



RI TRANSPARENCY REPORT 2018

NN Investment Partners

OO 01	Mandatory	Gateway/Peering	General
OO 01.1	Select the services and funds you offer		
<input checked="" type="checkbox"/>	Fund management		
	% of assets under management (AUM) in ranges		
<input type="radio"/>	<10%		
<input type="radio"/>	10-50%		
<input checked="" type="radio"/>	>50%		
<input checked="" type="checkbox"/>	Fund of funds, manager of managers, sub-advised products		
	% of assets under management (AUM) in ranges		
<input checked="" type="radio"/>	<10%		
<input type="radio"/>	10-50%		
<input type="radio"/>	>50%		
<input type="checkbox"/>	Other, specify		
OO 01.3	Additional information. [Optional]		
<p>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. NN IP also provides advisory services in all major asset classes and investment styles. NN IP offers products and services globally through offices across Europe, the United States and Asia, with the Netherlands as its main investment hub.</p> <p>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. Altis categorizes its assets as assets under advice, these are part of both category [funds of funds, manager of managers, sub-advised products] and [execution and advisory services]. In its assessment Altis incorporates the ESG performance of asset managers to ensure a full overview of an asset managers capabilities.</p> <p>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 one of the early signatories to the PRI (2008).</p>			
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).		
<input type="radio"/>	1		
<input type="radio"/>	2-5		
<input type="radio"/>	6-10		
<input checked="" type="radio"/>	>10		
OO 02.3	Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).		
	1171		
OO 02.4	Additional information. [Optional]		
	As per 31-12-2017 (NN Group Supplement 4Q2017, page 29)		
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.		
<input type="radio"/>	Yes		
<input checked="" type="radio"/>	No		
OO 04	Mandatory	Gateway/Peering	General
OO 04.1	Indicate the year end date for your reporting year.		
	31/12/2017		
OO 04.2	Indicate your total AUM at the end of your reporting year, Exclude subsidiaries you have chosen not to report on and any advisory/execution only assets.		
	Total AUM		
	195,000,000,000 EUR		
	231,366,869,408 USD		
OO 05	Mandatory to Report, Voluntary to Disclose	Gateway	General
OO 05.1	Provide an approximate percentage breakdown of your AUM at the end of your reporting year using the following asset classes:		

	Internally managed (%)	Externally managed (%)
Listed equity	10-50%	<10%
Fixed income	>50%	<10%
Private equity	0	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	<10%	0
Other (1), specify	10-50%	0
Other (2), specify	0	0

If you respond 'Other (1)', specify for Internally Managed

Multi Asset

OO 05.2 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.

OO 06 Mandatory Descriptive General

OO 06.1 Select how you would like to disclose your asset class mix.

- as percentage breakdown

'Other (1)' specified
Multi Asset

- as broad ranges

OO 06.2 Publish asset class mix as per attached image [Optional].

□

OO 06.3 Provide contextual information on your AUM asset class split. [Optional]

Our Money Market AuM are reported under Cash (fixed income) as presented in OO 06.1.

OO 07 Mandatory to Report, Voluntary to Disclose Gateway General

OO 07.1 Provide to the nearest 5% the percentage breakdown of your Fixed Income AUM at the end of your reporting year, using the following categories.

Private

OO 08 Mandatory to Report, Voluntary to Disclose Peering General

OO 08.1 Provide a breakdown of your organisation's externally managed assets between segregated mandates and pooled funds.

Private

OO 08.2 Additional information. [Optional]

Private

OO 09 Mandatory to Report, Voluntary to Disclose Peering General

OO 09.1 Indicate the breakdown of your organisation's AUM by market.

Developed Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
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Emerging, Frontier and Other Markets	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %
Total 100%	

OO 10	Mandatory	Gateway	General
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OO 10.1 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 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.

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.

OO 11	Mandatory	Gateway	General
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OO 11.1 Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

Listed equity

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - SSA

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - corporate (financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - corporate (non-financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - securitised

- We address ESG incorporation.
- We do not do ESG incorporation.

Cash

- We address ESG incorporation.
- We do not do ESG incorporation.

Other (1)

- We address ESG incorporation.
- We do not do ESG incorporation.

'Other (1)' [as defined in OO 05]

Multi Asset

OO 11.2 Select the externally managed assets classes in which you and/or your investment consultants address ESG incorporation in your external manager selection, appointment and/or monitoring processes.

Asset class	ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes
Listed equity	<p>Listed equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Fixed income - corporate (financial)	<p>Fixed income - corporate (financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Fixed income - corporate (non-financial)	<p>Fixed income - corporate (non-financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation

OO 11.4 Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.

In its assessment Altis incorporates the ESG performance of asset managers to ensure a full overview of an asset managers capabilities.

The current ESG score is based in the form of qualitative score (Altis ESG Score) and quantitative (holdings-based) score element. The latter is based on ESG score of underlying securities from input from Sustainalytics/MSCI ESG Research etc. Future improvements for evaluating the active ownership practices are related to the development of the Altis ESG Scorecard and potentially report on ESG scores.

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. Altis categorizes its assets as assets under advice, these are part of both category [funds of funds, manager of managers, sub-advised products] and [execution and advisory services].

OO 12 Mandatory Gateway General

OO 12.1 Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules	
<input checked="" type="checkbox"/>	Organisational Overview
<input checked="" type="checkbox"/>	Strategy and Governance
RI implementation directly or via service providers	
Direct - Listed Equity incorporation	
<input checked="" type="checkbox"/>	Listed Equity incorporation
Direct - Listed Equity active ownership	
<input checked="" type="checkbox"/>	Engagements
<input checked="" type="checkbox"/>	(Proxy) voting
Direct - Fixed Income	
<input checked="" type="checkbox"/>	Fixed income - SSA
<input type="checkbox"/>	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	
<input checked="" type="checkbox"/> Listed Equities	
<input checked="" type="checkbox"/> Fixed income - Corporate (financial)	
<input checked="" type="checkbox"/> Fixed income - Corporate (non-financial)	
Closing module	
<input checked="" type="checkbox"/> Closing module	

OO LE 01	Mandatory to Report, Voluntary to Disclose	Gateway	General
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OO LE 01.1	Provide a breakdown of your internally managed listed equities by passive, active - quantitative (quant), active - fundamental and active - other strategies.
0	Passive
0	Active - quantitative (quant)
100	Active - fundamental and active - other

OO LE 01.2	Additional information. [Optional]
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NN IP can be characterised as an active investor. This is reflected in the AUM breakdown and also in our approach to ESG integration. At the heart of our Responsible Investment approach are engagement with companies, and integration of ESG factors in the bottom-up investment process next to applying exclusion criteria. In addition, NN IP uses quant research as an input in our processes.

NN IP discloses also on investment strategies less than 10%.

OO FI 01	Mandatory to Report, Voluntary to Disclose	Gateway	General
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OO FI 01.1	Provide a breakdown of your internally managed fixed income securities by active and passive strategies
<i>Private</i>	
OO FI 01.2	Additional information. [Optional]
<i>Private</i>	

OO FI 03	Mandatory to Report, Voluntary to Disclose	Descriptive	General
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OO FI 03.1	Indicate the approximate (+/- 5%) breakdown of your SSA investments, by developed markets and emerging markets.
<i>Private</i>	
OO FI 03.3	Additional information. [Optional]
<i>Private</i>	

OO SAM 01	Mandatory to Report, Voluntary to Disclose	Gateway	General
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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.	
Listed equity (LE)	45	Passive
	10	Active - quantitative (quant)
	45	Active - fundamental and active - other
Fixed income - Corporate (financial)	10	Passive
	00	Active - quantitative (quant)
	90	Active - fundamental and active - other

Fixed income - Corporate (non- financial)	10	Passive
	00	Active - quantitative (quant)
	90	Active - fundamental and active - other

OO SAM 01.2 Additional information [Optional].

NN IP offers fiduciary services to our clients. Within NN IP, our subsidiary Altis is responsible for the external fund manager selection and therefore, Altis is a part of our fiduciary services offering to clients. In addition, Altis services a number of institutional and retail clients with their fund manager selection. Altis is fully owned by 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 and capabilities of asset managers to ensure a full overview of an asset managers capabilities.

Since NN IP offers fiduciary services with Altis being responsible for the external management selection, the breakdown are percentages of Asset under Advice.

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.

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Other, specify (1) Stewardship Policy (Eumedion Dutch Stewardshipcode) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

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 and related issues

SG 01.3a CC Describe how your products or investment strategy might be affected by the transition to a lower-carbon economy.

Private

SG 01.3b CC Describe how climate-related risks and opportunities are factored into your investment strategies or products.

Private

- Other RI considerations, specify (1)
 Consideration of Stewardship which reflect both rights and responsibilities as an active investor
- Other RI considerations, specify (2)

SG 01.4 Describe your organisation's investment principles and overall investment strategy, and how they consider ESG factors and real economy impact.

As a large, international insurance company and asset manager, Responsible Investment (RI) is an important factor in what we do. In our role as investors, we integrate ESG factors into our investment process.

To us, Responsible Investment is all about considering the ESG factors to identify the risks and opportunities that can impact long-term investment return. Our commitment to our policyholders is long-term, and so is our investment horizon. Focusing on ESG also ensures that we live up to our values, and demonstrate good corporate citizenship. It helps us better align our core business with the broader expectations of society.

NN IP is committed to investing responsibly and delivering customer-oriented investment solutions. We provide investment management services to a wide range of clients and we seek to invest their assets responsibly and with integrity, with a full understanding of the opportunities and risks involved.

We offer specialised, sustainable investment solutions across all of our asset classes.

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]

NN IP believes that integrating ESG factors into the investment process enables it to take into account factors which often are out of scope in traditional financial analysis but can have a significant impact on long-term performance. This allows NN IP's analysts to unlock potential value by identifying opportunities and/or risks from an ESG perspective on which fund managers base their investment decisions.

ESG factors covered include environmental damage and climate change, bribery & corruption, human rights, health & safety and good governance. Our analysts have access to an internal ESG database, which captures Sustainalytics research and data combined with information on how each company scores on different ESG factors compared to its sector average and if there are any structural issues or controversies regarding people, planet and society.

The analyst incorporate this data into their investment cases, thereby looking at the materiality (i.e., the impact on the valuation) for each company that is reviewed for investment. This process is applied to equities and corporate bonds. A similar procedure is in place for government bonds; however, instead of using ESG data on a company level, we make use of ESG data at a country level.

ESG issues are important intangible value drivers and a key factor to identify corporate and management quality. Companies that maintain high standards of corporate governance and corporate responsibility will tend to deliver long-term shareholder value over time.

Our Responsible Investment strategy is based on our Investment Principles and consists of four pillars:

1. Active ownership - we actively vote in our clients' best interest
2. Integrating ESG factors into our investment processes
3. Restrictions - as our client, you do not invest in controversial weapons
4. Offering specialised SRI funds and tailor made responsible investment solutions

In our RI policy we specifically indicate that we expect our investee companies to comply with, amongst others, the UN Global Compact principles. We expect the companies in which we invest to adopt standards, policies and management processes covering potential ESG risks affecting them.

No

SG 02	Mandatory	Core Assessed	PRI 6
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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
<input checked="" type="checkbox"/> URL https://www.nn-group.com/nn-group/file?uuid=45954af9-2cf6-44cb-95cf-e275af57b5a9&owner=c5df72fd-8a65-4f75-956d-5e37307aa50c&contentid=1072
<input type="checkbox"/> Attachment (will be made public)

Formalised guidelines on environmental factors

URL/Attachment
<input checked="" type="checkbox"/> URL https://www.nnip.com/web/file?uuid=81e7c3dc-183e-4f46-8d99-4736f5cbc625&owner=f23032d2-df50-4d07-915b-6143862fa2ea&contentid=8503
<input type="checkbox"/> Attachment (will be made public)

Formalised guidelines on social factors

URL/Attachment
<input checked="" type="checkbox"/> URL https://www.nn-group.com/nn-group/file?uuid=45954af9-2cf6-44cb-95cf-e275af57b5a9&owner=c5df72fd-8a65-4f75-956d-5e37307aa50c&contentid=1072
<input type="checkbox"/> Attachment (will be made public)

Formalised guidelines on corporate governance factors

URL/Attachment
<input checked="" type="checkbox"/> URL https://www.nnip.com/institutional/INT/en/About-us/Responsible-investing/Corporate-governance.htm
<input type="checkbox"/> Attachment (will be made public)

Screening / exclusions policy

URL/Attachment
<input checked="" type="checkbox"/> URL https://www.nn-group.com/In-society/Responsible-investment/Promoting-responsible-investment.htm
<input type="checkbox"/> Attachment (will be made public)

Engagement policy

URL/Attachment
<input checked="" type="checkbox"/> URL https://www.nnip.com/web/file?uuid=5beb5b75-af2f-4842-b0a8-0457b594f6c3&owner=f23032d2-df50-4d07-915b-6143862fa2ea&contentid=4619
<input type="checkbox"/> Attachment (will be made public)

(Proxy) voting policy

URL/Attachment
<input checked="" type="checkbox"/> URL https://www.nn-group.com/nn-group/file?uuid=3294864d-fbaf-4776-a617-8a9a819158c2&owner=c5df72fd-8a65-4f75-956d-5e37307aa50c&contentid=1071
<input type="checkbox"/> Attachment (will be made public)

Other, specify (1)

Other, specify (1) description

Stewardship Policy (Eumedion Dutch Stewardshipcode)

URL/Attachment

URL

<https://www.nnip.com/web/file?uuid=5beb5b75-af2f-4842-b0a8-0457b594f6c3&owner=f23032d2-df50-4d07-915b-6143862fa2ea&contentid=4619>

Attachment (will be made public)

Files: [link](#), [link](#)

We do not publicly disclose our investment policy documents

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 it's relation to investments

URL/Attachment

URL

<https://www.nn-group.com/nn-group/file?uuid=45954af9-2cf6-44cb-95cf-e275af57b5a9&owner=c5df72fd-8a65-4f75-956d-5e37307aa50c&contentid=1072>

Attachment

[link](#)

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

URL/Attachment

URL

https://www.nnip.com/GB_en/institutional/About-us/Responsible-investing/Our-four-pillar-approach.htm

Attachment

[link](#)

Governance structure of organisational ESG responsibilities

ESG incorporation approaches

Active ownership approaches

URL/Attachment

URL

Attachment

[link](#)

Reporting

Climate-related issues

URL/Attachment

URL

Attachment

[link](#)

Climate change and related issues

Private

Other RI considerations, specify (1)

We do not publicly disclose any investment policy components

SG 02.3 Indicate if your organisation's investment principles, and overall investment strategy is publicly available

Yes

<https://www.nnip.com/web/file?uuid=81e7c3dc-183e-4f46-8d99-4736f5cbc625&owner=f23032d2-df50-4d07-915b-6143862fa2ea&contentid=8503>

No

SG 02.4 Additional information [Optional].

NN IP has a RI policy statement, which follows NN Groups RI policy framework:

- NN Group RI policy framework

<https://www.nn-group.com/nn-group/file?uuid=45954af9-2cf6-44cb-95cf-e275af57b5a9&owner=c5df72fd-8a65-4f75-956d-5e37307aa50c&contentid=1072>

- NN IP RI policy statement

<https://www.nnip.com/web/file?uuid=81e7c3dc-183e-4f46-8d99-4736f5cbc625&owner=f23032d2-df50-4d07-915b-6143862fa2ea&contentid=8503>

In these policies, the following is included: definitions ESG, ESG relation with the investments, influence real economy, processes and approaches for incorporating ESG, the time horizon of the investments, and the governance structure of organisational ESG responsibilities. Also approaches on Active Ownership is included.

