of broker research through its own P&L. We regularly undertake an intensive selection process based on overall service and specialized contributions. The importance of ESG qualifications has clearly increased in line with our own business strategy and ambitions. We have a deep relationship with several sell-side brokerage firms that provide ESG-focussed analysis including Morgan Stanley, UBS, Credit Suisse Holt, Exane BNP and HSBC amongst others.

No

LEI 03 Voluntary

Additional Assessed

PRI 1

LEI 03.1 Indicate whether your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.

Engagement

We have a systematic process to ensure the information is made available.
We occasionally make this information available.
We do not make this information available.

Proxy voting

We have a systematic process to ensure the information is made available.
We occasionally make this information available.
We do not make this information available.

LEI 03.2 Additional information [Optional]

We believe that key to integrating ESG factors into the investment analysis is to determine how material ESG factors impact a company’s competitive positioning and its financial value creation.

Based on our engagements with companies, any concerns about a company’s ESG principles and practices and the management’s receptiveness to our engagement efforts are highlighted and can impact the analysts’ investment recommendation. We keep track of our company engagement activities in our proprietary engagement database Papyrus, which is accessible to all investment staff.

NNIP’s dedicated proxy voting committee is tasked with voting on client assets and a separate proxy voting committee responsible for voting on proprietary assets. The committee members have regular discussions with in-house analysts and PMs about potential issues that may trigger a vote against or in favour on specific agenda items. In case our vote is against or in favour on one or more controversial AGM agenda items that may have a material impact on either our shareholder position or company’s business model, this can possibly be reflected in the investment case.

All votes are publicly disclosed on the NNIP website:

LEI 04 Mandatory

Descriptive

PRI 1

LEI 04.1 Indicate and describe the type of screening you apply to your internally managed active listed equities.

Negative/exclusionary screening

Product
Activity
Sector
Country/geographic region
Environmental and social practices and performance
Corporate governance

Description

NNIP follows NN’s Exclusion list, which includes the involvement in the following activities/products: controversial weapons, arms trade with entities that are
subject to arms embargoes, tobacco production, oil sands production and thermal coal extraction and exclusions based on controversial business behaviour. NN IP also offers Global and European Sustainable funds as well as Impact funds and Thematic Impact Funds, which adhere to additional restrictions in sectors and activities.

- **Positive/best-in-class screening**
  - Product
  - Activity
  - Sector
  - Country/geographic region
  - Environmental and social practices and performance
  - Corporate governance

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>NN IP uses input from Sustainalytics, MSCI, Refinitiv, Bloomberg, ISS and various other ESG data providers, as well as its own analysts, to determine how a company fares on ESG parameters within its sector. This leads to best-in-class companies receiving a high score on the analysts’ scorecards and a corresponding investment recommendation of the analysts towards portfolio managers. NN IP also offers Global and European Sustainable Funds as well as (Thematic) Impact funds, which follow positive screening criteria.</td>
</tr>
</tbody>
</table>

- **Norms-based screening**
  - UN Global Compact Principles
  - The UN Guiding Principles on Business and Human Rights
  - International Labour Organization Conventions
  - United Nations Convention Against Corruption
  - OECD Guidelines for Multinational Enterprises
  - Other, specify

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>NN IP follows NN’s Exclusion list, which includes the involvement in the following controversial conducts: companies that severely and systematically violate the UN GC Principles and/or the OECD Guidelines. NNIP also uses Sustainalytics controversy categorisations as input for its own Controversy and Engagement Council to determine whether a company’s conduct violates our norms-based RI criteria, which have referral to UN GC Principles and/or the OECD Guidelines. Excluding a company from our investable universe means we stop having the influence to tackle ESG issues. For this reason, where possible, we take an engagement-led divestment approach. We only restrict companies when engagement is either not deemed feasible (anymore) or is unlikely to change a company’s conduct or involvement in specific business activities.</td>
</tr>
</tbody>
</table>

**LEI 04.2** Describe how you notify clients and/or beneficiaries when changes are made to your screening criteria.

| The applicable NN Exclusion List is publicly available on our website. New activity based restrictions are additionally announced by press releases or public statements. Furthermore, our NN RI Framework Policy is updated accordingly and describes rationale of the restrictions. Our fund prospectuses and contracts of mandates refer to this NN RI Framework Policy. Moreover, clients are also made aware of changes in the conversations with their relationship managers or representatives of NN IP (i.e. portfolio managers, client portfolio managers) and our client facing staff is made aware of important changes via separate conference calls. In addition, NNIP’s presentations are updated accordingly and used for clients. We only make changes after in-depth discussion and based on well thought-through deliberations, and we use channels like our website and media to make it known to general public. |

**LEI 05.1** Indicate which processes your organisation uses to ensure ESG screening is based on robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies’ activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies.
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar.
- Third-party ESG ratings are updated regularly to ensure that portfolio holdings comply with fund policies.
- Trading platforms blocking / restricting flagged securities on the black list.
- A committee, body or similar with representatives independent of the individuals who conduct company research reviews some or all screening decisions.
- A periodic review of internal research is carried out.
- Review and evaluation of external research providers.
- Other, specify

   - We partner with Yale University and ECCE at Maastricht University to find academically robust input to use in our investment process.
   - None of the above

**LEI 05.2** Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your ESG screening strategy.

- <10%
- 10-50%
- 51-90%
- >90%

**LEI 05.3** Indicate how often third party ESG ratings are updated for screening purposes.

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually

**LEI 05.4** Indicate how frequently you review internal research that builds your ESG screens.
Indicate which processes your organisation uses to ensure fund criteria are not breached.

<table>
<thead>
<tr>
<th>Process Description</th>
<th>LEI 06.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Systematic checks are performed to ensure that stocks meet the fund’s screening criteria.</td>
<td>Voluntary</td>
</tr>
<tr>
<td>Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria.</td>
<td>Additional Assessed</td>
</tr>
<tr>
<td>Audits of fund holdings are undertaken regularly by internal audit function.</td>
<td>PRI 1</td>
</tr>
<tr>
<td>Periodic auditing/checking of the organisations RI funds by external party.</td>
<td></td>
</tr>
<tr>
<td>Other, specify KPMG for annual report of NN Group and due diligence of auditors/employees of our (external) clients and prospects.</td>
<td></td>
</tr>
<tr>
<td>None of the above</td>
<td></td>
</tr>
</tbody>
</table>

If breaches of fund screening criteria are identified, describe the process followed to correct those breaches.

We have monitoring measures and processes in place in our Risk management department, which means that issuers on the restricted list are automatically blocked for buying orders. Together with product management, we have incorporated restrictions in the fund / strategy documentation. In the unlikely event of a breach, our portfolio management & monitoring system Aladdin will report this and the breach will be investigated by Risk Management (Investment Restriction Control Team). Necessary actions will then be taken to remedy the breach and bring the portfolio back in line within the restrictions. The classification of the breach is such that it is either an active breach or a passive breach (also dependent on data updates and market movements). Resolution of breaches need to be in line with the relevant client guidelines and restrictions and this is actively monitored and logged.

Indicate the type of sustainability thematic funds or mandates your organisation manages.

<table>
<thead>
<tr>
<th>Type of Thematic Fund/ Mandate</th>
<th>LEI 07.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmentally themed funds</td>
<td>Mandatory</td>
</tr>
<tr>
<td>Socially themed funds</td>
<td></td>
</tr>
<tr>
<td>Combination of themes</td>
<td></td>
</tr>
</tbody>
</table>

Describe your organisation’s processes relating to sustainability themed funds. [Optional]

NNGIP on December 1, 2019 launched three thematic impact equity funds designed to contribute to several of the UN Sustainable Development Goals, on top of the Global Equity Impact Opportunities strategy. These new strategies are similar in design to the existing Global Equity Impact Opportunities strategy.