NN IP publishes regularly insight reports, sharing NN IP's view on ESG matters.

<https://www.nnip.com/institutional/INT/en/About-us/Responsible-investing/Insights-and-reports.htm>

Next to the formalised guidelines on social factors, NN Group has formalised guidelines on human rights:

<https://www.nn-group.com/nn-group/file?uuid=5273e3e3-d249-491b-927d-9a4d4cae181e&owner=c5df72fd-8a65-4f75-956d-5e37307aa50c&contentid=1176>

And also on our environmental policy a supporting document has been published: see <https://www.nn-group.com/nn-group/file?uuid=f707d07b-5b3a-41cd-9dd5-5bb2373b1b2f&owner=c5df72fd-8a65-4f75-956d-5e37307aa50c&contentid=1651>

NN IP follows the formalised guidelines from NN Group.

Next to the formalised guidelines on social factors, NN Group has formalised guidelines on defense. The NN IP Defense guideline addresses the social factor (defence), is a screening/exclusion policy, and captures specific sectors:

<https://www.nn-group.com/nn-group/file?uuid=68f855a6-52c8-4c58-bcbb-6b00baac9ce&owner=c5df72fd-8a65-4f75-956d-5e37307aa50c&contentid=1073>

Besides the Global voting policy (as indicated above), NN IP has two voting policies. A voting policy dedicated for voting on behalf of the clients, and a voting policy dedicated for the proprietary investments.

- Voting Policy Clients

<https://www.nnip.com/web/file?uuid=e30fb600-7ad7-4f73-835a-cba5791034c7&owner=f23032d2-df50-4d07-915b-6143862fa2ea&contentid=7571>

- Voting Policy Proprietary Investments

<https://www.nnip.com/web/file?uuid=c15bc288-7b5c-48ce-8b6a-df4b9d4a88ee&owner=f23032d2-df50-4d07-915b-6143862fa2ea&contentid=2776>

Endorsements and Advocacy:

<https://www.nnip.com/institutional/INT/en/About-us/Responsible-investing/Endorsements-and-advocacy.htm>

<https://www.nn-group.com/In-society/Governance-sustainability-and-memberships.htm>

SG 03	Mandatory	Core Assessed	General
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SG 03.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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Yes

SG 03.2	Describe your policy on managing potential conflicts of interest in the investment process.
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For each conflict that we have identified, we have put in place measures to manage, control and prevent its potential adverse impact upon our clients, appropriate to the type of conflict in question. For any particular conflict of interest one or more of the following measures may be adopted as required: (a) order placing/allocation, (b) best execution, (c) transactions between portfolios (cross trades), (d) information barriers (Chinese Walls), (e) employees' personal account dealings, (f) employees' outside positions, (g) private benefits, (h) remuneration and (i) disclosure.

More information can be found on our website: <https://www.nnip.com/corporate/INT/en/About-us/policies.htm>

No

SG 03.3	Additional information. [Optional]
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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 assets and a separate proxy voting committee responsible for voting on proprietary assets.

As we maintain strict Chinese Walls between the proxy voting committee clients 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
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SG 04.1	Indicate if your organisation has a process for identifying and managing incidents that occur within portfolio companies.
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Private

SG 04.2	Describe your process on managing incidents
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Private

SG 05	Mandatory	Gateway/Core Assessed	General
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SG 05.1	Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.
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- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

SG 06	Voluntary	Descriptive	General
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SG 06.1	List the main responsible investment objectives that your organisation set for the reporting year.
Private	
SG 06.2	Additional information.
Private	

SG 07	Mandatory	Core Assessed	General
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SG 07.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.
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Roles present in your organisation

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
Global Equity Research; Equity Specialty
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- ESG portfolio manager
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
- Other role, specify (1)

Other description (1)

- Riskmanagement, Compliance, Internal Audit
- Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment

- Other role, specify (2)

Other description (2)

- Sales and marketing staff
- Oversight/accountability for responsible investment

- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment

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

CEO: Chair of ESG Executive Committee, ensures alignment NN IP 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 team about positioning and future initiatives in the ESG area and sponsor of RI activities within investment engine.

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 on items regarding the ESG policy, ESG initiatives, and the ESG strategy within NN IP including monitoring PRI ambitions and commitments. This includes for example overlooking the integration of ESG factors into all of NN IP's investment strategies.

Functional lines; ESG related KPI's are set by the NN IP wide functional lines or directly.

Ad hoc task forces are created to cover ESG related topics, like the Carbon Footprint reporting task force.

Head of Global Equity Research: Setting objectives for equity analysts related to ESG integration

Dedicated RI staff: Ensuring that the organisation implements RI related policies, providing training and advice

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

11

SG 07.4 Additional information. [Optional]

In 2017 a new and dedicated Responsible Investment team was created to develop NN IP's Responsible Investment activities and oversee our Active Ownership & ESG integration efforts. Head of RI team reports to CIO NN IP.

SG 07 CC	Voluntary	Descriptive	General
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Private

SG 07.1 CC Indicate the roles in your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for climate-related issues.

Private

SG 07.1a CC For the board level roles or for which you have climate-related issues oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

Private

SG 07.1b CC For the management-level roles which assess and manage climate-related issues, provide further information on the structure and process involved.

Private

SG 08	Voluntary	Additional Assessed	General
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SG 08.1 Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.

Private

SG 08.3 Provide any additional information on your organisation's performance management, reward and/or personal development processes in relation to responsible investment.

Private

SG 09	Mandatory	Core Assessed	PRI 4,5
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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

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
In 2017 NN IP participated in the subcommittee for ESG integration, the Fixed Income Advisory Committee, esg integration adn engagement and research (sub) committees. .

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AFIC – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change

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

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
NN Group is an investor signatory to the CDP climate change program.

CDP Forests

	Your organisation's role in the initiative during the reporting period (see definitions)
Basic	
	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
	NN Group is an investor signatory to the CDP Forest program.

CDP Water

	Your organisation's role in the initiative during the reporting period (see definitions)
Basic	
	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
	NN Group is an investor signatory to the CDP Water program.

CFA Institute Centre for Financial Market Integrity

Code for Responsible Investment in SA (CRISA)

Code for Responsible Finance in the 21st Century

Council of Institutional Investors (CII)

Eumedion

	Your organisation's role in the initiative during the reporting period (see definitions)
Advanced	
	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
	NN IP is an active participant of the Research Committee, The PR committee, Audit Committee, Investment Committee and chairs the Legal Committee and a representative senior manager is a board member of Eumedion.

Extractive Industries Transparency Initiative (EITI)

ESG Research Australia

EVCA – Responsible Investment Roundtable

Global Investors Governance Network (GIGN)

Global Impact Investing Network (GIIN)

	Your organisation's role in the initiative during the reporting period (see definitions)
Basic	
	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
	NN IP became a member of GIIN in 2017

Global Real Estate Sustainability Benchmark (GRESB)

	Your organisation's role in the initiative during the reporting period (see definitions)
Moderate	
	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
	NN Group is Real Estate Investor member of GRESB. NN IP is a participant of the GRESB Green Bond Working Group. This group brings together property companies, underwriters, and fixed income investors to share information, evolve best practices, and drive greater adoption of green property bonds.

Green Bond Principles

	Your organisation's role in the initiative during the reporting period (see definitions)
Basic	
	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
	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).

Institutional Investors Group on Climate Change (IIGCC)

	Your organisation's role in the initiative during the reporting period (see definitions)
Basic	
	Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
	NNIP is represented in the Working Group Strategy, Metrics and Targets with two people (as of December 2017)

Interfaith Center on Corporate Responsibility (ICCR)

International Corporate Governance Network (ICGN)

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

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

NN IP is a member ICGN and .

- 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)

Moderate

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

NN IP is an active member of the IIRC Pilot Programme Investor Network. We engage with companies, stimulate them to move towards integrated reporting and advise on implementation

- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

VBDO (Dutch Association of Investors for Sustainable Development), JapanSIF, Belgian working groups on sustainable investment of Febelfin and Beama

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

Basic

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

NN Group is a member and active supporter of the VBDO. We participate in several of their benchmark studies and reports. In 2017 we actively participated in working groups on SDG investments. .

INN IP is a member of the working committee of JapanSIF .

- 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)

Basic

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

NN Group is a member of UNEP FI, more specifically we are one of the founding signatories of the Principles for Sustainable Insurance (PSI).

- United Nations Global Compact

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

Basic

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

NN Group is a member of the UN Global Compact.

- Other collaborative organisation/initiative, specify

VEB (Dutch Association of Stockholders), CFA VBA (Dutch Association of Investment Professionals)Netherlands,

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]

The partnership with NN IP and the VEB are within the areas of corporate governance (issuance of pre-emptive rights).
NN IP and VEB have jointly organised numerous seminars for VEB's members in the past year, including an seminar on the effects of ESG factors on investment returns and risks.
NN IP's head of RI is a an active member of the responsible investment working group: we have organized events and contributed to several papers related to responsible investing.

- Other collaborative organisation/initiative, specify

EFAMA (European Fund and Asset Management Association)

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.

- 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. We were in the lead of one of the spearheads.
<input checked="" type="checkbox"/>	Other collaborative organisation/initiative, specify
	ABIS Brussels
	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 head of responsible Investment is a board member of ABIS Brussels and organised several sessions on responsible investment, impact and need for SDG investments

SG 09.2	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1
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	Indicate approximately what percentage (+/- 5%) of your externally managed assets are managed by PRI signatories.
Private	

SG 10	Mandatory	Core Assessed	PRI 4
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SG 10.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
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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.)

	Description
	NN IP contributed to a VBA Netherlands (Dutch Association of Investment Professionals) a specific 2 day course on Matching portfolio and ESG integration. We also published an article on this topic and casted you tube tutorials on the topic.

	Frequency of contribution
	<input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input checked="" type="radio"/> Ad hoc <input type="radio"/> Other

Provided financial support for academic or industry research on responsible investment

	Description
	ECCE (Maastricht University) collaboration on ESG momentum In 2016, was used as continued input for seminars and articles based on the two reports on the outcomes of our first two joint research projects with the European Centre for Corporate Engagement (ECCE) of Maastricht University. The materiality of ESG factors for equity investment decisions: academic evidence and The materiality of ESG factors for emerging markets equity investment decisions academic evidence NN IP has contributed its insights to the further integration of ESG aspects in training for investors.

	Frequency of contribution
	<input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input checked="" type="radio"/> Ad hoc <input type="radio"/> Other

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

	Description
	NN IP's Head of RI worked with academic partners of ABIS Brussels on SDG investment related needs and opportunities as well as organized a panel on these investments in the 2017 colloquium

	Frequency of contribution
	<input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input checked="" type="radio"/> Annually

- Less frequently than annually
- Ad hoc
- Other

Encouraged better transparency and disclosure of responsible investment practices across the investment industry

Description		
NN IP is publicly outspoken on need and necessity of integrating ESG factors in investment works, both by CIO, and other senior investment colleagues. NN IP spoke publicly to promote responsible investments at events organised for institutional clients, as well as seminars organised by external parties.		
Frequency of contribution		
<ul style="list-style-type: none"> <input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input type="radio"/> Ad hoc <input checked="" type="radio"/> Other 		
<table border="1"> <thead> <tr> <th>specify</th> </tr> </thead> <tbody> <tr> <td>continuously</td> </tr> </tbody> </table>	specify	continuously
specify		
continuously		

Spoke publicly at events and conferences to promote responsible investment

Description
NN IP spoke publicly to promote responsible investments at events organised for institutional clients, as well as seminars organised by external parties, for instance on external organized seminars in Copenhagen, Amsterdam on the importance and practice on ESG integration,
Frequency of contribution
<ul style="list-style-type: none"> <input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input checked="" type="radio"/> Ad hoc <input type="radio"/> Other

Wrote and published in-house research papers on responsible investment

Description
see for example https://www.nnip.com/INT_en/institutional/About-us/Responsible-investing/Insights-and-reports.htm in general and https://www.nnip.com/market-matters/view/Investing-with-impact-financial-inclusion.htm on financial inclusion
Frequency of contribution
<ul style="list-style-type: none"> <input checked="" type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input type="radio"/> Ad hoc <input type="radio"/> 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
<ul style="list-style-type: none"> <input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input checked="" type="radio"/> Ad hoc <input type="radio"/> Other

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

Wrote and published articles on responsible investment in the media

Description
An article on Matching portfolio and ESG was published in the Netherlands in the Financial Investigator as well as some of our columns were published online by RI related newssites.

Frequency of contribution	
<input type="radio"/>	Quarterly or more frequently
<input type="radio"/>	Biannually
<input type="radio"/>	Annually
<input type="radio"/>	Less frequently than annually
<input checked="" type="radio"/>	Ad hoc
<input type="radio"/>	Other
<input type="checkbox"/>	A member of PRI advisory committees/ working groups, specify
<input checked="" type="checkbox"/>	On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
Description	
NN IP's Head of RI is member of the working groups in Brussels that explore the intensified revival of BEL Sif in Belgium	
Frequency of contribution	
<input checked="" type="radio"/>	Quarterly or more frequently
<input type="radio"/>	Biannually
<input type="radio"/>	Annually
<input type="radio"/>	Less frequently than annually
<input type="radio"/>	Ad hoc
<input type="radio"/>	Other
<input checked="" type="checkbox"/>	Other, specify
specify description	
Active participation in the Dutch central bank initiative on impact measurement indicator's of SDG Investments	
Description	
resulted in working paper and guide on the indicators.	
Frequency of contribution	
<input checked="" type="radio"/>	Quarterly or more frequently
<input type="radio"/>	Biannually
<input type="radio"/>	Annually
<input type="radio"/>	Less frequently than annually
<input type="radio"/>	Ad hoc
<input type="radio"/>	Other
<input type="radio"/>	No

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]

NN IP has contributed its insights to the further integration of ESG aspects in general in conferences, apne;s, round tables as well as vocal by actively participating in seminars. NN IP spoke publicly to promote responsible investments at events organised for institutional clients, as well as seminars organised by external parties.

NN IP believes integrated reporting plays a key role in how material ESG information can reach mainstream investors. For tsi reason NN IP apticipated in an interaitonal conference of Accountnacy Europe in the improtnace of disclosure of information.

We have engaged with several companies and advised them on implementation of integrated reporting.

NN IP publishes on a regular basis several reports, webcasts and columns in which the views from our experts are shared, see also <https://www.nnip.com/institutional/INT/en/Expert-views/Focus-Point.htm> and <https://www.nnip.com/corporate/INT/en/About-us/Responsible-investing/Insights-and-reports.htm>

SG 11	Voluntary	Additional Assessed	PRI 4,5,6
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SG 11.1 Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or regulators in support of responsible investment in the reporting year.

Private

SG 11.4 Provide a brief description of the main topics your organisation has engaged with public policy-makers or regulators on.

Private

SG 12	Mandatory	Core Assessed	PRI 4
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SG 12.1 Indicate whether your organisation uses investment consultants.

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

SG 13	Mandatory	Descriptive	PRI 1
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SG 13.1	Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated.		
<input checked="" type="checkbox"/> We execute scenario analysis which includes factors representing the investment impacts of future environmental trends <input type="checkbox"/> We execute scenario analysis which includes factors representing the investment impacts of future social trends <input type="checkbox"/> We execute scenario analysis which includes factors representing the investment impacts of future governance trends <input checked="" type="checkbox"/> We consider scenario analysis that includes factors representing the investment impacts of future climate-related risks and opportunities			
<table border="1"> <tr> <td>Is this scenario analysis based on a 2°C or lower scenario?</td> </tr> <tr> <td> <input checked="" type="radio"/> Yes <input type="radio"/> No </td> </tr> </table>		Is this scenario analysis based on a 2°C or lower scenario?	<input checked="" type="radio"/> Yes <input type="radio"/> No
Is this scenario analysis based on a 2°C or lower scenario?			
<input checked="" type="radio"/> Yes <input type="radio"/> No			
<input checked="" type="checkbox"/> We execute other scenario analysis, specify We execute SDG related investments mapping to explore and gain insight in the contribution of portfolios to sustainable development <input type="checkbox"/> We do not execute such scenario analysis and/or modelling			

SG SG 13.1a CC	Pleased describe the resilience of your organisation's strategy, considering different future climate scenarios.
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Private

SG 13.2	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.		
<table border="1"> <tr> <td>We do the following</td> </tr> <tr> <td> <input type="checkbox"/> Allocation between asset classes <input type="checkbox"/> Determining fixed income duration <input type="checkbox"/> Allocation of assets between geographic markets <input checked="" type="checkbox"/> Sector weightings <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not consider ESG issues in strategic asset allocation </td> </tr> </table>		We do the following	<input type="checkbox"/> Allocation between asset classes <input type="checkbox"/> Determining fixed income duration <input type="checkbox"/> Allocation of assets between geographic markets <input checked="" type="checkbox"/> Sector weightings <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not consider ESG issues in strategic asset allocation
We do the following			
<input type="checkbox"/> Allocation between asset classes <input type="checkbox"/> Determining fixed income duration <input type="checkbox"/> Allocation of assets between geographic markets <input checked="" type="checkbox"/> Sector weightings <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not consider ESG issues in strategic asset allocation			

SG 13.3	Additional information. [OPTIONAL]
<p>Ultimate responsibility for our investment strategies lies with the dedicated lead portfolio manager. Therefore there is no organisation-wide analysis, but individual PM's and analysts do execute scenario analysis for their respective sectors and strategies. Our carbon footprinting initiative is an example of analysing the investment exposure to the impact of climate change.</p> <p>In investment grade credit we have both a sustainable fund with financial sector exposure and a fund without exposure to the financial sector.</p>	

SG 14	Mandatory to Report, Voluntary to Disclose	Additional Assessed	PRI 1
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SG 14.1	Describe the process used to identify short, medium and long-term risks and opportunities that could have a material impact on your organisation and its activities.
<p>In the general strategic decision making regarding NN IP's investment positioning ESG considerations play a rol next to financial market indicators.</p> <p>Short term trends as well as long term trends are being analysed from input s both qualitative as well as quantitative. Also in the quantative signals we explore incorporation of ESG parameters.</p> <p>In additon we deem some long term trends as risks to our houseviews such as global wamring risks adn opprotunities as active contribution to the SDG's as a global action and investment agenda. NN IP views this from a transition and transformation point of view.</p>	

SG 14.1 CC	Describe the processes used to determine which climate-related short, medium and long-term risks and opportunities could have a material impact on your organisation and its activities.
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Private

SG 14.2	Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following you act on.
---------	--

- Changing demographics
- Climate change and related issues

SG 14.2a cc	Please describe how you define "short", "medium" and "long term", and describe your material climate-related issues over these time horizons.
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Private

SG 14.3	Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity
<input type="checkbox"/> Established a climate change sensitive or climate change integrated asset allocation strategy <input checked="" type="checkbox"/> Targeted low carbon or climate resilient investments <input checked="" type="checkbox"/> Reduced portfolio exposure to emissions intensive or fossil fuel holdings <input checked="" type="checkbox"/> Used emissions data or analysis to inform investment decision making <input checked="" type="checkbox"/> Sought climate change integration by companies <input type="checkbox"/> Sought climate supportive policy from governments	

Other, specify

other description
GES (external engagement provider) Engagement on Climate policies, Carbon pricing and CO2 emissions , used water use data to inform investment decision-making

None of the above

SG 14.4 Indicate which of the following tools you use to manage emissions risks and opportunities

- Scenario analysis
- Disclosure on emissions risk to clients/trustees/management/beneficiaries
- Climate-related targets
- Encourage internal and/or external portfolio managers to monitor emissions risk
- 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

other description
water and water waste footprinting

None of the above

Resource scarcity

Technology developments

Other, specify(1)

other description (1)
Sustainable Development Goals as a global action agenda

Other, specify(2)

None of the above

SG 14.4a CC Please provide further details on these key metric(s) used to assess climate related risks and opportunities.

Private

SG 14.4b CC Please describe in further detail your key targets.

Private

SG 14.5 If you selected disclosure on emissions risks, list any specific climate related disclosure tools or frameworks that you used.

We work via ISS Ethix climate solutions.

SG 14.6 Additional information [Optional]

Emission risks

To better understand investment exposure to potential environmental risks, NN Investment Partners partnered with South Pole Group, 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). Among the first requests, a carbon footprint report is being prepared for NN Group's proprietary portfolio.

additional information

By offering specialized SRI funds and responsible investment solutions, NN IP meets our customers' growing demand for products that generate solid financial returns and have a positive impact on society and the environment. NN IP has a long-track record of managing sustainable products across asset classes. In addition to NN Investment Partners' flagship sustainable equity and credit fund, a number of new funds were introduced in 2016. This included a new sustainable balanced fund that invests in a mix of assets classes.

NN Investment Partners also grew its presence in impact investment strategies through the launch of a euro green bond fund and a global impact fund focusing on listed equity. These offerings aim to generate measurable impact alongside financial return. The total assets under management in all our sustainable equity and fixed income products have grown with 11% to EUR 5,062 million at year-end 2016.

The Euro Green Bond fund is the first euro-denominated and actively managed green bond fund in the market. The fund will invest mainly in bonds with credit ratings from AAA to BBB- and has limited positions in higher-risk bonds (with ratings below BBB-). NN will only invest in Green Bonds that adhere the Green Bond Principles. Furthermore, the issuer of the bond itself will be 'ESG screened' with the use of ESG data from Sustainability

SG 14.7 CC Describe your risk management processes for identifying, assessing, and managing climate-related risks.

Private

SG 14.8 CC Describe your processes for prioritising climate-related risks.

Private

SG 14.9 CC Do you conduct engagement activity with investee companies to encourage better disclosure and practices around climate-related risks?

Private

SG 14.10 CC Describe how you use data from climate-related disclosures.

Private

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.

2%

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

✓ Clean technology (including renewable energy)

Asset class invested

- Listed equity
- Fixed income - SSA
0% of AUM
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
0% of AUM
- Fixed income - Securitised
- Cash
- Other (1)

Brief description and measures of investment

Green Bonds

- Green buildings
- Sustainable forestry
- Sustainable agriculture
- Microfinance

Asset class invested

- Listed equity
0% of AUM
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Cash
- Other (1)

Brief description and measures of investment

Financial inclusion is a theme within impact investing equity strategy

- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health

Asset class invested

- Listed equity
1% of AUM
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Cash

Other (1)

Brief description and measures of investment

Part of both sustainable equity as well as impact equity

Water

Other area, specify

Green Bonds and Multi-theme listed impact equity(clean technology, sustainable agriculture, education, global health, water, etc)

Asset class invested

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

other description (1)

Multi Asset

Brief description and measures of investment

In 2016 we launched two thematic impact strategies. NN Euro Green Bond and NN Global Impact Equity. The AUM is growing and attracts a lot of attention and helps us in discussion both intern as well as extern the need for a wider interpretation of these ways of investing.

No

SG 16	Mandatory	Descriptive	General
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SG 16.1 Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Fixed income - Corporate (financial)	For these assetclass the same approach is used as for Fixed income corporate (non-financial)
Cash	ESG is not a traditional differentiator in money markets due to the short duration and high credit quality of the underlying investments. Specific research on ESG for treasury related products is not widely available. Within our investment process we leverage on the ESG research capabilities of our credit department and other departments such as risk management as it is part of the investment process for all credit strategies. We are exploring taking a precautionary principle approach for cash related investments to prevent involvement in esg related issues. .
Other (1) [as defined in Organisational Overview module]	ESG integration as well as active ownership elements are embedded into our manager selection and monitoring process, including the Multi Asset (MA) strategies.

SG 16.2 Additional information [Optional].

Responsible investment is embedded into Altis' manager selection and monitoring process, through a dedicated ESG Scorecard. The ESG Scorecard covers a variety of ESG subjects, ranging from the active ownership policies of a manager, to their environmental behaviour.

Furthermore, our holdings-based analysis platform allows us to perform analyses to test the degree of responsible investment, for individual investment funds/mandates, or for entire client portfolios. The ESG Scorecard and holdings-based analysis mentioned above is performed by all Altis analysts and forms an integrated part of the general manager selection process

SG 18	Voluntary	Descriptive	General
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SG 18.1 Indicate whether any specific features of your approach to responsible investment are particularly innovative.

Yes

SG 18.2 Describe any specific features of your approach to responsible investment that you believe are particularly innovative.

1. NN IP green bond investment process filters out "greenwashing" green bond issuers

In our Green Bond investment approach 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). Moreover, we think that it is important to distinguish between issuers that make a positive contribution to the environment and the "greenwashers" who merely claim to do so. We believe that green bond issuer must have a clear green profile or must have a clear ambition to transition to a more green (sustainable) company. Therefore in addition to the four components of the Green Bond Principles (GBP) and Climate Bond Initiative (CBI) taxonomy, NN IP distinguishes itself by also assessing the greenness of each issuer as part of its green bond investment process by analysing its Sustainability ESG performance score. In addition a Green Bond governance workstream 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. The RI team performs the due diligence.

2. Advanced equity impact reporting, most notably tagging our holdings to the SDGs

We are uniquely transparent on the impact of our global impact equity portfolio, reporting on emissions, water, gender diversity, jobs created, and the UN Sustainable Development Goals (SDGs). We tag portfolio holdings with pluses and minuses to the SDGs. This is a straightforward method we devised and that can be applied right now. As a result, we can show our exposure to the SDGs. The approach also allows us to provide an indication of investment opportunities per SDG and per sector. As far as we know, we are the only listed equity impact fund to report on this. We do the same process for our Green bond fund.

3. Incorporating proprietary academic research findings in our equity investment analyses

In 2016 we introduced an update to our proprietary integrated equity research template, with amongst others the following, to the best of our knowledge, very innovative elements:

3a. The introduction of an internal ESG rating, based on the results of our research partnership with ECCE. For this internal ESG rating we normalise absolute ESG scores by sector and market cap to improve comparisons between companies. More importantly we also take into account ESG controversies and, uniquely, ESG momentum. This allows us to identify trends in a company's ESG behaviour and better capture the alpha signals related to a company's ESG behaviour.

3b. The introduction of an impact analysis of all companies we research. This impact analysis describes whether a company is creating positive impact through its products and/or its operations. This enhances our ability to identify and report on the positive impact the companies under our research have.

No

SG 19	Mandatory	Core Assessed	PRI 6
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SG 19.1 Indicate whether your organisation proactively discloses asset class specific information. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

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

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL

Disclosure to public and URL

- Broad approach to RI incorporation
- Detailed explanation of RI incorporation strategy used

Quarterly

https://www.nnip.com/INT_en/institutional/Strategies/Strategies-overview/view/Euro-Green-Bond-5.htm
https://www.nnip.com/INT_en/institutional/Strategies/Strategies-overview/view/Euro-Sustainable-Credit-including-Financials.htm

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

Disclosure to clients/beneficiaries

Disclosure to clients/beneficiaries	
<input type="checkbox"/>	Details on the overall engagement strategy
<input type="checkbox"/>	Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals
<input type="checkbox"/>	Number of engagements undertaken
<input type="checkbox"/>	Breakdown of engagements by type/topic
<input type="checkbox"/>	Breakdown of engagements by region
<input type="checkbox"/>	An assessment of the current status of the progress achieved and outcomes against defined objectives
<input checked="" type="checkbox"/>	Examples of engagement cases
<input type="checkbox"/>	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.)
<input type="checkbox"/>	Details on whether the provided information has been externally assured
<input checked="" type="checkbox"/>	Outcomes that have been achieved from the engagement
<input checked="" type="checkbox"/>	Other information
Discuss cases on a case by case scenario depending on need of client. We are designing a new engagement approach to become effective in 2018.	
Ad-hoc/when requested	

Listed equity – (Proxy) Voting

Do you disclose?	
<input type="radio"/>	We do not disclose to either clients/beneficiaries or the public.
<input type="radio"/>	We disclose to clients/beneficiaries only.
<input checked="" type="radio"/>	We disclose to the public
The information disclosed to clients/beneficiaries is the same	
<input checked="" type="radio"/>	Yes
<input type="radio"/>	No

Disclosure to public and URL	
Disclosure to public and URL	
<input checked="" type="radio"/>	Explain all voting decisions
<input type="radio"/>	Explain some voting decisions
<input type="radio"/>	Only explain abstentions and votes against management
<input type="radio"/>	No explanations provided
Quarterly	
https://www.nnip.com/INT_en/institutional/About-us/Responsible-investing/Corporate-governance.htm	

Listed equity - Incorporation

Do you disclose?	
<input type="radio"/>	We do not proactively disclose it to the public and/or clients/beneficiaries
<input type="radio"/>	We disclose to clients/beneficiaries only.
<input checked="" type="radio"/>	We disclose it publicly
The information disclosed to clients/beneficiaries is the same	
<input checked="" type="radio"/>	Yes
<input type="radio"/>	No

Disclosure to public and URL	
Disclosure to public and URL	
<input type="radio"/>	Broad approach to ESG incorporation
<input checked="" type="radio"/>	Detailed explanation of ESG incorporation strategy used
Quarterly or more frequently	
https://www.nnip.com/INT_en/institutional/About-us/Responsible-investing/Our-four-pillar-approach.htm	

Selection, Appointment and Monitoring

Do you disclose?	
<input type="radio"/> We do not disclose to either clients/beneficiaries or the public. <input checked="" type="radio"/> We disclose to clients/beneficiaries only. <input type="radio"/> We disclose to the public	
Disclosure to clients/beneficiaries	
Disclosure to clients/beneficiaries	
<input checked="" type="checkbox"/> How responsible investment considerations are included in manager selection, appointment and monitoring processes <input type="checkbox"/> Details of the responsible investment activities carried out by managers on your behalf <input type="checkbox"/> E, S and/or G impacts and outcomes that have resulted from your managers' investments and/or active ownership <input type="checkbox"/> Other	
Ad-hoc/when requested	

SG 19.2	Additional information [Optional]
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On the website the information is somewhat dispersed available, we are exploring a new way of unlocking to the public our activities and results.

SAM 01.1 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			
Active investment strategies	Listed Equity	FI - Corporate (financial)	FI - Corporate (non-financial)
Screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Thematic	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Integration	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Passive investment strategies			
Passive investment strategies	Listed Equity	FI - Corporate (financial)	FI - Corporate (non-financial)
Screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Thematic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integration	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SAM 01.2 Additional information. [Optional]

With regard to screening, Altis, fully owned subsidiary of NN IP that selects external fund managers for institutional and retail clients, but operates at arms'length, performs ESG screening both on company level as well as on sovereign for the active investment strategies. Company screenings are typically related to exclusion of certain product types (e.g. weapons or tobacco), while sovereign screenings are typically related to exclusion of countries with significant UN or EU sanctions. These screens can be tailor-made to client beliefs and values.