1) NN (L) Climate & Environment fund: focuses on water management, food sufficiency, the energy transition and the move towards a circular economy.

2) NN (L) Health & Well-Being fund: targets SDGs that relate to eliminating global poverty and hunger, while improving education and sanitation. These solutions could relate to healthy consumer practices, mental and physical fitness, disease prevention and treatment, or life-enhancing services.

3) NN (L) Smart Connectivity: targets investments that contribute to increased interconnectivity, digital safety and security, and technology innovation – including opportunities in data analytics and information services, mobility, and the Internet of Things.

Indicate the proportion of actively managed listed equity portfolios where E, S and G factors are systematically researched as part of your investment analysis.

<table>
<thead>
<tr>
<th>ESG Issue (Environmental)</th>
<th>LEI 08.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proportion impacted by analysis</td>
<td>Core</td>
</tr>
<tr>
<td>&lt;10%</td>
<td></td>
</tr>
<tr>
<td>10-50%</td>
<td></td>
</tr>
<tr>
<td>51-90%</td>
<td></td>
</tr>
<tr>
<td>&gt;90%</td>
<td>Core</td>
</tr>
</tbody>
</table>
At NN IP, we systematically and fully integrate ESG criteria in our investment-decision making process, based on our own materiality framework, and resulting in detailed investment cases. At the heart, ESG analysis is conducted by our in-house team of equity analysts. We start with raw ESG data as an input from data vendors such as Bloomberg, Refinitiv and ISS, supplemented with ESG ratings and scores from Sustainalytics, MSCI ESG and TruValue Labs.

During 2019, we developed our proprietary NN IP Corporate ESG Indicator and implemented a beta version of it end of 2019, further rolling it out in 2020. It was developed by a team of data scientists, software engineers, innovation experts and investment analysts to achieve the best of both comprehensiveness (indicator quality and rigor) as well as functionality (usefulness and interface). The indicator combines the expertise and knowledge of in-house experts and external data providers. The four components that make up the ESG score are: 1) the NN IP Materiality Framework, 2) our data providers – we use data points from Sustainalytics, ISS and Refinitiv, 3) input from our investment analysts and 4) cross-sector adjustments.

In addition, we make extensive use of sell-side ESG and thematic research.

LEI 09.1 Indicate which processes your organisation uses to ensure ESG integration is based on robust analysis.

☑ Comprehensive ESG research is undertaken or sourced to determine companies’ activities and products
☑ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
☑ Third-party ESG ratings are updated regularly
☑ A periodic review of the internal research is carried out
☑ Structured, regular ESG specific meetings between responsible investment staff and the fund manager or within the investments team
☑ ESG risk profile of a portfolio against benchmark
☑ Analysis of the impact of ESG factors on investment risk and return performance
☐ Other; specify
☐ None of the above

LEI 09.2 Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your integration strategy.

☐ <10%
☐ 10-50%
☐ 51-90%
☑ >90%

LEI 09.3 Indicate how frequently third party ESG ratings that inform your ESG integration strategy are updated.

☑ Quarterly or more frequently
☐ Bi-Annually
☐ Annually
☐ Less frequently than annually

LEI 09.4 Indicate how frequently you review internal research that builds your ESG integration strategy.

☑ Quarterly or more frequently
☐ Bi-Annually
☐ Annually
☐ Less frequently than annually

LEI 09.5 Describe how ESG information is held and used by your portfolio managers.

☑ ESG information is held within centralised databases or tools, and it is accessible by all relevant staff
☑ ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
☑ Systematic records are kept that capture how ESG information and research were incorporated into investment decisions
☐ Other; specify
☐ None of the above

LEI 09.6 Additional information. [Optional]

At NN IP, detailed ESG information is readily available throughout the organisation. Our analyst systematically incorporate ESG factors in their research processes on companies, and are taking continuous steps to further increase their knowledge. The analysts incorporate ESG analysis into their investment cases, while also
looking at their materiality for each company that is reviewed for investment. This analysis enables us to enrich our own data with ESG information, in order to make a better-informed investment decision.

To ensure quality and consistency, we jointly review investment cases based on how the analyst has incorporated ESG factors (which is a key-performance indicator for the analysts), thereby ensuring a systematic use. We actively participate in knowledge-sharing events to further accelerate ESG integration at our firm and share best-practices with the wider investment community. Analysts and Portfolio managers are members of our Controversy and Engagement Council to enable them to discuss companies and share insights.

<table>
<thead>
<tr>
<th>LEI 10</th>
<th>Mandatory to Report, Voluntary to Disclose</th>
<th>Core Assessed</th>
<th>PRI 1</th>
</tr>
</thead>
</table>

LEI 10.1 Indicate which aspects of investment analysis you integrate material ESG information into.

- **Economic analysis**
  - Proportion of actively managed listed equity exposed to investment analysis
    - <10%
    - 10-50%
    - 51-90%
    - ✔ >90%

- **Industry analysis**
  - Proportion of actively managed listed equity exposed to investment analysis
    - <10%
    - 10-50%
    - 51-90%
    - ✔ >90%

- **Quality of management**
  - Proportion of actively managed listed equity exposed to investment analysis
    - <10%
    - 10-50%
    - 51-90%
    - ✔ >90%

- **Analysis of company strategy**
  - Proportion of actively managed listed equity exposed to investment analysis
    - <10%
    - 10-50%
    - 51-90%
    - ✔ >90%

- **Portfolio weighting**
  - Proportion of actively managed listed equity exposed to investment analysis
    - <10%
    - 10-50%
    - 51-90%
    - ✔ >90%

- **Security sensitivity and/or scenario analysis**
  - Proportion of actively managed listed equity exposed to investment analysis
    - <10%
    - 10-50%
    - ✔ 51-90%
    - ✔ >90%

- **Fair value/fundamental analysis**
  - Proportion of actively managed listed equity exposed to investment analysis
    - <10%
    - ✔ 10-50%
    - ✔ ✔ 51-90%
    - ✔ ✔ ✔ >90%

- **Other; specify**
  - Sustainable Development Goals intentionality in business activities or strategy
    - Proportion of actively managed listed equity exposed to investment analysis
      - <10%
      - ✔ 10-50%
      - ✔ ✔ 51-90%
      - ✔ ✔ ✔ >90%
LEI 10.2 Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis.

- Adjustments to forecasted company financials (sales, operating costs, earnings, cash flows)
- Adjustments to valuation-model variables (discount rates, terminal value, perpetuity growth rates)
- Valuation multiples
- Other adjustments; specify

SWOT analysis, sensitivity analysis

LEI 10.3 Describe how you integrate ESG information into portfolio weighting.

We apply ESG information both from a top-down as well as a bottom-up perspective.

Top-down: we assess how material ESG trends and general longer-term trends are providing risks and opportunities in terms of financial and non-financial performance (themes such as changing climate, rising urbanization, ageing population, health and wellbeing, rising cyber dependency, and SDGs).

Bottom-up: in our bottom-up analysis - which is typically conducted by our in-house team of dedicated equity analysts - we analyse the absolute and relative ESG performance of companies and whether we believe the market is under- or overestimating ESG risks and/or opportunities. We focus on the material, longer-term issues to the value creation of investee companies.

Four steps are important in this:

1) Identify the material issues
2) Assess the performance on the material issues
3) Integrate the material issues into the financial analysis
4) Have an active dialogue with the companies in which we are invested.

Based on the combination of traditional financial analysis and ESG analysis as described above, we determine the portfolio weights.