In the listed equity space, investments relate primarily to investments with environmental technology themes.

The integration approach relate to several active investment strategies in the above mentioned asset classes, whereby ESG criteria are taken into consideration in fundamental and/or quantitative analysis. On the passive side, the integration strategy entails the development of a custom index whereby companies are weighted based on ESG factors.

SAM 02.1 Indicate what RI-related information your organisation typically covers in the majority of selection documentation for your external managers

	LE	FI - Corporate (financial)	FI - Corporate (non-financial)
Investment strategy and how ESG objectives relate to it	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG incorporation requirements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG reporting requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
No RI information covered in the RFPs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you select any 'Other' option(s), specify

Assess if the manager is a PRI signatory

SAM 02.2 Explain how your organisation evaluates the investment manager's ability to align between your investment strategy and their investment approach

Strategy			
	LE	FI - Corporate (financial)?	FI - Corporate (non-financial)
Assess the time horizon of the investment manager's offering vs. your/beneficiaries' requirements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Assess the quality of investment policy and its reference to ESG	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Assess the investment approach and how ESG objectives are implemented in the investment process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review the manager's firm-level vs. product-level approach to RI	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Assess the ESG definitions to be used	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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ESG people/oversight

	LE	FI - Corporate (financial)?	FI - Corporate (non-financial)?
Assess ESG expertise of investment teams	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review the oversight and responsibilities of ESG implementation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review how is ESG implementation enforced /ensured	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review the manager's RI-promotion efforts and engagement with the industry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Process/portfolio construction/investment valuation

	LE	FI - Corporate (financial)?	FI - Corporate (non-financial)?
Review the process for ensuring the quality of the ESG data used	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review and agree the use of ESG data in the investment decision making process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review and agree the impact of ESG analysis on investment decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review and agree ESG objectives (e.g. risk reduction, return seeking, real-world impact)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review and agree manager's ESG risk framework	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review and agree ESG risk limits at the portfolio level (portfolio construction) and other ESG objectives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review how ESG materiality is evaluated by the manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review process for defining and communicating on ESG incidents	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review and agree ESG reporting frequency and detail	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

- Review ESG/RI responses to RfP, RfI, 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

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

	LE	FI - Corporate (financial)?	FI - Corporate (non-financial)?
ESG performance development targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG score	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG weight	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Real world economy targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other RI considerations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you select any 'Other' option(s), specify

ESG performance score of the manager from external research providers if available

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	
	We typically provide feedback when we conduct an initial ESG review or update ESG review. This knowledge allows us also to provide feedback to managers who are 'behind the curve' in terms of ESG commitment and processes. We consider it as part of our fiduciary task to flag such issues and try to persuade the manager to better integrate ESG criteria in their investment process

Move assets over to investment managers with better RI practices

Other, specify

feedback

Measures	
	Highlight examples of good responsible investment practice by other managers

None of the above

SAM 08.2 Additional information. [Optional]

Our active role in the design of impact related investment funds at many equity and fixed income houses. An example is our joint efforts with Standard Life, where we liaised with Standard Life and our clients and seeded the Standard Life - European Corporate Bond Sustainable fund in 2012. Within equities we have liaised with Northern Trust and our clients and subsequently seeded in 2013 their MSCI World ESG Custom Index Fund

There are only two situations, whereby Altis invests through managers, not yet being a PRI signatory:

- Altis would typically urge the manager to start the process to become a PRI signatory and possibly also attach a timeframe to this. For certain niche asset classes the universe of managers is limited, and therefore it can be difficult to select proper managers already being PRI signatories.
- 'Legacy investments' from new clients, for which immediate redemption is not possible or highly costly.

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

Topic or issue	Governance
Conducted by	Internal staff
Asset class	All asset classes
Scope and process	Proposal to increase the service fee of some funds Although it was mentioned in the AGM agenda, this significant cost increase was not actively mentioned by the relationship managers, therefore many investors did not notice.
Outcomes	A cautious stance was taken and the score was lowered

Add Example 2

Topic or issue	environmental
Conducted by	Internal staff
Asset class	All asset classes
Scope and process	Programs and/or targets to reduce direct GHG Emissions A particular company shows impressive commitment when comparing with peers
Outcomes	a full score was given

Add Example 3

Topic or issue	social
Conducted by	Internal staff
Asset class	All asset classes
Scope and process	Social commitment A particular company shows social commitment, has implemented diversity and inclusiveness programs, and has incorporated an exclusion list
Outcomes	score was increased

Add Example 4

Topic or issue	governance
Conducted by	Internal staff

Asset class	All asset classes
Scope and process	Transparency and integrity of compensation policy A retention bonus violated their own policy nor was it disclosed
Outcomes	The score was lowered due to the questioning of the transparency and integrity

- Add Example 5
- We are not able to provide examples

SAM 09.2 | **Additional information.**

Altis integrates ESG factors in the selection assessment of external managers. This is reflected in the adoption of an ESG Scorecard that evaluates the ESG criteria of the asset management company as well as the ESG criteria of the specific strategy itself. Altis has constructed a generic ESG Scorecard that assesses the quality of the asset management company as well as the quality of the specific strategy itself. The most interesting managers are graded on ESG factors.

Factors that are assessed from an ESG perspective include:

- Governance of the Corporate, Ownership Structure, Independence of the Board 67
- Governance with regards to Compensation Policies (independent committee, compliant with international regulations and standards, etc.
- Business Ethics - e.g. training, general ethical conduct
- Environmental Policies - e.g. GHC reporting, initiatives, etc.
- Social Policies - e.g. staff diversity policies, reporting, etc.
- Exclusion Policy on controversial weapons, UN Global Compact, etc.
- Integration of ESG factors in investment process of the various investment teams
- Engagement and proxy voting policy - in-house team, staffing, embedded scoring
- Measurement of ESG footprint

LEI 01	Mandatory	Core Assessed	PRI 1				
LEI 01.1	Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies (+/- 5%)						
	<input type="checkbox"/> Screening alone (i.e. not combined with any other strategies) <input type="checkbox"/> Thematic alone (i.e. not combined with any other strategies) <input type="checkbox"/> Integration alone (i.e. not combined with any other strategies) <input checked="" type="checkbox"/> Screening and integration strategies <table border="1" data-bbox="359 376 882 412"> <tr> <td>Percentage of active listed equity to which the strategy is applied</td> <td>95%</td> </tr> </table> <input type="checkbox"/> Thematic and integration strategies <input type="checkbox"/> Screening and thematic strategies <input checked="" type="checkbox"/> All three strategies combined <table border="1" data-bbox="359 533 874 568"> <tr> <td>Percentage of active listed equity to which the strategy is applied</td> <td>5%</td> </tr> </table> <input type="checkbox"/> We do not apply incorporation strategies			Percentage of active listed equity to which the strategy is applied	95%	Percentage of active listed equity to which the strategy is applied	5%
Percentage of active listed equity to which the strategy is applied	95%						
Percentage of active listed equity to which the strategy is applied	5%						
LEI 01.2	Describe your organisation's approach to incorporation and the reasons for choosing the particular ESG incorporation strategy/strategies.						
	<p>NN IP uses ESG integration across all of its equity assets under management as we strongly believe that incorporation of ESG factors can enhance the risk-return profile of our investments. We also apply negative screening (excluding certain type of business activities such as production and trade of controversial weapons and arms) based on our ethical, societal and business values. We offer specialised SRI funds (combining ESG integration and engagement combined with extended positive and negative screening criteria) and tailor-made Responsible Investment solutions to those clients that opt for comprehensive ESG integration.</p> <p>NN IP introduced a new Impact Equity Investing strategy in 2016, intended to generate a measurable social and environmental impact alongside a financial return. In this thematic investment strategy we use a proprietary database to map an investable universe of stocks on their positive impact exposure. A strongly focused and thematic portfolio of stocks is constructed, based on NN IP's ESG screening and integration approach. We engage with all holdings in the global equity impact portfolio on their impact and related KPIs. We provide companies customized feedback on their impact reporting; and encourage them to report more relevant metrics. Moreover, we share new ideas and best practices. For example, the positive relation between the safety records of production plants and profitability, which often comes as a surprising insight to many management teams</p>						
LEI 01.3	If assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]						
	<p>NN IP's objective 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. The relevance of ESG factors is consistently used by NN IP by active ownership, excluding certain types of business activities, and by integrating ESG factors in the investment processes. 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. Acting holistically drives thorough ESG integration.</p>						

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.		
	<input checked="" type="checkbox"/> Raw ESG company data <ul style="list-style-type: none"> <input checked="" type="checkbox"/> ESG research provider <input type="checkbox"/> Sell-side <input type="checkbox"/> In-house – specialised ESG analyst or team <input type="checkbox"/> In-house – analyst or portfolio manager <input checked="" type="checkbox"/> Company-related analysis or ratings <ul style="list-style-type: none"> <input checked="" type="checkbox"/> ESG research provider <input type="checkbox"/> Sell-side <input checked="" type="checkbox"/> In-house – specialised ESG analyst or team <input checked="" type="checkbox"/> In-house – analyst or portfolio manager <input checked="" type="checkbox"/> Sector-related analysis or ratings <ul style="list-style-type: none"> <input checked="" type="checkbox"/> ESG research provider <input checked="" type="checkbox"/> Sell-side <input checked="" type="checkbox"/> In-house – specialised ESG analyst or team <input checked="" type="checkbox"/> In-house – analyst or portfolio manager <input checked="" type="checkbox"/> Country-related analysis or ratings <ul style="list-style-type: none"> <input checked="" type="checkbox"/> ESG research provider <input checked="" type="checkbox"/> Sell-side <input type="checkbox"/> In-house – specialised ESG analyst or team <input type="checkbox"/> In-house – analyst or portfolio manager <input checked="" type="checkbox"/> Screened stock list		

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- ESG issue-specific analysis or ratings
 - ESG research provider
 - Sell-side
 - In-house – specialised ESG analyst or team
 - In-house – analyst or portfolio manager
- Other, specify
 - Academic ESG Research and insights
 - ESG research provider
 - Sell-side
 - In-house – specialised ESG analyst or team
 - In-house – analyst or portfolio manager

LEI 02.2 Provide a brief description of the ESG information used, highlighting any different sources of information across your ESG incorporation strategies.

NN IP uses data of various independent external (ESG) data/research providers: Sustainalytics, MSCI ESG (including GMI), ISS-Ethix Climate Solutions, CDP, ISS Proxy, Thomson Reuters Eikon (Asset4) and Bloomberg.

In addition, we have a deep relationship with several sell-side brokerage firms that provide focussed ESG analysis. This includes firms such as Credit Suisse Holt, Exane BNP, HSBC ESG, Morgan Stanley SRI, UBS (ESG Scorecards), Bank of America Merrill Lynch, Jefferies (Japan Corporate Governance), and others.

NN IP analyses the data and insights in-house and incorporate it in the investment analysis and decision making process where it applies its proprietary/in-house developed methodology also supported by academic insights.

We also have a multi-year academic research cooperation with the European Center for Corporate Engagement (ECCE), part of the Maastricht University Business School, The Netherlands. Through this cooperation we have researched the materiality of ESG factors for investment returns in global developed and emerging equity markets. In 2016 two papers on this subject are published, see link:<https://www.nnip.com/corporate/INT/en/About-us/Responsible-investing/Insights-and-reports.htm>

Clients and stakeholders have responded very positively on our continued initiative for improved visibility on the attribution of integrating ESG factors for portfolio performance.

LEI 02.3 Indicate if you incentivise brokers to provide ESG research.

Yes

LEI 02.4 Describe how you incentivise brokers.

The incorporation of ESG research is an important factor in our discussion with brokers whereby it is requested how brokers have integrated ESG research. As a consequence of the introduction of MiFid II, NNIP decided to finance the costs of broker research through its own P&L. We went through 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 focussed ESG analysis.

No

LEI 03 Voluntary Additional Assessed PRI 1

LEI 03.1 Indicate if 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]

Key when integrating ESG factors into the investment analysis is to determine how material the subsequent ESG factors are for the company's competitive positioning and for its value creation process.

The insights that are gained following the engagement process are incorporated in the investment case. Any strong concerns about a company's ESG principles and practices and in case management is not receptive to our engagement efforts is highlighted and impacting the analysts' recommendation. The implemented engagement database in 2016 keeps track of our company engagement activities and is used and accessible for all investment staff.

NN IP 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 may have a material impact on either our shareholder position or company's business model, this can possibly be reflected in the investment case.

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.								
<p><input checked="" type="checkbox"/> Negative/exclusionary screening</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Product <input checked="" type="checkbox"/> Activity <input type="checkbox"/> Sector <input checked="" type="checkbox"/> Country/geographic region <input checked="" type="checkbox"/> Environmental and social practices and performance <input checked="" type="checkbox"/> Corporate governance <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #0070c0; color: white;">Description</th> </tr> </thead> <tbody> <tr> <td>Controversial weapons screening is applicable to all funds, while the other criteria are applicable to SRI funds and or used as a self imposed investment constraint by portfoliomanagers.</td> </tr> </tbody> </table> <p><input checked="" type="checkbox"/> Positive/best-in-class screening</p> <ul style="list-style-type: none"> <input type="checkbox"/> Product <input type="checkbox"/> Activity <input checked="" type="checkbox"/> Sector <input type="checkbox"/> Country/geographic region <input checked="" type="checkbox"/> Environmental and social practices and performance <input checked="" type="checkbox"/> Corporate governance <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #0070c0; color: white;">Description</th> </tr> </thead> <tbody> <tr> <td>This screening is used for SRI funds. For the mainstream funds, these criteria are taken into account through ESG integration.</td> </tr> </tbody> </table> <p><input checked="" type="checkbox"/> Norms-based screening</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> UN Global Compact Principles <input checked="" type="checkbox"/> The UN Guiding Principles on Business and Human Rights <input checked="" type="checkbox"/> International Labour Organization Conventions <input checked="" type="checkbox"/> United Nations Convention Against Corruption <input checked="" type="checkbox"/> OECD Guidelines for Multinational Enterprises <input checked="" type="checkbox"/> Other, specify <p style="margin-left: 20px;">Exclusion involvement in dictatorial governments/regimes</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #0070c0; color: white;">Description</th> </tr> </thead> <tbody> <tr> <td>This screening is used for SRI funds. For the mainstream funds, these criteria are taken into account through ESG integration.</td> </tr> </tbody> </table>				Description	Controversial weapons screening is applicable to all funds, while the other criteria are applicable to SRI funds and or used as a self imposed investment constraint by portfoliomanagers.	Description	This screening is used for SRI funds. For the mainstream funds, these criteria are taken into account through ESG integration.	Description	This screening is used for SRI funds. For the mainstream funds, these criteria are taken into account through ESG integration.
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Description									
This screening is used for SRI funds. For the mainstream funds, these criteria are taken into account through ESG integration.									
LEI 04.2	Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.								
<p>These screening criteria are applied to SRI funds. For the mainstream funds, these criteria are then taken into account through ESG integration.</p> <p>To mitigate risks, NN Group applies group-wide restrictions on investments in companies that are involved in certain controversial aspects of the arms or defence industry. NN Group considers cluster ammunitions, anti-personnel (land)mines, depleted uranium ammunition, biological and chemical weapons, or nuclear weapons to be controversial. NN Group therefore restricts investments in companies that relate to the manufacture, development, trading and maintenance of such weapons. NN Group uses an independent, external consultant to identify companies involved in these activities.</p> <p>This information is reviewed on a regular basis, and changes to the restricted list of companies are subject to approval by the Risk and Finance committee of NN Group. The restricted companies are in scope of NN IP's pre trade compliance checks, effectively blocking trades in these companies. Regular post-trade compliance checks are in place as well.</p> <p>For dedicated SRI funds the criteria have been determined when these funds were launched. There have not been any exclusionary criteria changes in the past. In case of any plans for criteria changes in the future the clients will be informed in advance.</p> <p>The positive, best-in-class, inclusion criteria in SRI have evolved from absolute and relative score application into focus on improvement and change application, i.e. ESG momentum.</p> <p>For more information regarding our dedicated SRI equity funds, please see:</p> <p>https://www.nnip.com/web/file?uuid=0cfef551-96c8-4876-a8cf-51aa72435801&owner=f23032d2-df50-4d07-915b-6143862fa2ea&contentid=8124 (Eurosif European SRI Transparency Code)</p>									
LEI 05	Mandatory	Core Assessed	PRI 1						
LEI 05.1	Indicate which processes your organisation uses to ensure screening is based on robust analysis.								
<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Comprehensive ESG research is undertaken or sourced to determine companies' activities and products. <input checked="" type="checkbox"/> Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies <input checked="" type="checkbox"/> 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 <input checked="" type="checkbox"/> Third-party ESG ratings are updated regularly to ensure that portfolio holdings comply with fund policies. <input checked="" type="checkbox"/> A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions 									

- A periodic review of the quality of the research undertaken or provided is carried out
- Review and evaluation of external research providers
- Other, specify
 - partnership with the European Centre for Corporate Engagement (ECCE) at Maastricht University's School of Business and Economics and partnership with ISS-Ethix Climate Solutions
- 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 frequently 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.