With regards to controversies: we specifically discuss companies with the highest ESG controversies in the Controversy & Engagement Council, which may lead to exclusion.

LEI 10.4 Describe the methods you have used to adjust the income forecast/valuation tool.

The way ESG information is integrated within the forecasts and valuation of the equity analysis process is twofold. In case we consider the ESG factors to have a visible impact on actual company cashflows (in terms of magnitude and timing), we will adjust our financial value drivers (e.g. revenues, margins, capex) accordingly.

In case we consider the ESG factors as mainly impacting the risk profile of the company (in terms of risk to cashflow generation and/or risks towards company and/or management perception), but without a clear indication of magnitude and timing, we will adjust the cost of capital for the company to incorporate the associated risks.

LEI 10.5 Describe how you apply sensitivity and/or scenario analysis to security valuations.

In case of companies or sectors where certain ESG aspects can materially drive the valuation and in case there is considerable uncertainty surrounding the most likely (regulatory) trajectory of these ESG aspects the financial analysis will incorporate different scenarios to account for the most likely, the worst case and best case scenario. Alternatively a sensitivity analysis can be done to vary the different ESG inputs and see what the implications would be for the margins, sales or valuation of the company. Examples of scenario analysis we have used in the past is for example the trajectory of CO2 regulation for car companies and our sustainable equity analysts consider sectors from a value chain perspective.

LEI 10.6 Additional information. [OPTIONAL]

We developed a proprietary NN IP Corporate ESG Indicator in 2019 that was first implemented in a beta version during the fourth quarter of 2019 and is being rolled out more broadly in 2020. It will play an increasingly more important role in our ESG integration process capturing material ESG information. The NN IP Corporate ESG indicator consists of four components: 1) the NN IP Materiality Framework, 2) our data providers – we use data points from Sustainalytics, ISS ESG and Refinitiv, 3) input from our investment analysts and 4) cross-sector adjustments.
**LEA 01.1** Indicate whether your organisation has an active ownership policy (includes engagement and/or voting).

- Yes

**LEA 01.2** Attach or provide a URL to your active ownership policy.

- Attachment provided:
- URL provided:
  [https://assets.ctfassets.net/y4nxuejkhx03/6Pc2JwL0iwK5rGgQ0vQ6BRJb/62f7aab52b072aeb5e9c3b683bcaea7/NN-IP-Stewardship-Policy_Feb2020.pdf](https://assets.ctfassets.net/y4nxuejkhx03/6Pc2JwL0iwK5rGgQ0vQ6BRJb/62f7aab52b072aeb5e9c3b683bcaea7/NN-IP-Stewardship-Policy_Feb2020.pdf)

**LEA 01.3** Indicate what your active engagement policy covers:

- General approach to Active Ownership
  - Conflicts of interest
  - Alignment with national stewardship code requirements
  - Assets/funds covered by active ownership policy
  - Expectations and objectives
  - Engagement approach

- Engagement
  - ESG issues
  - Prioritisation of engagement
  - Methods of engagement
  - Transparency of engagement activities
  - Due diligence and monitoring process
  - Insider information
  - Escalation strategies
  - Service Provider specific criteria
  - Other; (specify)

  Collaborative engagements such as our involvement in Climate Action 100+, Dutch platform Eumedion and Platform Living Wage Financials (PLWF)

- (Proxy) voting approach

- Voting
  - ESG issues
  - Prioritisation and scope of voting activities
  - Methods of voting
  - Transparency of voting activities
  - Regional voting practice approaches
  - Filing or co-filing resolutions
  - Company dialogue pre/post-vote
  - Decision-making processes
  - Securities lending processes
  - Other; (specify)

  Dealing with situations in which it does not appear to be possible to convince the board of the investee company through dialogue/engagement

- Other

**LEA 01.4** Do you outsource any of your active ownership activities to service providers?

- Yes

**LEA 01.5** Where active ownership activities are conducted by service providers, indicate whether your active ownership policy covers any of the following:

- Outline of service provider’s role in implementing your organisation’s active ownership policy
- Description of considerations included in service provider selection and agreements
- Identification of key ESG frameworks which service providers must follow
- Outline of information sharing requirements of service providers
- Description of service provider monitoring processes
- Other; (specify)
We refer to the different policies on the website - we included the link to the Stewardship Policy that outlines our general approach. Detailed information can be found in our Voting Policy and Engagement Approach (links are included in the SG module of this report). The Engagement Approach provides the complete overview and is used as reference for answering LEA 01.6 on ownership activities conducted by service providers.

LEA 02.1 Indicate the method of engagement, giving reasons for the interaction.

<table>
<thead>
<tr>
<th>Type of engagement</th>
<th>Reason for Interaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual / Internal staff engagements</td>
<td>☑ To influence corporate practice (or identify the need to influence it) on ESG issues</td>
</tr>
<tr>
<td></td>
<td>☑ To encourage improved/increased ESG disclosure</td>
</tr>
<tr>
<td></td>
<td>☑ To gain an understanding of ESG strategy and/or management</td>
</tr>
<tr>
<td></td>
<td>☑ We do not engage via internal staff</td>
</tr>
<tr>
<td>Collaborative engagements</td>
<td>☑ To influence corporate practice (or identify the need to influence it) on ESG issues</td>
</tr>
<tr>
<td></td>
<td>☑ To encourage improved/increased ESG disclosure</td>
</tr>
<tr>
<td></td>
<td>☑ To gain an understanding of ESG strategy and/or management</td>
</tr>
<tr>
<td></td>
<td>☑ We do not engage via collaborative engagements</td>
</tr>
<tr>
<td>Service provider engagements</td>
<td>☑ To influence corporate practice (or identify the need to influence it) on ESG issues</td>
</tr>
<tr>
<td></td>
<td>☑ To encourage improved/increased ESG disclosure</td>
</tr>
<tr>
<td></td>
<td>☑ To gain an understanding of ESG strategy and/or management</td>
</tr>
<tr>
<td></td>
<td>☑ We do not engage via service providers</td>
</tr>
</tbody>
</table>

LEA 02.2 Indicate whether your organisation plays a role in the engagement process that your service provider conducts.

☑ Yes

LEA 02.3 Indicate the role(s) you play in engagements that your service provider conducts on your behalf.

☑ We discuss the topic of the engagement (or ESG issue(s)) of engagement
☑ We discuss the rationale for the engagement
☑ We discuss the objectives of the engagement
☑ We select the companies to be engaged with
☑ We discuss the frequency/intensity of interactions with companies
☑ We discuss the next steps for engagement activity
☑ We participate directly in certain engagements with our service provider
☐ Other, specify
☐ We play no role in engagements that our service provider conducts.

☐ No

LEA 03.1 Indicate whether your organisation has a formal process for identifying and prioritising engagements.

☑ Yes

LEA 03.2 Indicate the criteria used to identify and prioritise engagements for each type of engagement.

<table>
<thead>
<tr>
<th>Type of engagement</th>
<th>Criteria used to identify/prioritise engagements</th>
</tr>
</thead>
</table>
### Individual / Internal staff engagements

- Geography/market of the companies
- Materiality of the ESG factors
- Exposure (size of holdings)
- Responses to ESG impacts that have already occurred
- Responses to divestment pressure
- Consultation with clients/beneficiaries
- Consultation with other stakeholders (e.g. NGOs, trade unions, etc.)
- Follow-up from a voting decision
- Client request
- Breaches of international norms
- Other; (specify)
- We do not outline engagement criteria for our individual engagements

### Collaborative engagements

- Potential to enhance knowledge of ESG issues through other investors
- Ability to have greater impact on ESG issues
- Ability to add value to the collaboration
- Geography/market of the companies targeted by the collaboration
- Materiality of the ESG factors addressed by the collaboration
- Exposure (size of holdings) to companies targeted by the collaboration
- Responses to ESG impacts addressed by the collaboration that have already occurred
- Responses to divestment pressure
- Follow-up from a voting decision
- Alleviate the resource burden of engagement
- Consultation with clients/beneficiaries
- Consultation with other stakeholders (e.g. NGOs, trade unions, etc.)
- Other; (specify)
- We do not outline engagement criteria for our collaborative engagement providers

### Service-provider engagements

- Geography/market of the companies
- Materiality of the ESG factors
- Exposure (size of holdings)
- Responses to ESG impacts that have already occurred
- Responses to divestment pressure
- Consultation with clients/beneficiaries
- Consultation with other stakeholders (e.g. NGOs, trade unions, etc.)
- Follow-up from a voting decision
- Client request
- Breaches of international norms
- Other; (specify)
- We do not outline engagement criteria for our service providers

---

**LEA 03.3  Additional information [Optional]**

We use internationally accepted standards of corporate behaviour – the guidelines/principles developed by the UN Global Compact, the International Corporate Governance Network (ICGN) and the OECD – as the starting point for our engagement. We engage on specific ESG targets in the two ways outlined below.

1. **Controversy engagement** focuses on companies that severely and structurally breach NN IP’s norms-based criteria in the areas of governance, human rights, labour, environment, and bribery and corruption. This type of engagement is initiated and assessed by NN IP’s Controversy and Engagement Council.

2. **Thematic engagement** focuses on different themes that have a material impact on society, and where we believe our engagement efforts can achieve beneficial change. These themes share objectives as defined by the Sustainable Development Goals (SDGs) and deal with material risks as defined by the World Economic Forum. The engagement themes are selected in consultation with portfolio managers/analysts and external stakeholders.

Our engagement approach is tailor-made for each specific theme and each individual company. In order to ensure we can have the most impact, we first carefully analyse a problem in detail to determine our engagement theme. We then identify the value chain linked to that theme in order to select those companies where engagement is most needed and can be most effective. Before we contact our engagement candidates, we create a theme-specific methodology with objectives and milestones for each company.

Some themes require a more industry-wide approach where it may take years to fundamentally change a system that is woven into the fabric of society and where it is difficult to measure results, for example with ‘living wage’. In other industries, the case is more black and white and a direct focus with company-specific goals can deliver more quantifiable impact, like in oil and gas.

**LEA 04  Mandatory Core Assessed PRI 2**

**LEA 04.1** Indicate whether you define specific objectives for your organisation’s engagement activities.
<table>
<thead>
<tr>
<th>LEA 04.2</th>
<th>Additional information [Optional]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Each engagement starts with a general assessment of the company, taking into account the materiality framework and the ESG standards of that particular company. This is used to establish the starting point for individual companies, to keep the engagement focused, and to efficiently address the most material ESG factors. As input, we use external research and our own analysis. For each controversy and thematic engagement, SMART (Specific, Measurable, Attainable, Relevant, Time-bound) engagement objectives are defined. Each engagement typically runs over a period of up to three years, in case we deviate from this timeline this will be indicated by the RI team. The RI team tracks the progress against the engagement objectives set.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LEA 05</th>
<th>Mandatory Core Assessed PRI 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEA 05.1</td>
<td>Indicate whether you monitor and/or review engagement outcomes.</td>
</tr>
<tr>
<td>Individual / Internal staff engagements</td>
<td>Yes, in all cases</td>
</tr>
<tr>
<td></td>
<td>Yes, in a majority of cases</td>
</tr>
<tr>
<td></td>
<td>Yes, in a minority of cases</td>
</tr>
<tr>
<td></td>
<td>We do not monitor, or review engagement outcomes when the engagement is carried out by our internal staff.</td>
</tr>
<tr>
<td>Collaborative engagements</td>
<td>Yes, in all cases</td>
</tr>
<tr>
<td></td>
<td>Yes, in a majority of cases</td>
</tr>
<tr>
<td></td>
<td>Yes, in a minority of cases</td>
</tr>
<tr>
<td></td>
<td>We do not monitor, or review engagement outcomes when the engagement is carried out through collaboration.</td>
</tr>
<tr>
<td>Service-provider engagements</td>
<td>Yes, in all cases</td>
</tr>
<tr>
<td></td>
<td>Yes, in a majority of cases</td>
</tr>
<tr>
<td></td>
<td>Yes, in a minority of cases</td>
</tr>
<tr>
<td></td>
<td>We do not monitor, or review engagement outcomes when the engagement is carried out by our service providers.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LEA 05.2</th>
<th>Indicate whether you do any of the following to monitor and/or review the progress of engagement activities.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual / Internal staff engagements</td>
<td>Define timelines/milestones for your objectives</td>
</tr>
<tr>
<td></td>
<td>Track and/or monitor progress against defined objectives and/or KPIs</td>
</tr>
<tr>
<td></td>
<td>Track and/or monitor the progress of action taken when original objectives are not met</td>
</tr>
<tr>
<td></td>
<td>Revisit and, if necessary, revise objectives on a continuous basis</td>
</tr>
<tr>
<td></td>
<td>Other, specify</td>
</tr>
<tr>
<td>Collaborative engagements</td>
<td>Define timelines/milestones for your objectives</td>
</tr>
<tr>
<td></td>
<td>Track and/or monitor progress against defined objectives and/or KPIs</td>
</tr>
<tr>
<td></td>
<td>Track and/or monitor the progress of action taken when original objectives are not met</td>
</tr>
<tr>
<td></td>
<td>Revisit and, if necessary, revise objectives on a continuous basis</td>
</tr>
<tr>
<td></td>
<td>Other, specify</td>
</tr>
<tr>
<td>Service-provider engagements</td>
<td>Define timelines/milestones for your objectives</td>
</tr>
<tr>
<td></td>
<td>Track and/or monitor progress against defined objectives and/or KPIs</td>
</tr>
<tr>
<td></td>
<td>Track and/or monitor the progress of action taken when original objectives are not met</td>
</tr>
<tr>
<td></td>
<td>Revisit and, if necessary, revise objectives on a continuous basis</td>
</tr>
<tr>
<td></td>
<td>Other, specify</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LEA 05.3</th>
<th>Additional information [Optional]</th>
</tr>
</thead>
<tbody>
<tr>
<td>For each controversy and thematic engagement, SMART (Specific, Measurable, Attainable, Relevant, Time-bound) engagement objectives are defined. Each engagement typically runs over a period of up to three years, in case we deviate from this timeline this will be indicated by the RI team. The RI team tracks the progress against the engagement objectives set. Progress is also discussed in the Controversy &amp; Engagement Council.</td>
<td></td>
</tr>
<tr>
<td>Our investee companies are monitored throughout the year and we keep track of our engagements in Papyrus, our internal engagement database &amp; platform for digital knowledge exchange. The RI team and the investment teams are required to upload their engagement notes in Papyrus and can benefit from the shared pool.</td>
<td></td>
</tr>
</tbody>
</table>
of information and progress made by engagement efforts. This approach requires careful oversight to ensure alignment and consistency, and to avoid duplication of work. The RI team therefore coordinates all engagement activities, also those executed by Sustainalytics Stewardship Services, except financial materiality individual engagements done by our PMs and analysts. The RI team will make sure that the engagement reports of Sustainalytics are shared with the investment teams.

Papyrus is also the source of reporting towards clients, which is increasingly asked for by both clients and regulators.