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

LEI 05.5 Additional information. [Optional]

At NN IP we acknowledge the benefits of having access to a broad range of relevant ESG data providers. We source ESG information from several data providers, such as Sustainalytics, MSCI ESG (including GMI), ISS-Ethix Climate Solutions, CDP, ISS Proxy, Thomson Reuters Eikon (Asset4) and Bloomberg to provide a solid starting position for our screening.

At NN IP, we analyse the available data and incorporate it into our investment analysis and decision-making process (including screening and engagement). This is performed by the investment teams themselves supported by an in-house equity research team consisting of 20 analysts (as per December 2017) and an internal Responsible Investment team which acts as a knowledge center to all asset strategies across NN IP and consists of three people (as per December 2017). Potential restrictions applicable to our eligible investment universe are being regularly discussed and decided on in the ESG Committee which is chaired by our the CIO.

Furthermore, NN IP wants to stay close to relevant academic research that helps us to better understand ESG risks and opportunities and thereby create better outcomes for our clients. To that end, we started a cooperation in 2014 with the European Center for Corporate Engagement (ECCE), part of the Maastricht University Business School, The Netherlands. As a focus of this partnership, ECCE conducts research on the materiality of ESG factors for investment returns in global developed and emerging equity markets. The outcomes are used for advocacy both internally as well as externally and amplify the credibility of our ESG integration activities.

In addition, NN IP is encouraging companies to publish integrated annual reports, combining financial and (non-financial) ESG information and metrics in a clear, consistent format that elaborates on opportunity and risk aspects of these data with regards to their strategy, operations and results.

LEI 06 Voluntary Additional Assessed PRI 1

LEI 06.1 Indicate which processes your organisation uses to ensure fund criteria are not breached

- Systematic checks are performed to ensure that stocks meet the funds' screening criteria.
- Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria.
- Audits of fund holdings are undertaken regularly by internal audit function
- Periodic auditing/checking of the organisations RI funds by external party
- Other, specify
 - KPMG for annual report of NN Group and due diligence of auditors/ employees of our (external) clients and prospects.
- None of the above

LEI 06.2 If breaches of fund screening criteria are identified - describe the process followed to correct those breaches.

In an unlikely event of a breach, the Restriction Monitoring System will report this and the breach will be investigated. Necessary actions will then be taken to rectify the breach and bring the portfolio back 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. The external auditor, KPMG, has audited the process regarding this monitoring and is extensively described in the Annual Report: <https://www.nn-group.com/Investors/2016-Annual-Report-1.htm>

LEI 07 Mandatory Descriptive PRI 1

LEI 07.1 Indicate the type of sustainability thematic funds or mandates your organisation manages.

- Environmentally themed funds
- Socially themed funds
- Combination of themes

LEI 07.2	Describe your organisation's processes relating to sustainability themed funds. [Optional]		
<p>The type of exposure in our newly introduced Impact Investing fund is inspired by the UN Sustainability Development Goals (SDG) and the NN Group corporate values (Care, Clear and Commit). The investment strategy of Impact Investing focuses on companies with material positive exposure on three themes: 1) Diminish Stress on Ecosystems (Planet), 2) Health & Well-Being (People), and 3) Fulfilment of Lives (Prosperity); representing both Environmental and Social parameters. These three core themes are the starting point of the investment process which looks at intentionality of companies core activities and services of their associated positive direct and/or indirect societal impact. The next part is the fundamental and financial analysis stage resulting in an investment universe consisting of eligible impact stocks. From this universe a portfolio is created after this rigorous assessment on financial and ESG criteria as well as impact performance. Our proprietary impact database is key to facilitating this process and is monitored on a day-to-day basis.</p>			

LEI 08	Mandatory	Core Assessed	PRI 1
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LEI 08.1	Indicate which ESG factors you systematically research as part of your investment analysis and the proportion of actively managed listed equity portfolios that is impacted by this analysis.		
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ESG issues	Proportion impacted by analysis	
Environmental	Environmental	
	<input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%	
Social	Social	
	<input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%	
Corporate Governance	Corporate Governance	
	<input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%	

LEI 08.2	Additional information. [Optional]		
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At NN IP, we systematically and fully integrate ESG criteria in our investment-decision making process. 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 and blend this with ESG performance data from ESG data providers such as Sustainalytics and MSCI ESG (GMI), feeding into our proprietary framework capturing a company's relative ESG performance. In addition, we make extensive use of sell-side ESG and thematic research from both a topic and industry angle.

During 2017, we continued to benefit from the 2016 redesign of our ESG research template.

This template provides a checklist to the analyst, capturing both the ESG analysis of a company as well as an impact analysis (also in terms of a company's contribution to the 17 SDGs).

We have made further progress with our internal ESG rating system (introduced in 2016):

- Normalisation of the ESG scores of our ESG ratings provider
- Controversy risk assessment for a company
- The ESG momentum indicator

This scoring methodology and the accompanying matrix is readily available throughout the organization and a central part of our investment process.

LEI 09	Voluntary	Additional Assessed	PRI 1
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LEI 09.1	Indicate which processes your organisation uses to ensure ESG integration is based on a robust analysis.		
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Comprehensive ESG research is undertaken or sourced to determine companies' activities and products

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

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.

LEI 09.3	Indicate how frequently third party ESG ratings that inform your ESG integration strategy are updated.
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- Quarterly or more frequently
- Bi-Annually

- Annually
- Less frequently than annually
- A periodic review of the internal research is carried out

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
- 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
- Other, specify
- None of the above

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 was incorporated into investment decisions
- Other, specify
- None of the above

LEI 09.6 Additional information. [Optional]

At NNIP, 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. In this there is close cooperation with the Responsible Investment team, acting as a knowledge hub within our organisation. To ensure quality and consistency, we have a committee reviewing the investment cases, amongst others, 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. In October 2017, we took part in the PRI/CFA Society Netherlands workshop on ESG integration.

LEI 10 Mandatory to Report, Voluntary to Disclose Core Assessed PRI 1

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%
 - 11-50%
 - 51-90%
 - 90%
- Industry analysis
 - Proportion of actively managed listed equity exposed to investment analysis**
 - <10%
 - 11-50%
 - 51-90%
 - 90%
- Quality of management
 - Proportion of actively managed listed equity exposed to investment analysis**
 - <10%
 - 11-50%
 - 51-90%
 - 90%
- Analysis of company strategy
 - Proportion of actively managed listed equity exposed to investment analysis**
 - <10%
 - 11-50%
 - 51-90%
 - 90%
- Portfolio weighting

Proportion of actively managed listed equity exposed to investment analysis	
<input type="radio"/>	<10%
<input type="radio"/>	11-50%
<input type="radio"/>	51-90%
<input checked="" type="radio"/>	90%

LEI 10.2a	Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis and/or portfolio construction.
<input checked="" type="checkbox"/>	Adjustments to forecasted company financials (sales, operating costs, earnings, cash flows)
<input checked="" type="checkbox"/>	Adjustments to valuation tools (discount rates, terminal value)
<input checked="" type="checkbox"/>	Other adjustments to fair value projections, specify SWOT analysis, sensitivity analysis

LEI 10.3	Describe how you integrate ESG information into portfolio weighting.
	<p>We apply ESG information both from a top-down as well as a bottom-up perspective.</p> <p>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, emerging middle class, ageing population, health and wellbeing, rising cyber dependency, and SDGs).</p> <p>Bottom-up: in our bottom-up analysis – which is typically conducted by our in-house team of 20 dedicated equity analysts – we analyse the absolute and relative ESG performance of companies and whether we believe the market is underestimating or overestimating ESG risks and/or opportunities. We focus on the material, longer-term issues to the value creation of investee companies.</p> <p>Four steps are important in this:</p> <ul style="list-style-type: none"> • Identify the material issues • Assess the performance on the material issues • Integrate the material issues into the financial analysis • Have an active dialogue with the companies in which we are invested. <p>Based on these different viewpoints, our portfolio weighting differs from our benchmark as we apply and integrate ESG information to strengthen our conviction. The central question for us is: how sustainable is a company's value creation longer term?</p> <p>Controversies: we specifically eliminate companies with the highest ESG controversies.</p>

LEI 10.4a	Describe the methods you have used to adjust the income forecast / valuation tool
	<p>At NNIP we integrate ESG information in our financial analysis and valuation in two ways:</p> <ul style="list-style-type: none"> - Impact on cash flows: in case we consider the ESG factors to have a meaningful and measurable impact on actual company cash flows, we adjust our financial value drivers (e.g. revenues, margins, capex) accordingly. - Impact on cost of capital: in case we consider the ESG factors as mainly impacting the risk profile of the company (in terms of risk to cash flow generation and/or risks towards company and/or management perception), but without a clear indication timing and ultimate magnitude, we will adjust the cost of capital for the company to incorporate the associated risks. <p>The ESG factors that we take into consideration differ from industry to industry and are a reflection of what we identify as material ESG topics.</p>

Fair value/fundamental analysis

Proportion of actively managed listed equity exposed to investment analysis	
<input type="radio"/>	<10%
<input type="radio"/>	11-50%
<input type="radio"/>	51-90%
<input checked="" type="radio"/>	90%

LEI 10.2b	Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis and/or portfolio construction.
<input checked="" type="checkbox"/>	Adjustments to forecasted company financials (sales, operating costs, earnings, cash flows)
<input checked="" type="checkbox"/>	Adjustments to valuation tools (discount rates, terminal value)
<input checked="" type="checkbox"/>	Other adjustments to fair value projections, specify SWOT analysis, sensitivity analysis

LEI 10.4b	Describe the methods you have used to adjust the income forecast / valuation tool
	<p>The way ESG information is integrated within the forecasts and valuation of the equity analysis process is twofold.</p> <ul style="list-style-type: none"> • 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.

Other, specify

thematic issues resulting from international conferences such as Climate COP Paris

Proportion of actively managed listed equity exposed to investment analysis	
<input type="radio"/>	<10%
<input checked="" type="radio"/>	11-50%

51-90%

90%

LEI 10.5 Additional information.

Detailed ESG information is readily available throughout the organisation. Our analysts have incorporated ESG factors in their research processes on companies, and are taking continuous steps to increase their knowledge further. To ensure the quality and consistency of the research outputs, the investment cases are reviewed and scored. The review is, amongst others, based on how the analyst has incorporated ESG factors in the investment case (part of incentives process for the analysts). Moreover, our top management is strongly committed to providing the resources to stay ahead in incorporating ESG in the investment process.

LEI 12	Voluntary	Descriptive	PRI 1
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LEI 12.1 Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.

Private

LEI 12.2 Additional information.[Optional]

Private

LEI 13	Voluntary	Additional Assessed	PRI 1
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LEI 13.1 Indicate whether your organisation measures how your approach to responsible investment in Listed Equity has affected your portfolio's financial and/or ESG performance.

Private

LEI 13.2 Describe how you are able to determine these outcomes.

Private

LEI 14	Voluntary	Descriptive	PRI 1
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LEI 14.1 Provide examples of ESG issues that affected your investment view and/or performance during the reporting year.

Private

LEI 14.2 Additional information.[Optional]

Private

LEA 01	Mandatory	Core Assessed	PRI 2
LEA 01.1	Indicate whether your organisation has a formal engagement policy.		
<input checked="" type="checkbox"/> Yes			
LEA 01.2	Attach or provide a URL to your engagement policy.		
<input type="checkbox"/> Attachment provided: <input checked="" type="checkbox"/> URL provided: https://www.nnip.com/INT_en/corporate/About-us/Responsible-investing/Our-four-pillar-approach.htm			
LEA 01.3	Indicate what your engagement policy covers:		
<input checked="" type="checkbox"/> Conflicts of interest <input type="checkbox"/> Insider information <input checked="" type="checkbox"/> Alignment with national stewardship code requirements <input checked="" type="checkbox"/> Due diligence and monitoring process <input type="checkbox"/> Prioritisation of engagements <input checked="" type="checkbox"/> Transparency of engagement activities <input checked="" type="checkbox"/> Environmental factors <input checked="" type="checkbox"/> Social factors <input checked="" type="checkbox"/> Governance factors <input checked="" type="checkbox"/> Other, describe <p>how to deal with situations in which it does not prove to be possible to convince the board of the investee company through dialogue/engagement</p> <input type="checkbox"/> None of the above			
LEA 01.4	Provide a brief overview of your organization's approach to engagement		
<p>Dialogue and engagement with companies are part of NN IP's fundamental investment process as an active investor. Engagement activities are mostly conducted by our own specialists and through external providers. Analysts, portfolio managers and ESG specialists have regular meetings with company management teams.</p> <p>For engagement purposes NN IP uses internationally accepted standards of corporate behaviour, such as the guidelines/principles developed by UN Global Compact, ICGN and the OECD. NN IP uses these standards as a starting point for dialogue and engagement.</p> <p>To emphasise its message, NN IP engages collaboratively with other institutional investors and/or through initiatives such as the PRI. In this way, we can achieve maximum investor influence and sharing of resources and expertise when engaging with companies. NN IP also cooperates with other institutional investors in the engagement with policymakers. This engagement contributes to a more sustainable global financial system.</p> <p>NN IP is an active member of several corporate and multi stakeholder initiatives and investor networks through which it regularly discusses sustainability and shareholder rights with regulatory bodies. These include ICGN, Eumedion, Efama, DUFAS, PRI, IIGCC, and the <IR> Investor Network.</p>			
<input type="checkbox"/> No			

LEA 02	Mandatory	Gateway	PRI 1,2,3
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LEA 02.1	Indicate the method of engagement, giving reasons for the interaction.	
Type of engagement	Reason for interaction	
Individual/Internal staff engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> Other, specify <p>to verify concerns about corporate practices as voiced by non-governmental organizations (NGOs), ESG research providers and by media</p> <input type="checkbox"/> We do not engage via internal staff	
Collaborative engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> Other, specify <p>to verify concerns about corporate practices as voiced by non-governmental organizations (NGOs), ESG research providers and by media</p> <input type="checkbox"/> We do not engage via collaborative engagements	
Service provider engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> Other, specify <p>to verify concerns about corporate practices as voiced by non-governmental organizations (NGOs), ESG research providers and by media</p> <input type="checkbox"/> We do not engage via service providers	

LEA 02.2 Additional information. [Optional]

Company dialogues and engagement are part of our fundamental approach to the investment process. Because of the active investment strategies of NN IP, our analysts and portfolio managers are in frequent dialogue with investee companies. These dialogues are tracked in a database.