<table>
<thead>
<tr>
<th>LEA 06</th>
<th>Mandatory</th>
<th>Additional Assessed</th>
<th>PRI 2,4</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEA 06.1</td>
<td>Indicate whether your organisation has an escalation strategy when engagements are unsuccessful.</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>LEA 06.2</td>
<td>Indicate the escalation strategies used at your organisation following unsuccessful engagements.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Collaborating with other investors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Issuing a public statement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Filing/submitting a shareholder resolution</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Voting against the re-election of the relevant directors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Voting against the board of directors or the annual financial report</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Submitting nominations for election to the board</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Seeking legal remedy / litigation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Reducing exposure (size of holdings)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Divestment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Other; specify</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| LEA 06.3 | Additional information [Optional] | |
| NNI IP applies an inclusion approach and therefore first engages with companies to address an ESG violation. Only when engagement is not considered feasible the company can be put on the Exclusion List. If engagement to address the violation is considered feasible, a formal engagement process need to be started in order for the company to remain eligible for investment. If after a three year period the engagement does not lead to the desired changes, NNI IP will consider the company ineligible for investment and will decide to remove the company from its investment universe. All companies on the engagement list are included on a proxy voting watchlist. This means that we manually vote on these names, and can decide to deviate from our voting policy in case we deem this necessary. Last year we published a statement where we indicated our requirements for the oil and gas sector. Please refer to: https://www.nnip.com/en-INT/professional/insights/statement-investors-expectations-of-oil-and-gas-companies |

<table>
<thead>
<tr>
<th>LEA 07</th>
<th>Voluntary</th>
<th>Additional Assessed</th>
<th>PRI 1,2</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEA 07.1</td>
<td>Indicate whether insights gained from your organisation’s engagements are shared with investment decision-makers.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Type of engagement</td>
<td>Insights shared</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual/Internal staff engagements</td>
<td>✓ Yes, systematically</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>✓ Yes, occasionally</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>○ No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collaborative engagements</td>
<td>✓ Yes, systematically</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>✓ Yes, occasionally</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>○ No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service-provider engagements</td>
<td>✓ Yes, systematically</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>✓ Yes, occasionally</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>○ No</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| LEA 07.2 | Indicate the practices used to ensure that information and insights gained through engagements are shared with investment decision-makers. | |
| - Involving investment decision-makers when developing an engagement programme | |
| - Holding investment team meetings and/or presentations | |
| - Using IT platforms/systems that enable data sharing | |
| - Internal process that requires portfolio managers to re-balance holdings based on interaction and outcome levels | |
| - Other; specify | |
| company meetings held by the investment teams | |
| ○ None | |

| LEA 07.3 | Indicate whether insights gained from your organisation’s engagements are shared with your clients/beneficiaries. | |
| Type of engagement | Insights shared | |
| Individual/Internal staff engagements | ✓ Yes, systematically | |
| | ✓ Yes, occasionally | |
| | ○ No | |
### Collaborative engagements
- Yes, systematically
- Yes, occasionally
- No

### Service-provider engagements
- Yes, systematically
- Yes, occasionally
- No

---

**LEA 07.4** | Additional information [Optional]
---|---

Our investee companies are monitored throughout the year and we keep track of our engagements in Papyrus, our internal engagement database & platform for digital knowledge exchange. The RI team and the investment teams are required to upload their engagement notes in Papyrus and can benefit from the shared pool of information and progress made by engagement efforts. This approach requires careful oversight to ensure alignment and consistency, and to avoid duplication of work. The RI team will make sure that the engagement reports of Sustainalytics are shared with the investment teams via Papyrus.

Papyrus is also the source of reporting towards clients, which is increasingly asked for by both clients and regulators.

---

**LEA 08** | **Type of engagement** | **Tracking engagements**
---|---|---

**Individual/Internal staff engagements**
- Yes, we track the number of our engagements in full
- Yes, we partially track the number of our engagements
- We do not track

**Collaborative engagements**
- Yes, we track the number of collaborative engagements in full
- Yes, we partially track the number of our collaborative engagements
- We do not track

**Service-provider engagements**
- Yes, we track the number of service-provider engagements in full
- Yes, we partially track the number of our service-provider engagements
- We do not track

---

**LEA 09** | **Type of engagement**
---|---

**Private**

**LEA 10** | **Type of engagement**
---|---

**Voluntary**

---

**LEA 10.1** | **Indicate which of the following your engagement involved.**
---|---

- **Letters and emails to companies**
  - In a minority of cases
  - In a majority of cases
  - In all cases

- **Meetings and/or calls with board/senior management**
  - In a minority of cases
  - In a majority of cases
  - In all cases

- **Meetings and/or calls with the CSR, IR or other management**
  - In a minority of cases
  - In a majority of cases
  - In all cases

- **Visits to operations**
  - In a minority of cases
  - In a majority of cases
  - In all cases

- **Visits to supplier(s) in supplier(s) from the company’s supply chain**
  - In a minority of cases
  - In a majority of cases
  - In all cases
NNIP focuses its engagement efforts on a select group of companies and on the most material ESG factors, controversies and themes. In practice, this means that there will be multiple interactions with a company via e-mail, letter, phone call, meetings or shareholder meetings per year, with a view to changing the company’s behaviour. Engagements will take place with different people within an investee company, including investor relations, management and board members, sustainability specialists and risk specialists. We participate actively in roadshows when new IPOs come to the market, to engage with the companies directly on their corporate ESG profile. This also applies to strategies like Green Bonds, where we frequently attend roadshows for new bond issues.

LEA 10.2

Additional information. [Optional]

NNIP’s voting policies are available on the website and form the basis for all our voting decisions. These voting policies describe how we vote on standard resolutions at the annual general meetings and extraordinary general meetings of our investee companies. NNIP has set up a customised voting policy for exercising voting rights on behalf of client assets at shareholder meetings. This ensures that we vote in line with our own voting policy framework at every shareholder meeting, wherever it is in the world.

For shareholder meetings of our Dutch holdings, of companies where we own a larger percentage of the outstanding share capital, of companies that are on the engagement list and of all companies that are held in the Sustainable Equity funds, voting is carried out manually by an in-house Proxy Voting Committee. Portfolio managers and analysts are represented on this committee next to a RI specialist, in order to ensure a clear link between our voting and investment activities.

NNIP has a separate voting policy that gives guidelines for the voting considerations for NN Group’s proprietary equity portfolio. As this portfolio contains a limited number of holdings, these considerations are always applied on a case-by-case basis. All votes cast at shareholder meetings on behalf of proprietary and client assets can be reviewed on the website.

LEA 12.2

Provide an overview of how you ensure that your agreed-upon voting policy is adhered to, giving details of your approach when exceptions to the policy are made.

NNIP’s voting policies are available on the website and form the basis for all our voting decisions. These voting policies describe how we vote on standard resolutions at the annual general meetings and extraordinary general meetings of our investee companies. NNIP has set up a customised voting policy for exercising voting rights on behalf of client assets at shareholder meetings. This ensures that we vote in line with our own voting policy framework at every shareholder meeting, wherever it is in the world.

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NNIP has a separate voting policy that gives guidelines for the voting considerations for NN Group’s proprietary equity portfolio. As this portfolio contains a limited number of holdings, these considerations are always applied on a case-by-case basis. All votes cast at shareholder meetings on behalf of proprietary and client assets can be reviewed on the website.

LEA 13.1

Of the voting recommendations that your service provider made in the reporting year, indicate the percentage that was reviewed by your organisation, giving the reasons.

Percentage of voting recommendations your organisation reviewed

- 100-75%
- 74-50%
- 49-25%
- 24-1%
- None

Reasons for review

- Specific environmental and/or social issues
- Votes concerning significant holdings
- Votes against management and/or abstentions
- Conflicts of interest
- Corporate action, such as M&As, disposals, etc.
- Votes concerning companies with which we have an active engagement
- Client requests
- Ad-hoc oversight of service provider
- Shareholder resolutions
- Share blocked securities
- Other (explain)
For shareholder meetings of our Dutch holdings, of companies where we own a larger percentage of the outstanding share capital of companies that are on the engagement list and of all companies that are held in the Sustainable and Small Cap Equity funds, voting is carried out manually by an in-house Proxy Voting Committee. Portfolio managers and analysts are represented on this committee next to RI specialist in order to ensure a clear link between our voting and investment activities.

**LEA 14**

**LEA 14.1** Does your organisation have a securities lending programme?

- ☑ Yes

**LEA 14.3** Indicate how the issue of voting is addressed in your securities lending programme.

- ☑ We recall all securities for voting on all ballot items
- ☑ We maintain some holdings, so that we can vote at any time
- ☑ We systematically recall some securities so that we can vote on their ballot items (e.g., in line with specific criteria)
- ☑ We recall some securities so that we can vote on their ballot items on an ad-hoc basis
- ☑ We empower our securities-lending agent to decide when to recall securities for voting purposes
- ☑ We do not recall our securities for voting purposes
- ☑ Other (specify)

- ☑ No

**LEA 14.4** Additional information. [Optional]

NNIP has been active in securities lending activities for its equity and fixed income mutual fund ranges since 2008. At NNIP, securities lending is a front-office activity managed by a dedicated team within the Treasury department. This team is responsible for dealing with counterparties, handling communication with the lending agent, benchmarking market activity and assuring that all related activities comply with the set principles for securities lending. The team has a transparent and distinct ESG integration approach that is fully aligned with NNIP’s RI principles and framework and they regularly interact with the RI team on ESG-related developments.

NNIP maintains the right to recall and place restrictions on any securities at any time, in order to enable it to engage in shareholder meetings. This is embedded in the securities lending process. The NNIP RI team, which oversees active ownership responsibilities, informs the Treasury team when certain securities are restricted. Treasury then recalls these securities and ensures they cannot be lent out until voting is concluded. In addition, NNIP automatically recalls and restricts all the securities on its engagement list. This ensures NNIP can always exercise its voting rights and prevents “empty voting”. This approach is aligned with the UNPRI/ICGN’s Guidance on Securities Lending and EFAMA’s Stewardship Code and Principles.

Last but not least, NNIP joined and actively participates in the ISLA Council for Sustainable Finance (ICSF), initiated by the International Securities Lending Association (ISLA). The primary objective of ICSF is to trigger a series of changes throughout the industry, so as to shift the broader securities lending market onto a sustainable pathway.

**LEA 15**

**LEA 15.1** Indicate the proportion of votes participated in within the reporting year in which where you or the service providers acting on your behalf raised concerns with companies ahead of voting.

- ☑ 100%
- ☑ 99-75%
- ☑ 74-50%
- ☑ 49-25%
- ☑ 24-1%
- ☑ Neither we nor our service provider(s) raise concerns with companies ahead of voting

**LEA 15.2** Indicate the reasons for raising your concerns with these companies ahead of voting.

- ☑ Vote(s) concerned selected markets
- ☑ Vote(s) concerned selected sectors
- ☑ Vote(s) concerned certain ESG issues
- ☑ Vote(s) concerned companies exposed to controversy on specific ESG issues
- ☑ Vote(s) concerned significant shareholdings
- ☑ Client request
- ☑ Other

**LEA 15.3** Additional information. [Optional]

Some companies complicate investors’ ability to vote and required additional legal documentation in order for us to vote.

**LEA 16**

**LEA 16.1** Indicate the proportion of votes where you, and/or the service provider(s) acting on your behalf, communicated the rationale to companies for abstaining or voting against management recommendations. Indicate this as a percentage out of all eligible votes.

- ☑ 100%
- ☑ 99-75%
- ☑ 74-50%
- ☑ 49-25%
- ☑ 24-1%
- ☑ We do not communicate the rationale to companies
- ☑ Not applicable because we and/or our service providers did not abstain or vote against management recommendations
LEA 16.2 Indicate the reasons why your organisation would communicate to companies, the rationale for abstaining or voting against management recommendations.

- Vote(s) concern selected markets
- Vote(s) concern selected sectors
- Vote(s) concern certain ESG issues
- Vote(s) concern companies exposed to controversy on specific ESG issues
- Vote(s) concern significant shareholdings
- Client request
- Other

LEA 16.3 In cases where your organisation does communicate the rationale for abstaining or voting against management recommendations, indicate whether this rationale is made public.

- Yes
- No

LEA 16.4 Additional information [Optional]

All against votes and the rationales are communicated on an ongoing basis in our voting reporting tool. This tool is available on our website. We also disclose on our voting in the 2019 annual RI Report.

LEA 17 For listed equities in which you or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

- We do track or collect this information

<table>
<thead>
<tr>
<th>Votes cast (to the nearest 1%)</th>
<th>99%</th>
</tr>
</thead>
</table>

Specify the basis on which this percentage is calculated

- Of the total number of ballot items on which you could have issued instructions
- Of the total number of company meetings at which you could have voted
- Of the total value of your listed equity holdings on which you could have voted
- We do not track or collect this information

LEA 17.2 Explain your reason(s) for not voting on certain holdings

- Shares were blocked
- Notice, ballots or materials not received on time
- Missed deadline
- Geographical restrictions (non-home market)
- Cost
- Conflicts of interest
- Holdings deemed too small
- Administrative impediments (e.g., power of attorney requirements, eligibility due to participation in share placement)
- Client request
- Other (explain)

LEA 17.3 Additional information [Optional]

It is NN IP’s policy to exercise the voting rights in blocking markets, but only for a limited % of our holdings. Otherwise the impact on our trading process will be too significant. Therefore we may opt not to vote on behalf of some funds. Next to that some companies ask for additional documentation before the votes can be exercised. In some instances we had insufficient time to arrange the documentation, or the associated costs are not proportionate.

LEA 18 Indicate whether you track the voting instructions that you or your service provider on your behalf have issued.

- Yes, we track this information

LEA 18.2 Of the voting instructions that you and/or third parties on your behalf have issued, indicate the proportion of ballot items that were:

<table>
<thead>
<tr>
<th>Voting instructions</th>
<th>Breakdown as percentage of votes cast</th>
</tr>
</thead>
<tbody>
<tr>
<td>For (supporting) management recommendations</td>
<td>82%</td>
</tr>
<tr>
<td>Against (opposing) management recommendations</td>
<td>13%</td>
</tr>
<tr>
<td>Abstentions</td>
<td>5%</td>
</tr>
</tbody>
</table>

- No, we do not track this information

LEA 18.3 In cases where your organisation voted against management recommendations, indicate the percentage of companies which you have engaged.

- 30

LEA 18.4 Additional information [Optional]
NN IP discloses its votes on the website through a vote disclosure tool. It has become our standard policy to always add a rationale for all against votes that are exercised. Therefore companies and their proxy agents are always in a position to get an understanding of why we did not support a particular agenda item.