As in previous years, we supported the annual Information Request that the Carbon Disclosure Project (CDP) sends to publicly listed companies worldwide. Through this request, companies are encouraged to adopt a long-term mindset, and to provide better disclosure on risks and opportunities related to climate change and water. In 2017, we also became an investor signatory of the CDP Forests programme.

Since the beginning of 2016, NN IP has pro-actively engaged on climate risks with 20 large companies in the power utility sector. Through this effort, supported by Global Engagement Services (GES), one of Europe's leading engagement providers, we encourage companies to achieve a long-term carbon risk exposure reduction and improved competitiveness in a lower-carbon economy. We have had constructive dialogues with most of the companies. As an example, NN IP helped one of the largest US power utility companies to improve its two-degree scenario planning. We focused our engagement on showing that the company can do more to find a balance between short-term financial performance and long-term expectations for a switch to renewable energy production.

NN IP also engages with several companies in the power utility sector that resist changes that would challenge the current business model. In these situations, the focus is on clarifying that transparency is expected, and they need to demonstrate responsible carbon-related risk management. We decided to extend our engagement for a third and final year, so that we can bring the recommendations of the Taskforce Climate-related Financial Disclosures (TCFD) to the attention of the companies that we are engaging with.

In 2017, we expanded our engagement on climate risk to the chemicals sector by joining the Climate Action 100+. This is a new, five-year investor initiative to engage with the world's largest corporate greenhouse gas emitters to curb emissions, strengthen climate-related financial disclosures and improve governance on climate change. As part of the initiative, NN IP will enter into dialogue and work with three major companies in the chemicals sector in which it invests, and support other investors in their engagement efforts in the oil and gas and mining sector. A clear engagement agenda is set for all companies in the initiative. Each year, a progress report will be made public. The Climate Action 100+ was initiated by different regional investor climate change platforms, including the European Institutional Investor Group on Climate Change (IIGCC), in partnership with the PRI. NN Group joined the IIGCC in July 2017 to benefit from access to the IIGCC's platform for knowledge sharing and collective influence. To encourage policymakers to take action on climate change, NN IP endorsed a 'Letter from global investors to governments of the G7 and G20 nations'. This letter, signed by 400 global investors managing more than USD 22 trillion in assets, reiterates the investors' call for governments to stand by their commitments to the Paris Agreement, and put in place policy measures to achieve their nationally determined contributions with the utmost urgency.

Through its investments, NN Investment Partners is exposed to palm oil. We believe we can use our influence to improve environmental and social standards in the sector. Due to the complexity of the supply chain of palm oil, we do not think that excluding palm oil producers is beneficial at this point in time. Engagement is, in our view, a better approach, and in this engagement we will focus not only on the palm oil producers, but also on the traders, processors, food producers, and retailers. All these different companies can influence the supply chain and work towards the overall improvement of the sector and acceptance of higher standards. For our engagement approach, we have developed several objectives that focus on different stakeholders in the sector.

LEA 03 Mandatory Core Assessed PRI 2

LEA 03.1 Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.

Yes

LEA 03.2 Describe the criteria used to identify and prioritise engagement activities carried out by internal staff.

- Geography / market of the companies
- Materiality of ESG factors
- Systemic risks to global portfolios
- Exposure (holdings)
- In response to ESG impacts that have already occurred.
- As a response to divestment pressure
- Consultation with clients/beneficiaries
- Consultation with other stakeholders (i.e. NGOs, trade unions etc.)
- As a follow-up from a voting decision
- Client request
- Other, describe

No

LEA 03.3 Additional information. [Optional]

Our investment universe is screened on a quarterly basis with a view to identify companies that are violating (or at risk of violating) NN's norms-based RI criteria.

The set of companies for which potential violations are structurally monitored is based on the investment universe of NN Group/NN IP. This screening will be applied to the extent that data is available, on the basis of input provided by external data/research providers. A specialised external engagement provider may provide additional advice.

In case there are strong indications that an issuer may be in violation of any of NN's norms-based RI criteria, a decision needs to be taken with regard to whether NN considers this a violation. Examples of such indications can be research from NN's external ESG research or engagement provider(s), inputs from NN's own (investment) staff or information from NGOs or media sources.

Violations can currently occur in relation to the following areas:

- Governance
- Human Rights
- Labour Rights
- Environment
- Bribery and Corruption

The responsibility to assess whether or not issuers are in violation of NN's norms-based RI criteria to the ESG Committee of NN IP. The ESG Committee is advised by the Controversy and Engagement Council. This council consists of representatives from NN IP as well as NN Group staff (from Investment Office and Corporate Citizenship), which will ensure relevant perspectives are included in the decision making and communicated back to the respective stakeholders.

The four key decisions to be taken by the ESG Committee in relation to the application of NN's norms-based RI criteria are:

1. Whether or not an issuer is considered in violation of NN's norms-based RI criteria;
2. Whether or not engagement to address the violation is considered feasible;

3. Whether or not to formally include the issuer in NN's engagement program; and
4. If the issuer is in violation and not included in NN's engagement program, whether to recommend the NN Group Management Board to put the issuer only on the Internal Restricted List or also on the (publicly available) Exclusion List.

If the ESG Committee determines an company is in violation of NN's norms-based RI criteria, and considers engagement to address the violation feasible, the company can be formally included in NN's engagement program.

Each engagement has to be supported by an engagement plan that outlines the objectives, milestones, timeframes, and engagement activities to be carried out. The executors of the engagement will maintain an archive of these reports.

The potential executors (or coordinators) of the engagements, depending on the context, type of engagement, and available capacity, are:

- Analysts NN IP
- Portfolio Managers NN IP
- RI team representatives NN IP
- Through collaborative engagements other institutional investors can engage on behalf of NN
- External Engagement provider(s)

LEA 04	Mandatory	Core Assessed	PRI 2
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LEA 04.1	Indicate if you define specific objectives for your engagement activities.
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- Yes
- Yes, for all engagement activities
 - Yes, for the majority of engagement activities
 - Yes, for a minority of engagement activities
- We do not define specific objectives for engagement activities carried out by internal staff.

LEA 04.2	Indicate if you monitor the actions that companies take during and following your engagements activities carried out by internal staff.
----------	---

- Yes
- Yes, in all cases
 - Yes, in the majority of cases
 - Yes, in the minority of cases
- We do not monitor the actions that companies take following engagement activities carried out by internal staff.

LEA 04.3	Indicate if you do any of the following to monitor and evaluate the progress of your engagement activities carried out by internal staff.
----------	---

- Define timelines for your objectives
- Tracking and/or monitoring progress against defined objectives
- Tracking and or monitoring progress of actions taken when original objectives are not met
- Revisit and, if necessary, revise objectives on continuous basis
- Other, please specify
- We do not monitor and evaluate progress of engagement activities carried out by internal staff

LEA 04.4	Additional information. [Optional]
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NN IP engages with companies on ESG issues with the goal of achieving beneficial change. This applies to general business issues as well as a company's ESG performance and contribution to the SDGs.

As the engagements will be executed by various teams/individuals, both in-house and externally, this will require close coordination to ensure alignment and consistency, and to avoid duplication of work. The responsibility for this lies with NN IP's RI Team, from which one individual is assigned the role of Active Ownership coordinator.

The time period for engagement with a company is typically up to 3 years, unless within that period major events occur that lead to the engagement feasibility having changed materially, or if the company is not in violation anymore of NN's norms-based RI criteria.

In addition, during the engagement term it may occur that a holding is divested because of financial considerations. In this case, NN's preference is to continue with the engagement until it is concluded that it can be closed based on ESG considerations.

The ESG Committee, advised by the Controversy & Engagement Council, measures progress and advises on progress made (or not made). There can be three potential outcomes:

1. The company is not in violation anymore of NN's norms-based RI criteria
2. The company is still in violation of NN's norms-based RI criteria, but the ESG Committee decides to extend the engagement period with one year, based on the assessment that engagement is still feasible
3. The company is still in violation and will be recommended for restriction

LEA 05	Mandatory	Core Assessed	PRI 2
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LEA 05.1	Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements
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- Yes

LEA 05.2	Describe the criteria used to identify and prioritise collaborative engagements.
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- Potential to learn from other investors
- Ability to add value to the collaboration

- Geography / market of the companies targeted by the collaboration
- Materiality of ESG factors addressed by the collaboration
- Systemic risks to global portfolios addressed by the collaboration
- Exposure (holdings) to companies targeted by the collaboration
- In reaction to ESG impacts addressed by the collaboration that have already occurred.
- As a response to divestment pressure
- As a follow-up from a voting decision
- Consultation with clients/beneficiaries
- Consultation with other stakeholders (i.e. NGOs, trade unions etc.)
- Other, describe

No

LEA 05.3 Additional information [Optional]

To emphasise its message, NN IP engages collaboratively with other institutional investors and/or through initiatives such as the PRI. In this way, we can achieve maximum investor influence and sharing of resources and expertise when engaging with companies. NN IP also cooperates with other institutional investors in the engagement with policymakers. This engagement contributes to the development of sustainable government policies and a more sustainable global financial system.

NN IP is an active member of several corporate and multi stakeholder initiatives and investor networks through which it regularly discusses sustainability and shareholder rights with legislators and regulatory bodies. These include, but are not limited to, ICGN, Eumedion, the European Fund and Asset Management Association, the Dutch Fund and Asset Management Association, the PRI, IIGCC, and the <IR>

NN IP participates in IIGCC's corporate programme, where we engage about climate change risks and opportunities faced by companies, as well as their strategies and performance in addressing and disclosing them.

NN IP is a member of the PRI coordinated collaborative engagement on cyber security and palm oil. In these engagement groups we collaborate with other investors on the topic of cyber security and palm oil, and lead engagements with companies around these topics. NN IP is also a member of the PRI Fixed Income Advisory Committee. This committee advises the PRI on the strategy and execution of the Fixed Income Work Stream, which aims to share knowledge and collaborate for change and impact.

NN IP is a member of the general board of Eumedion, and is an active member within the investment committee, legal committee and research committee.

LEA 06 Mandatory Core Assessed PRI 2

LEA 06.1 Indicate if you define specific objectives for your engagement activities carried out collaboratively.

- Yes
 - Yes, for all engagement activities
 - Yes, for the majority of engagement activities
 - Yes, for a minority of engagement activities
- We do not define specific objectives for engagement activities carried out collaboratively.

LEA 06.2 Indicate if you monitor the actions companies take during and following your collaborative engagements.

- Yes
 - Yes, in all cases
 - Yes, in the majority of cases
 - Yes, in the minority of cases
- We do not monitor the actions that companies take following engagement activities carried out collaboratively

LEA 06.3 Indicate if you do any of the following to monitor and evaluate the progress of your collaborative engagement activities.

- Define timelines for your objectives
- Tracking and/or monitoring progress against defined objectives
- Tracking and or monitoring progress of actions taken when original objectives are not met
- Revisit and, if necessary, revise objectives on continuous basis
- Other, please specify
- We do not monitor and evaluate progress of engagement activities carried out by internal staff

LEA 06.4 Additional information. [Optional]

In order for collaborative engagements to be effective, it is of crucial importance to agree upfront with the other participants what the core objectives of the engagement are and what milestones need to be achieved. During the course of the engagement we monitor how the company deals with the requests for changes.

In most instances we discuss with the other participants that on an agreed interval a review of the collaborative engagement needs to take place. This allows participants in the collaborative engagement to flag circumstances where engagement is failing or where a milestone has been reached and engagement may be terminated. In case particular milestones are not achieved and a company remains unresponsive to the desired changes, this also offers an opportunity to discuss whether the engagement needs to be escalated.

LEA 07 Mandatory Core Assessed PRI 2,4

LEA 07.1 Indicate if you play a role in the engagement process that your service provider conducts on your behalf.

Yes

LEA 07.2 Indicate the role(s) you play in engagements that your service provider conducts on your behalf.

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

No

LEA 07.3 Additional information. [Optional]

NN IP has pro-actively engaged on climate risks with 20 large companies in the power utility sector. Through this effort, supported by Global Engagement Services (GES), one of Europe's leading engagement providers, we encourage companies to achieve a long-term carbon risk exposure reduction and improved competitiveness in a lower-carbon economy. We have had constructive dialogues with most of the companies. As an example, NN IP helped one of the largest US power utility companies to improve its two-degree scenario planning. We focused our engagement on showing that the company can do more to find a balance between short-term financial performance and long-term expectations for a switch to renewable energy production.

LEA 08 Mandatory Core Assessed PRI 2,6

LEA 08.1 Do you monitor and review the outcomes of the engagement activities undertaken by your service providers on your behalf?

- Yes, periodically
- Yes, ad hoc basis
- We do not monitor or review them

LEA 08.2 Additional information. [Optional]

As part of our engagement in the utility sector, our the service provider GES provides us with a bi-annual progress report. In 2017 the report was again discussed in the presence of GES with several internal stakeholders within NN Group and NN IP.

NN IP also has access to the GES service provider platform, enabling access to the underlying information per engagement (tracking background, progress of the engagement, and performance of the engaged companies). Furthermore, for each of the engagement calls, NN IP is invited to participate.

LEA 09 Voluntary Additional Assessed PRI 1,2

LEA 09.1 Indicate if insights gained from your engagements are shared with your internal or external investment managers.

Type of engagement	Insights shared
Individual/Internal staff engagements	<input checked="" type="checkbox"/> Yes, systematically <input type="checkbox"/> Yes, occasionally <input type="checkbox"/> No
Collaborative engagements	<input checked="" type="checkbox"/> Yes, systematically <input type="checkbox"/> Yes, occasionally <input type="checkbox"/> No
Service provider engagements	<input checked="" type="checkbox"/> Yes, systematically <input type="checkbox"/> Yes, occasionally <input type="checkbox"/> No

LEA 09.2 Additional information. [Optional]

The insights that are gained as a result of the engagement with a corporation may be reflected in the investment case for this particular company if deemed material. In case we have strong concerns about a company's ESG practices and management is not receptive to our engagement efforts, this could be a reason for us to reconsider our positioning.

Key when integrating ESG factors into an investment analysis is to focus on materiality (i.e. factors that are likely to have a material impact on the longer-term sustainability of a company's business model and its share price performance). Examples of material factors include safety standards, environmental impact, and resource access in the mining industry, social and labour issues in the consumer sector, product liability and bribery in the healthcare sector, and governance and alignment between management and shareholders for companies in general.

NN IP has setup a detailed engagement database in which we keep track of our dialogue and engagement activities for our internal and external investment managers. The information that can be found in the database includes the discussion topics, the outcome of the discussion and the follow-up. In addition, we also include dialogues arranged by our external engagement services provider as well as collaborative engagements (e.g., through the PRI or Eumedion) which may have a thematic angle such as the palm oil sector. Having this detailed, engagement scorecard overview enables us to systematically track our progress and focus our engagement efforts to realise the best results for our clients.

LEA 10.1	Indicate if you track the number of your engagement activities.
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Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input checked="" type="checkbox"/> Yes, we track the number of our engagements in full <input type="checkbox"/> Yes, we partially track the number of our engagements <input type="checkbox"/> We do not track
Collaborative engagements	<input checked="" type="checkbox"/> Yes, we track the number of our engagements in full <input type="checkbox"/> Yes, we partially track the number of our engagements <input type="checkbox"/> We do not track and cannot estimate our engagements
Service provider engagements	<input checked="" type="checkbox"/> Yes, we track the number of our engagements in full <input type="checkbox"/> Yes, we partially track the number of our engagements <input type="checkbox"/> We do not track and cannot estimate our engagements

LEA 10.2	Additional information. [OPTIONAL]
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During 2017, the topics of discussion in our engagements and company dialogues were:

- Environmental: 13% (2016: 19%),
- Social: 8% (2016: 13%),
- Governance: 17% (2016: 39%),
- ESG overlapping: 63% (2016: 29%)

In total, 341 dialogues (2016: 310) were logged by our research analysts and Responsible Investment/ESG specialists in the database, representing a 10% increase. Our dialogues included 52 engagements conducted by our Responsible Investment/ESG specialists, often in collaboration with other institutional investors and/or supported by an external service provider.

LEA 11.1	Indicate the amount of your listed equities portfolio with which your organisation engaged during the reporting year.
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Private

LEA 11.2	Indicate the proportion of engagements that involved multiple, substantive and detailed discussions or interactions with a company during the reporting year relating to ESG issue.
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Private

LEA 11.3	Indicate the percentage of your collaborative engagements for which you were a leading organisation during the reporting year.
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Private

LEA 11.4	Indicate the percentage of your service provider engagements that you had some involvement in during the reporting year.
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Private

LEA 11.5	Additional information. [Optional]
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Private

LEA 12.1	Indicate which of the following your engagement involved.
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- Letters and emails to companies
 - In some cases
 - In majority cases
 - In all cases
- Meetings and/or calls with the appropriate team
 - In some cases
 - In majority cases
 - In all cases
- Visits to operations
 - In some cases
 - In majority cases
 - In all cases
- Participation in roadshows
 - In some cases
 - In majority cases
 - In all cases
- Other, specify

LEA 12.2 Additional information. [Optional]

Dialogue/engagement request are typically sent by email to the company's IR departments, unless we have established contact persons at the company to reach out to. In the majority of the cases we have a meeting and/or call with the appropriate team to discuss the issues we want to raise with the company. This can either be a board representative or senior management representative with a responsibility for specific focus areas.

It can also be the case that we send a letter directly to the board with an overview of the issues we would like to address. These letters are typically sent to the chairman or the lead independent director.

Company representatives also visit our offices on a regular basis to discuss a range of ESG issues as part of their roadshow. To an increasing extent companies are organising dedicated ESG roadshows to specifically focus on particular governance issues and/or environmental& social issues.

LEA 13 Voluntary Descriptive PRI 2

LEA 13.1 Indicate whether you track the number of cases during the reporting year in which a company changed its practices, or made a formal commitment to do so, following your organisation's and/or your service provider's engagement activities.

Private

LEA 13.3 Additional information [Optional].

Private

LEA 14 Voluntary Additional Assessed PRI 2

LEA 14.1 Provide examples of the engagements that your organisation or your service provider carried out during the reporting year.

Private

LEA 14.2 Additional information. [Optional]

Private

LEA 15 Mandatory Core Assessed PRI 1,2,3

LEA 15.1 Indicate whether your organisation has a formal voting policy.

Yes

LEA 15.2 Indicate what your voting policy covers:

- Conflicts of interest
- Share blocking
- Securities lending process
- Prioritisation of voting activities
- Decision making processes
- Environmental factors
- Social factors
- Governance factors
- Filing/co-filing resolutions
- Extraordinary meetings
- Regional voting practices
- Transparency of proxy voting activities
- Company dialogue pre/post vote
- Other, describe
- None of the above

LEA 15.3 Attach or provide a URL to your voting policy. [Optional]

<https://www.nnp.com/web/file?uuid=49081e00-2f16-4242-b5db-b4bcaabd0c23&owner=f23032d2-df50-4d07-915b-6143862fa2ea&contentid=6711>
Files: link, link

LEA 15.4 Provide a brief overview of your organization's approach to (proxy) voting.

The exercise of the voting rights is one of the most effective instruments that investors can use to hold management accountable. We endeavour to exercise the voting rights in markets worldwide. By casting the votes at shareholder meetings, we can influence matters such as director nominations and the remuneration policy, thereby playing an important role in the checks and balances of the companies we invest in. We encourage companies to adhere to internationally accepted corporate governance standards in addition to complying with local legal requirements. These standards include the OECD Principles of Corporate Governance and the ICGN's Global Governance Principles.

NN IP's voting policies are available on the website and form the basis for all our voting decisions. NN IP has set up a customised voting policy for exercising the voting rights at shareholder meetings on behalf of client assets. Thereby we ensure that shareholder meetings worldwide are voted in line with our own voting policy framework.

The shareholder meetings of our Dutch holdings, companies where we own a larger percentage of outstanding share capital and all companies that are held in the Sustainable Equity funds, are manually voted by an in-house Proxy Voting Committee.

No

LEA 16 Mandatory Descriptive PRI 2

LEA 16.1 Indicate how you typically make your (proxy) voting decisions.

Approach	
<input type="radio"/> We use our own research or voting team and make voting decisions without the use of service providers. <input checked="" type="radio"/> We hire service provider(s) that make voting recommendations or provide research that we use to inform our voting decisions.	
Based on	
<input type="radio"/> the service provider voting policy signed off by us <input checked="" type="radio"/> our own voting policy <input type="radio"/> our clients' requests or policy <input type="radio"/> other, explain	
<input type="radio"/> We hire service provider(s) that make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions. <input type="radio"/> We hire service provider(s) that make voting decisions on our behalf.	

LEA 16.2	Provide an overview of how you ensure your voting policy is adhered to, giving details of your approach when exceptions to the policy are made (if applicable).
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NN IP endeavours to exercise its voting rights in all markets worldwide on behalf of its Benelux funds with more than EUR 100 million of assets under management invested in equity. This is the vast majority of the funds that we manage on behalf of our clients.

NN IP's voting policy is available on the website and forms the basis for all our voting decisions. The voting policy describes how we vote on standard resolutions at annual general meetings and extraordinary general meetings of our investee companies.

NN IP has a Proxy Voting Committee (PVC) 3rd party assets that is responsible for exercising the voting rights at shareholder meetings for the Dutch, Belgian and Luxembourg funds. The voting rights are exercised based on NN IP's voting policy, which is publicly available. The PVC consults analysts & portfolio managers in the process of exercising the voting rights when deemed necessary. NN IP uses proxy advisory firm ISS to ensure that all shareholder meetings are voted in line with NN IP's voting policy

On an annual basis we exercise the voting rights at approx. 1500 shareholder meetings. The PVC does not have the capacity to review the agendas of all shareholder meetings. The PVC manually reviews the agenda in case one of the following criteria is met:

- Significant holdings in portfolio (+1% of outstanding share capital);
- Shareholder meetings of Dutch & Belgium companies;
- The company has significant ESG controversies; or
- The investee company is held in the sustainable and small cap equity strategies.

LEA 16.3	Additional information.[Optional]
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The focus of general meetings is usually centred around the following items:

- Appointment of executive and non-executive directors including diversity;
- Capital related proposals: issuance of shares with- or without preemptive rights and repurchase of shares;
- Executive remuneration;
- ESG management and implementation (including shareholder proposals).

LEA 18	Voluntary	Descriptive	PRI 2
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LEA 18.1	Describe your involvement in any projects to improve the voting trail and/or to obtain vote confirmation .
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Private

LEA 18.2	Additional information. [OPTIONAL]
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Private

LEA 19	Voluntary	Additional Assessed	PRI 2
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LEA 19.1	Indicate if your organisation has a securities lending programme.
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Yes

LEA 19.3	Indicate how voting is addressed in your securities lending programme.
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- We recall all securities for voting on all ballot items
 - We systematically recall some securities to vote on their ballot items
 - We recall some securities to 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 shares for voting purposes.
 - Others
- No

LEA 20	Mandatory	Core Assessed	PRI 2
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LEA 20.1	Indicate whether you or the service providers acting on your behalf raise any concerns with companies ahead of voting
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- Yes, in most cases
- Sometimes, in the following cases:
- Neither we nor our service provider raise concerns with companies ahead of voting

LEA 20.2	Indicate whether you and/or the service provider(s) acting on your behalf, communicate the rationale to companies, when , you abstain or vote against management recommendations.
<input checked="" type="checkbox"/> Yes, in most cases <input type="checkbox"/> Sometimes, in the following cases. <input type="checkbox"/> We do not communicate the rationale to companies <input type="checkbox"/> Not applicable because we and/or our service providers do not abstain or vote against management recommendations	

LEA 20.3	Additional information. [Optional]
<p>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.</p> <p>In our dialogues and engagements with investee companies on ESG issues we always highlight how we exercised our voting rights during the last shareholder meeting of the company.</p> <p>The tool gives the option to view the proxy voting activity by fund family (asset manager we offer several fund ranges to the clients: Dutch, Belgium and Luxembourg funds). Next tot that we also exercise the votes on behalf of NN group proprietary assets and ICS. Furthermore the tool provides graphical presentations, and breakdowns on how and where were voted.</p> <p>In addition our custodian informs us when there are some concerns with regards to the agenda of AGM/EGM.</p>	

LEA 21	Mandatory	Core Assessed	PRI 2
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LEA 21.1	For listed equities where you and/or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
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We do track or collect this information

Votes cast (to the nearest 1%)	97%
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Specify the basis on which this percentage is calculated	<input checked="" type="checkbox"/> of the total number of ballot items on which you could have issued instructions <input type="checkbox"/> of the total number of company meetings at which you could have voted <input type="checkbox"/> of the total value of your listed equity holdings on which you could have voted
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LEA 21.2	Explain your reason(s) for not voting certain holdings
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- Shares were blocked
 - Notice, ballots or materials not received in time
 - Missed deadline
 - Geographical restrictions (non-home market)
 - Cost
 - Conflicts of interest
 - Holdings deemed too small
 - Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement)
 - On request by clients
 - Other
- We do not track or collect this information

LEA 21.3	Additional information. [Optional]
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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.

LEA 22	Mandatory	Additional Assessed	PRI 2
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LEA 22.1	Indicate if you track the voting instructions that you and/or your service provider on your behalf have issued.
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Yes, we track this information

LEA 22.2	Of the voting instructions that you and/or third parties on your behalf issued, indicate the proportion of ballot items that were:
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Voting instructions	Breakdown as percentage of votes cast
For (supporting) management recommendations	89%
Against (opposing) management recommendations	10%
Abstentions	01%

LEA 22.3	Describe the actions you take in relation to voting against management recommendations.
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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.

No, we do not track this information

LEA 22.4	Additional information. [Optional]
	<p>Almost all shareholder proposals are voted on a case-by-case basis by the in-house proxy voting committee client assets. The proxy research advice that we receive on shareholder proposals is based on ISS's Sustainability Policy. Under this service all shareholder proposals are analysed by a team within ISS that has a significant experience with shareholder proposals. This policy generally supports shareholder proposals advocating ESG disclosure or universal norms/codes of conduct.</p> <p>NN IP supports shareholder proposals if we believe they help address significant social and environmental issues that can be material to a company. At the same time we take a rational approach in our analysis of the shareholder proposals at hand. If it appears from our analysis that a company already deals adequately with the request as mentioned in the shareholder resolution, we may not support the proposal. Also if we are of the opinion that the shareholder proposal is poorly drafted or the argumentation as used by the filers of the proposal is lacking, we may not support the proposal.</p>

LEA 23	Voluntary	Descriptive	PRI 2
LEA 23.1	Indicate if your organisation directly or via a service provider filed or co-filed any ESG shareholder resolutions during the reporting year.		
	<i>Private</i>		
LEA 23.6	Describe whether your organisation reviews ESG shareholder resolutions filed by other investors.		
	<i>Private</i>		
LEA 23.7	Additional information. [Optional]		
	<i>Private</i>		
LEA 24	Voluntary	Descriptive	PRI 2
LEA 24.1	Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.		
	<i>Private</i>		
LEA 24.2	Additional information. [Optional]		
	<i>Private</i>		

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	0
	Thematic alone	0
	Integration alone	0
	Screening + integration strategies	100
	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	0
Corporate (non-financial)	Screening alone	0
	Thematic alone	0
	Integration alone	0
	Screening + integration strategies	100
	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	0
Securitised	Screening alone	0
	Thematic alone	0
	Integration alone	0
	Screening + integration strategies	100
	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	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 NN Group's Responsible Investment policy framework. Following this framework, NN IP incorporated following in the Fixed Income approach:

- NN IP makes use of the restricted list of NN Group, i.e., a list of non-eligible companies that are considered to be the worst offenders in sensitive areas.
- NN IP makes use of NN Group's restricted list specifically for the defence sector.
- On top of that NN IP uses negative screening based on sanction laws and regulations.
- Moreover, we use ESG integration because we strongly believe the incorporation of ESG factors can enhance the risk-return profile of our investments.

For our clients who want to take Responsible Investments a step further we offer specialized SRI funds and tailor-made Responsible Investment solutions.

FI 01.3 Additional information [Optional].

We have launched our Euro Green Bond fund in February 2016 which falls into the category Thematic + integration strategies. NN will only invest in Green Bonds that adhere to the Green Bond Principles. Furthermore, the issuer of the bond itself will be 'ESG screened' with the use of ESG data from Sustainalytics. AuM of the Green bond fund has grown from EUR 20 million (February 2016) to over EUR 170 million as at end of 2017.

FI 02 Mandatory to Report, Voluntary to Disclose Core Assessed PRI 1

FI 02.1 Indicate which ESG factors you systematically research as part of your analysis on issuers.

Private

FI 02.2 Indicate what format your ESG information comes in and where you typically source it

Private

FI 02.3 Provide a brief description of the ESG information used, highlighting any differences in sources of information across your ESG incorporation strategies.

Private

FI 02.4 Additional information. [Optional]

Private

FI 03 Mandatory Additional Assessed PRI 1

FI 03.1 Indicate how you ensure that your ESG research process is robust:

- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- Internal audits of ESG research are undertaken in a systematic way
- ESG analysis is benchmarked for quality against other providers
- Other, specify

specify description

ESG committee meets on quarterly basis, with representatives from all boutiques to discuss current status of ESG incorporation, and potential improvements

- None of the above

FI 03.2 Describe how your ESG information or analysis is shared among your investment team.

- ESG information is held within a centralised database and is accessible to all investment staff
- ESG information is a standard item on all individual issuer summaries, 'tear sheets', 'dashboards' or similar documents
- Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- Records capture how ESG information and research was incorporated into investment decisions
- Other, specify

ESG awareness throughout the entire investment culture

- None of the above

FI 03.3 Additional information. [Optional]

Comprehensive research is undertaken/sourced to determine issuers ESG performance.

Mentality regarding ESG awareness is embedded in the NN IP culture to such an extent that responsible investing has become common sense investing. Detailed ESG information is readily available throughout the organization.