Please see this link: https://viewpoint.glasslewis.net/webdisclosure/search.aspx?glpcustuserid=NNI1018

<table>
<thead>
<tr>
<th>LEA 19</th>
<th>Mandatory</th>
<th>Core Assessed</th>
<th>PRI 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEA 19.1</td>
<td>Indicate whether your organisation has a formal escalation strategy following unsuccessful voting.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>✔ Yes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>❏ No</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| LEA 19.2 | Indicate the escalation strategies used at your organisation following abstentions and/or votes against management. |
|  | ✔ Contacting the company’s board |
|  | ✔ Contacting the company’s senior management |
|  | ✔ Issuing a public statement explaining the rationale |
|  | ✔ Initiating individual/collaborative engagement |
|  | ✔ Directing service providers to engage |
|  | ✔ Reducing exposure (holdings) / divestment |
|  | ❏ Other |

| LEA 19.3 | Additional information, [Optional] |
|  | We have started several engagements related to the proxy voting process. Engagements usually lead to a peak in engagements for us, since many companies reach out to us. |

<table>
<thead>
<tr>
<th>LEA 20</th>
<th>Voluntary</th>
<th>Descriptive</th>
<th>PRI 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEA 21</td>
<td>Voluntary</td>
<td>Descriptive</td>
<td>PRI 2</td>
</tr>
</tbody>
</table>

If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.
FI 01 Mandatory Gateway PRI 1

**FI 01.1** Indicate (1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and (2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.

- **SSA**
  - Screening alone: 9
  - Thematic alone: 0
  - Integration alone: 0
  - Screening + integration strategies: 90
  - Thematic + integration strategies: 0
  - Screening + thematic strategies: 0
  - All three strategies combined: 1
  - No incorporation strategies applied: 0

- **Corporate (Financial)**
  - Screening alone: 0
  - Thematic alone: 0
  - Integration alone: 0
  - Screening + integration strategies: 95
  - Thematic + integration strategies: 0
  - Screening + thematic strategies: 0
  - All three strategies combined: 5
  - No incorporation strategies applied: 0

- **Corporate (non-financial)**
  - Screening alone: 0
  - Thematic alone: 0
  - Integration alone: 0
  - Screening + integration strategies: 95
  - Thematic + integration strategies: 0
  - Screening + thematic strategies: 0
  - All three strategies combined: 5
  - No incorporation strategies applied: 0

**FI 01.2** Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

The basis for NN IP’s responsible investment approach is the Responsible Investment policy.

On negative screening, we favour a strategy of inclusion combined with engagement. Consequently, exclusions are a measure we take if we do not see that engagement is or can be fruitful. Based on the exclusion list, NN IP also does not invest in companies involved in activities such as controversial weapons or tobacco...
production. With regards to sovereign issuers, NN IP restricts some countries: Sovereign issuers involved in severe and systematic violations of Human Rights, against which arms embargoes have been issued by the UN Security Council. The exclusion list is publicly available.

With regards to our AuM, by far the most important element of our ESG approach is not negative screening, but ESG integration. The specific approach towards ESG integration varies per team and investment strategy. For instance, companies must be assessed differently than sovereign issuers and emerging market issuers different from developed market issuers.

Therefore, we would strongly like to refer to the respective, strategy-specific sections in this report further below.

#### PRI 1.3 Additional information [Optional]

In general, our ESG integration is captured in issuer scorecards and form a significant part of the assessments we make of each issuer, both companies and countries. Hence, if an issuer appears to have strong financial data, but scores low on ESG metrics, it will result in a lower overall score, which can impact the weight of the issuer in our portfolio accordingly. We have developed a proprietary materiality framework in close cooperation with our analysts and portfolio managers to identify which issues are material for the securities in which we invest and to optimize our approach to ESG integration. This framework is forward-looking, which is the most valuable type of data for investors. Much of the available ESG data is backward-looking and released only annually, as a result, it can have more limited utility. As part of our materiality framework, our investment experts first identify material ESG issues per company, per sector and per country. Subsequently, we evaluate each company’s performance on each material ESG issue. In addition to our in-house analysis of ESG data and alternative data, we have a strong interest in alternative datasets that highlight newly emerging trends. We would also like to highlight that we have developed proprietary scoring methodologies in both the sovereign and corporate investment space in 2019 and we are implementing these tools more broadly throughout 2020. For further details, please see the strategy-specific sections below.

Hence, by far the most important element of our ESG approach is not negative screening, but ESG integration. For ESG integration, information and data is needed. This information is provided through the joint expertise of our RI team, our analysts and external sources like Sustainalytics, Bloomberg, etc. These sources are used across various issuer types and regions. For our sovereign exposure, we also use data from the World Bank and other public sources. This information then comes together in our proprietary ESG scores.

**FINANCIAL INTEGRATION**

Particularly with regards to emerging markets sovereigns, we believe that good governance is the starting point to provide a sustainable and robust economic, institutional and environmental framework. Economic theory suggests that medium to long-term economic development has positive spillover effects into higher environmental and social standards through better governance. We combine a country’s economic fundamentals with an analysis of a country’s governance and institutional quality in our proprietary sovereign scoring model. To this end, we conduct an in-depth analysis on a country’s governance, competitiveness and institutional quality which leads to NN IP’s proprietary governance score. We believe that strong governance is important for 1) providing an institutional framework that allows companies and individuals to invest and grow, and 2) competitiveness in earning foreign exchange. For investors with longer-term horizons, we believe that institutional factors are of critical importance.

Next to our general ESG integration strategies that are applied across most of our investments, we apply advanced levels of ESG integration for clients who want to take responsible investing a step further. We offer specialized Sustainable and Impact funds and tailor-made ESG solutions. This applies for example to strategies like our Green Bond fund and the Emerging Markets loans fund which is managed in collaboration with the Dutch development finance institution FMO, where SDG analysis plays a role in selecting investments.

---

### PRI 14

**Mandatory to Report, Voluntary to Disclose**

<table>
<thead>
<tr>
<th>Category</th>
<th>Proportion of assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>SSA</td>
<td></td>
</tr>
<tr>
<td>Corporate (financial)</td>
<td></td>
</tr>
<tr>
<td>Corporate (non-financial)</td>
<td></td>
</tr>
</tbody>
</table>

#### PRI 14.1 Indicate the proportion of your fixed income assets on which you engage. Please exclude any engagements carried out solely in your capacity as a shareholder.

<table>
<thead>
<tr>
<th>Category</th>
<th>Proportion of assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>SSA</td>
<td>&gt;50%</td>
</tr>
<tr>
<td></td>
<td>26-50%</td>
</tr>
<tr>
<td></td>
<td>5-25%</td>
</tr>
<tr>
<td></td>
<td>More than 0%, less than 5%</td>
</tr>
</tbody>
</table>

#### PRI 14.2 Indicate your motivations for conducting engagement (SSA fixed income assets).

- To gain an understanding of ESG strategy and/or management
- To encourage improved/increased ESG disclosure
- To influence issuer practice (or identify the need to influence) on ESG issue

#### PRI 14.3 Indicate your motivations for conducting engagement (Corporate, Financial fixed income assets).

- To gain an understanding of ESG strategy and/or management
- To encourage improved/increased ESG disclosure
- To influence issuer practice (or identify the need to influence) on ESG issue

#### PRI 14.4 Indicate your motivations for conducting engagement (Corporate, non-financial fixed income assets).

- To gain an understanding of ESG strategy and/or management
- To encourage improved/increased ESG disclosure
- To influence issuer practice (or identify the need to influence) on ESG issue
<table>
<thead>
<tr>
<th>FI 14.3</th>
<th>Additional information [OPTIONAL]</th>
</tr>
</thead>
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<tr>
<td>FI 18</td>
<td>Voluntary</td>
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<td>Private</td>
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</tbody>
</table>
CM1 01.1 Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:

- Third party assurance over selected responses from this year’s PRI Transparency Report
- Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year)
- Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
  - Whole PRI Transparency Report has been internally verified
  - Selected data has been internally verified
- Other, specify
  - Compliance and both Investment Risk and Operational Risk Management have reviewed several modules and their remarks, if any, were incorporated

CM1 01.2 Additional information [OPTIONAL]

KPMG as independent external assurance provider, has audited the AuM figures and the dedicated ESG-integrated, sustainable and impact assets for the NN Annual 2019 integrated report and these AuM figures are also used for the NN IP 2019 dedicated RI Report. Risk Management has executed a review of the ESG-integrated AuM figures performing a due diligence on process and portfolios.