FI 04 Mandatory Gateway PRI 1

FI 04.1 Indicate the type of screening you conduct.

	SSA	Corporate (non-financial)	Securitised
Negative/exclusionary screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Positive/best-in-class screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Norms-based screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

FI 04.2 Describe your approach to screening for internally managed active fixed income

Based on NN Responsible Investment policy framework a restricted list is developed (existing of non-eligible companies considered to be the worst offenders in sensitive areas) and a restricted list specifically for the defence sector.

NN Group entities complies with all applicable sanction laws and regulations, including the Netherlands, the UN, the EU, and the US, and other individual countries in which NN Group entities are located.

For our SRI corporate bond funds, negative screening is based on controversial behaviour (norms-based screening) as well as tobacco exclusion. To preserve a broad credit investment universe we do not apply a positive/ best-in-class issuer screening on ESG criteria.

NN Group may apply additional restrictions for its proprietary assets, like countries (government bonds) where fundamental human rights are systematically breached, and/or companies that seriously and structurally breach global standards of good corporate behaviour (like those listed in the UN Global Compact. We uphold these criteria for the funds we manage for NN Group.

NN IP applies positive screening for Euro Green Bond fund next to Green Bond Principles applied criteria .

FI 04.3	Additional information. [Optional]
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NN Group may apply additional investment restrictions for its proprietary assets. These could include additional countries (government bonds) where fundamental human rights are systematically breached, and/or companies that seriously and structurally breach global standards of good corporate behaviour, such as the ones listed in the United Nations Global Compact. NN IP will uphold to these criteria for the funds managed for NN group.

FI 05	Mandatory	Descriptive	PRI 1
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FI 05.1	Indicate why you conduct negative screening.
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SSA	<input checked="" type="checkbox"/> For legal reasons <input checked="" type="checkbox"/> For non-legal reasons
Corporate (non-fin)	<input checked="" type="checkbox"/> For legal reasons <input checked="" type="checkbox"/> For non-legal reasons
Securitised	<input checked="" type="checkbox"/> For legal reasons <input checked="" type="checkbox"/> For non-legal reasons

FI 05.2	Describe your approach to ESG-based negative screening of issuers from your investable universe.
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NN IP incorporated following in the Fixed Income approach:

- NN IP makes use of the restricted list of NN Group, i.e., a list of non-eligible companies that are considered to be the worst offenders in sensitive areas.
- NN IP makes use of NN Group's restricted list specifically for the defence sector.

On top of that NN IP uses use negative screening based on sanction laws and regulations.

Moreover, we use ESG integration because we strongly believe the incorporation of ESG factors can enhance the risk-return profile of our investments.

FI 05.3	Additional information. [Optional]
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The basis for NN IP's responsible investment approach is NN Group's Responsible Investment policy framework. The framework is based on NN's values: care, clear, and commit, outlining the behaviour we expect of our employees, articulating that we take environmental and social considerations into account in all of our business activities, and respecting each other and the world we live in. The Fixed Income approach presented in FI 05.2 follows this framework.

Based on NN Responsible Investment policy framework a restricted list is developed (existing of non-eligible companies considered to be the worst offenders in sensitive areas) and a restricted list specifically for the defence sector.

NN Group entities complies with all applicable sanction laws and regulations, including the Netherlands, the UN, the EU, and the US, and other individual countries in which NN Group entities are located.

For our SRI corporate bond funds, negative screening is based on controversial behaviour (norms-based screening) as well as tobacco exclusion. To preserve a broad credit investment universe we do not apply a positive/ best-in-class issuer screening on ESG criteria.

For our clients who want to take Responsible Investments a step further we offer specialized SRI funds and tailor-made Responsible Investment solutions.

NN Group may apply additional restrictions for proprietary assets that we manage for them, like countries (government bonds) where fundamental human rights are systematically breached, and/or companies that seriously and structurally breach global standards of good corporate behaviour (like those listed in the UN Global Compact.

NN IP applies positive screening for Euro Green Bond fund.

NB: NN IP manages assets for the account of clients (third party assets) as well as for NN's own account, also referred to as proprietary assets.

FI 06	Voluntary	Additional Assessed	PRI 1
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FI 06.1	Provide examples of how ESG factors are included in your screening criteria.
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Private

FI 06.2	Additional information.
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Private

FI 07	Mandatory	Core Assessed	PRI 1
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FI 07.1	Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.
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Type of screening	Checks
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Negative/exclusionary screening?	<input checked="" type="checkbox"/> Checks are performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least every 2 years. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above
Positive/best-in-class screening	<input type="checkbox"/> Checks are performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least every 2 years. <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above
Norms-based screening	<input checked="" type="checkbox"/> Checks are performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least every 2 years. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above

FI 07.2 Additional information. [Optional]

The information is reviewed on a regular basis and changes to the restricted list of companies are subject to approval by the Risk and Finance Committee of NN Group. The restricted companies are in scope of NN IP's pre trade compliance checks, effectively blocking trades in these companies. Regular post-trade compliance checks are in place as well. The ESG committee reviews changes to the restricted list.

FI 11 Mandatory Descriptive PRI 1

FI 11.1 Describe your approach to integrating ESG into traditional financial analysis.

As an integral part of our research process, ESG analysis is carried out by NN IP's mainstream analysts.

Analysts have access to the ESG database, which includes information on how each company scores on different ESG factors compared to its sector average and if there are any structural issues or controversies from ESG perspective. ESG factors covered include, amongst others, environmental damage and climate change, bribery and corruption, human rights, health and safety and corporate governance. The analysts are making use of ESG data/research from specialised ESG service provider Sustainalytics. These data are also being used for our dedicated SRI funds. The analysts incorporate the results of their analysis into fixed income research templates, called score cards, ensuring they have looked at all material aspects. This process is quite similar to the ESG integration process on the equity side, but with more emphasis being put on the downward risks. Portfolio managers at NN IP take the score cards into account when making investment decisions.

NN IP has a partnership with ISS-Ethix Climate Solutions. They provide us with carbon footprint data covering companies/countries/issuers as well as other environmental data like waste management data.

NN IP also has a partnership with Climate Bond Initiative which provides access to their database on the green bond market.

FI 11.2 Describe how your ESG integration approach is adapted to each of the different types of fixed income you invest in.

SSA

For the developed market strategy we use a fixed weight for each category (E, S and G) to calculate the developed market ESG score. An important input in the decision making process is the direction/momentum of the ESG score. An outright ESG threshold score is applied to determine the investment universe (e.g. a country should have an above average ESG score compared to all countries that are ranked in the ESG universe and if a country scores below average, the investment manager should have strong reasons not to divest the country).

For our emerging market debt (EMD) strategy we analyse key macroeconomic indicators as well as a number of ESG criteria that are integrated into our proprietary Sovereign Rating Model (SRM) that results in country score cards. ESG country factors include for example corruption perception, ease of doing business, human development, rule of law and energy-dependency. We have back tested the results and found clear improvement of the new scoring methodology (higher predictive power when incorporating ESG factors into the model). The ESG criteria are assigned 40% weight in the country score cards, and thus are a key determinant of the country score and therefore, of the relative attractiveness of the country. The SRM forms the backbone of EMD Hard Currency strategy and is an important input for all other EMD strategies as well.

Corporate (non-financial)

ESG research is conducted in-house by our credit analyst teams, who explicitly score companies on their performance on Environmental, Social and Governance factors as part of their research process. The result of our in-house credit analysis, including the assessment of the company's performance on ESG factors, is documented into a company score card for each issuer under coverage. Our in-house ESG specialists support the ESG analysis conducted by our credit analyst teams.

NN IP intends to incorporate ESG factors, based on the current research on ESG factors impacting performance in corporation with ECCE.

Securitised

The analysis of securitised investments is based on 3 pillars, being servicer/originator - structure - asset pool. ESG aspects are mainly taken into account on the servicer/originator part of the analysis.

For the analysis of the servicer/originator, we use input from the corporate analytics team. ESG is an integrated part of their analysis. As a result of that,

when a servicer/originator of a securitised investments is covered by the corporate analytics team, ESG is taken into account in the analysis. Continuous expansion of coverage by Sustainalytics allows us to further enhance our integrated ESG framework.

FI 11.3 Additional information [OPTIONAL]

NN IP has partnered with ECCE (European Centre for Corporate Engagement, linked to University of Maastricht) and conducted research of the link between ESG and performance. We published white papers on the materiality of ESG factors on the performance of equities. The main outcome of this extensive work on equities was that scores momentum and controversy levels were the most relevant factors.

NN IP and ECCE are now conducting this research on credit issuers as well. This academic research is used to gain new insights related to the link between ESG factors and financial performance of issuers. This research paper will be published in Q2 2018.

FI 12 Mandatory Core Assessed PRI 1

FI 12.1 Indicate how ESG information is typically used as part of your investment process.

	SSA	Corporate (non-financial)	Securitized
ESG analysis is integrated into fundamental analysis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is integrated into security weighting decisions	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is integrated into portfolio construction decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is a standard part of internal credit ratings or assessment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis for issuers is a standard agenda item at investment committee meetings	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ESG analysis is regularly featured in internal research notes or similar	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is a standard feature of ongoing portfolio monitoring	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis features in all internal issuer summaries or similar documents	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 12.2 Additional information [OPTIONAL]

The awareness mentality regarding ESG is embedded in the NN IP culture to such an extent that responsible investing has become common sense investing. Detailed ESG information is readily available throughout the organization

Comprehensive research is undertaken/sourced to determine issuers ESG performance.

The ESG factors influence the score of each of the countries in our investment universe, thereby exerting some influence on the portfolio construction as well. Furthermore, the country scores are updated three times a year.

FI 13 Mandatory Additional Assessed PRI 1

FI 13.1 Indicate the extent to which ESG issues are reviewed in your integration process.

	Environment	Social	Governance
SSA	Environmental <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	Social <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	Governance <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (non-financial)	Environmental <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	Social <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	Governance <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Securitized	Environmental <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	Social <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	Governance <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all

FI 13.2 Please provide more detail on how you review E, S and G factors in your integration process.

SSA

ESG research is carried out by the investment analysts who use Sustainalytics, information provided by the issuer and Bloomberg. This information gives the analyst a framework to determine how each issuer scores on different ESG factors. The results of this research are incorporated in each score card. Key in this process is to determine how material the underlying issues are.

Corporate (non-financial)

ESG research is carried out by the investment analysts who use Sustainalytics, information provided by the company and Bloomberg. This information gives the analyst a framework to determine how each company scores on different ESG factors. The results of this research are incorporated in each score card. Key in this process is to determine how material the underlying issues are.

Securitized	ESG research is carried out by the investment analysts who use Sustainalytics, information provided by the originator and Bloomberg. This information gives the analyst a framework to determine how each originator scores on different ESG factors. The results of this research are incorporated in each score card. Key in this process is to determine how material the underlying issues are.
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FI 15	Mandatory to Report, Voluntary to Disclose	Core Assessed	PRI 2
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FI 15.1	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.
<i>Private</i>	
FI 15.3	Additional information.[OPTIONAL]
<i>Private</i>	

FI 16	Mandatory to Report, Voluntary to Disclose	Additional Assessed	PRI 1,2
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FI 16.1	Indicate how you typically engage with issuers as a fixed income investor, or as both a fixed income and listed equity investor. (Please do not include engagements where you are both a bondholder and shareholder but engage as a listed equity investor only.)
<i>Private</i>	
FI 16.2	Indicate how your organisation prioritises engagements with issuers
<i>Private</i>	
FI 16.3	Indicate when your organisation conducts engagements with issuers.
<i>Private</i>	
FI 16.4	Indicate how your organisation conducts engagements with issuers.
<i>Private</i>	
FI 16.5	Indicate what your organisation conducts engagements with issuers on.
<i>Private</i>	
FI 16.6	Indicate how your organisation shares the outcomes of the engagements internally.
<i>Private</i>	
FI 16.7	Additional information.[OPTIONAL]
<i>Private</i>	

FI 17	Mandatory to Report, Voluntary to Disclose	Additional Assessed	PRI 1,2
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FI 17.1	Indicate if your publicly available policy documents explicitly refer to fixed income engagement separately from engagements in relation to other asset classes.
<i>Private</i>	
FI 17.3	Additional information [OPTIONAL]
<i>Private</i>	

FI 18	Mandatory to Report, Voluntary to Disclose	Additional Assessed	General
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FI 18.1	Indicate whether your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or ESG performance.
<i>Private</i>	
FI 18.2	Describe how your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or ESG performance. [OPTIONAL]
<i>Private</i>	
FI 18.3	Additional information.[OPTIONAL]
<i>Private</i>	

FI 19	Voluntary	Descriptive	PRI 1,2
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FI 19.1	Provide examples of how your incorporation of ESG analysis and/or your engagement of issuers has affected your fixed income investment outcomes during the reporting year.
<i>Private</i>	
FI 19.2	Additional information.
<i>Private</i>	

CM1 01.1	Mandatory	Core Assessed	General
CM1 01.1	Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:		
	<input type="checkbox"/> Third party assurance over selected responses from this year's PRI Transparency Report <input type="checkbox"/> Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year <input type="checkbox"/> Third party assurance or audit of the implementation of RI processes (that have been reported to the PRI this year) <input type="checkbox"/> Internal audit conducted by internal auditors of the implementation of RI processes and/or RI data that have been reported to the PRI this year) <input checked="" type="checkbox"/> Internal verification of responses before submission to the PRI (e.g. by the CEO or the board) <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Whole PRI Transparency Report has been internally verified <input type="checkbox"/> Selected data has been internally verified <input checked="" type="checkbox"/> Other, specify Operational Risk management has reviewed the process and compliance ahs reviewed modules <input type="checkbox"/> None of the above		
CM1 01.2 & 01.8	Mandatory	Descriptive	Planned assurance of this year's PRI Transparency Report
CM1 01.2	Do you plan to conduct third party assurance of this year's PRI Transparency report?		
	<input type="radio"/> Whole PRI Transparency Report will be assured <input type="radio"/> Selected data will be assured <input checked="" type="radio"/> We do not plan to assure this year's PRI Transparency report		
CM1 01.3 & 01.9	Mandatory	Descriptive	General
CM1 01.3	We undertook third party assurance on last year's PRI Transparency Report		
	<input type="radio"/> Whole PRI Transparency Report was assured last year <input type="radio"/> Selected data was assured in last year's PRI Transparency Report <input checked="" type="radio"/> We did not assure last year's PRI Transparency report, or we did not have such a report last year.		
CM1 01.4, 10:12	Mandatory	Descriptive	General
CM1 01.4	We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:		
	<input type="checkbox"/> We adhere to an RI certification or labelling scheme <input checked="" type="checkbox"/> 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 01.11	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 auditor's report.		
	https://www.nn-group.com/Investors/2017-Annual-Report.htm https://www.nn-group.com/Investors/2017-Annual-Report.htm		
	<input type="checkbox"/> ESG audit of holdings <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above		
CM1 01.7	Mandatory	Descriptive	General
CM1 01.7	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		
	<input type="checkbox"/> CEO or other Chief-Level staff <input type="checkbox"/> The Board <input type="checkbox"/> Investment Committee <input checked="" type="checkbox"/> Compliance Function <input checked="" type="checkbox"/> RI/ESG Team <input type="checkbox"/> Investment Teams <input type="checkbox"/> Legal Department <input checked="" type="checkbox"/> Other (specify)		
CM1 01.13	Additional information for all confidence building measures [OPTIONAL]		
	Operational Risk management overlooked the process.		