CM1 02.1 We undertook third party assurance on last year’s PRI Transparency Report

- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year’s PRI Transparency Report
- We did not assure last year’s PRI Transparency report
- None of the above, we were in our preparation year and did not report last year.

CM1 02.2 Whole report was assured in last year’s PRI Transparency Report

Who has conducted the assurance

- KPMG Netherlands

Assurance standard used

- ISAE / ASEA 3000
- ISAE 3402
- ISO standard
- AA1000AS
- IFC performance standards
- ASAE 3410 Assurance Engagements on Greenhouse Gas Statements
- National standard
- Other

Specify

Dutch Standard 3810N: ‘Assurance-opdrachten inzake maatschappelijke verslagen’ (Assurance engagements relating to sustainability reports). This is based on the international standard ISAE 3000.

Level of assurance sought

- Limited or equivalent
- Reasonable or equivalent

Link to external assurance provider’s report


CM1 02.2 Selected data was assured in last year’s PRI Transparency Report

What data has been assured

- Financial and organisational data
- Data related to RI activities
- RI policies
- RI processes (e.g. engagement process)
- ESG operational data of the portfolio
- Other

Relevant modules

- Organisational Overview
- Strategy and Governance
KPMG as independent external assurance provider, has audited the AuM figures and the dedicated ESG-integrated, sustainable and impact assets for the NN Annual 2019 Integrated Report and the NN IP 2019 dedicated RI Report. Data regarding voting and engagement activities have also been audited. See NN Annual Review 2019 pp 65-67 for the auditor’s report and pages 69-64 on NN’s and NN IP’s key non-financial information used for the PRI transparency report. NN IP Risk Management has executed a thorough and over-encompassing review of the ESG integrated AuM figures performing a due diligence on process and portfolios.

**CM1 02.3 Additional information [OPTIONAL]**

**Indirect – Manager Selection, Appointment and Monitoring**
- Direct - Listed Equity Incorporation
- Direct - Listed Equity Active Ownership
- Direct - Fixed Income

**CM1 03 We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:**

- **We adhere to an RI certification or labelling scheme**
  - **Which scheme?**
    - National SRI label based on the EUROSIF Transparency guidelines
      - % of total AUM the scheme applies
        - < 25%
        - 25-50 
        - 50-70 
        - >75 
      - B-corporation
      - UK Stewardship code
      - GRESB
    - Commodity type label (e.g. BCI)
      - Social label
      - Specify
      - ISR label and Luxflag ESG label
    - Climate label
      - Specify
      - Greenfin label (France)
    - RIAA
    - Other
  - We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year’s PRI transparency report.
**CM1 03.3**  Provide a link to the public report (such as a sustainability report that you carry out third party assurance over and for which you have used extracts of in this year’s PRI Transparency Report. Also include a link to the external assurance provider’s report.

https://www.nn-group.com/nn-group/file?uuid=e25a4983-25ee-417a-b1c2-464a4798d8f4&owner=e5df72f3-ba65-4f75-956d-5e37307aa50c&contentid=3268

**ESG audit of holdings**

**CM1 03.4**  Describe the process of external/third party ESG audit of holdings, including which data has been assured.

KPMG has assured the sustainable AUM and underlying sustainable strategies for the NN Integrated Annual 2019 Report, which statistics are also used for the dedicated NN IP Responsible Investing 2019 Report. KPMG also assured the data on NN IP’s voting and engagement activities. The key non-financial information is displayed on pages 60-64 of NN’s 2019 Annual Review.


On Page 57 of the NN 2019 Annual Review, the approach to reporting is described by NN.

**CM1 04**  Mandatory  Descriptive  General

**CM1 04.1**  Do you plan to conduct third party assurance of this year’s PRI Transparency report?

- [ ] Whole PRI Transparency Report will be assured
- [ ] Selected data will be assured
- [x] We do not plan to assure this year’s PRI Transparency report

**CM1 05**  Mandatory  Descriptive  General

**CM1 05.1**  Provide details related to the third party assurance over selected responses from this year’s PRI Transparency Report and/or over data points from other sources that have subsequently been used in your PRI responses this year.

- [ ] Financial and organisational data
- [ ] Data related to RI activities
- [ ] RI Policies
- [ ] RI Processes (e.g. engagement process)
- [ ] ESG operational data of the portfolio
- [ ] Other

**Relevant modules**

- Organisational Overview
- Strategy and Governance
- Indirect – Manager Selection, Appointment and Monitoring
- Direct - Listed Equity Incorporation
- Direct - Listed Equity Active Ownership
- Direct - Fixed Income

**Who has conducted the assurance**

KPMG Netherlands

**Assurance standard used**

- [ ] ISAE/ASEA 3000
- [ ] ISAE 3402
- [ ] ISO standard
- [ ] AAF01/06
- [ ] AA1000AS
- [ ] IFC performance standards
- [ ] ISAE/ASEA 3410 Assurance Engagements on Greenhouse Gas Statements
- [ ] National standard

**Specify**

KPMG has its review on the Non-Financial Information in accordance with Dutch law, including Dutch Standard 3810N ‘Assurance-opdrachten inzake maatschappelijke verslagen’ (Assurance engagements relating to sustainability reports), which is based on the international standard ISAE 3000.

- [ ] Other

**Level of assurance sought**

- [x] Limited or equivalent
- [ ] Reasonable or equivalent
On pages 65-67 of NN's Annual 2019 Integrated report the assurance report of KPMG is published. The attached document is the specific chapter on the reporting approach, the key financial and non-financial data which are assured and the assurance report of the auditor.

### CM1 06.1

**Provide details of the third party assurance of RI related processes, and/or details of the internal audit conducted by internal auditors of RI related processes (that have been reported to the PRI this year)**

- **What RI processes have been assured**
  - Data related to RI activities
  - RI policies
  - Viewpoint Policy
  - RI related governance
  - Engagement processes
  - Proxy voting process
  - Integration process in listed assets
  - Screening process in listed assets
  - Thematic process in listed assets
  - Manager selection process for externally managed assets
  - Manager appointment process for externally managed assets
  - Manager monitoring process for externally managed assets
  - Other

- **When was the process assurance completed (dd/mm/yyyy)**
  - 31/12/2019

- **Assurance standard used**
  - IIA’s International Standards for the Professional Practice of Internal Auditing
  - ISAE 3402
  - ISO standard
  - AAF 01/06
  - SSE18
  - AT 101 (excluding financial data)
  - Other

### CM1 06.2

**Additional information [OPTIONAL]**

KPMG has provided specific assurance on RI policies, processes and portfolios for some of our Equity Impact strategies to obtain the Belgian 'Towards Sustainability' label, initiated by the Belgian Banking Federation (Febelfin).

### CM1 07.1

**Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report, and if this applies to selected data please specify what data was reviewed**

- CEO or other Chief-Level staff
- The Board

**Sign-off or review of responses**

- Sign-off
- Review of responses
- Investment Committee

**Sign-off or review of responses**

- Sign-off
- Review of responses
- Compliance Function
- RI/ESG Team
- Investment Teams
- Legal Department
The Investment Committee as above is the RI Leadership Team which consists of the Heads of Fixed Income, Equity and Innovation & Responsible Investment Platform. The review of the responses and additional remarks or feedback have been incorporated in final submission.