

Gifts, Events & Business meals Policy

Implementation date: 1 January 2017

Contact: NN Corporate Compliance

1. Objective

The objective of this policy is to support NN Group and its underlying entities in mitigating the risk of bribery and corruption and unsound conflicts of interest related to gifts, events and business meals.

The policy lists mandatory minimum requirements that need to be met. Whether or not additional action (on top of these minimum requirements) needs to be undertaken to manage the risk(s) to a level within the risk appetite needs to be considered.

2. Scope

All employees employed by NN under an employment agreement are subject to this policy. All employees include also temporary staff.

3. Target audience

1. Senior management

Senior management as they are responsible for policy setting and maintenance and process development and execution.

2. All managers

All managers as they are responsible for ensuring high levels of awareness and compliance with their direct reports.

3. Compliance

Compliance in their double role to provide support to management in performing their responsibilities and provide independent monitoring that the controls are effective and that the key risk is managed within the risk appetite.



4. Key risks and control objectives

The table below shows the link between the risks covered in this policy and the risks defined in the NN Group risk taxonomy.

Level 1 risk type	Level 2 risk type*	General control areas
• Corruption & Bribery risk	• Gifts, events, business meals, sponsoring and charitable donations risk	• Standard setting; • Process development; • Awareness and compliance
• Personal conflicts of interest risk	• Gifts, events, business meals, sponsoring and charitable donations risk (perception)	

* See the latest version of the NN Group risk taxonomy (uploaded in the Policy House) for relevant risk definitions

The business unit is expected to implement local controls (as part of a local control framework) to provide reasonable assurance that the control objectives as stated in the table below are met.

General control areas	Control objective: Controls provide reasonable assurance that...
Standard setting	Based on this policy, NN entities have a local standard in place that clearly defines thresholds in place for gifts, events and business meals. The thresholds are in accordance with (applicable) local and international law, are appropriate for the country the NN entities operates in, as well as for the markets they are active in and reflect NN's Statement of Living our Values. The local standard needs to be approved by the business responsible MB member of NN Group, who can delegate this to the Chief Compliance Officer of NN Group.
Process development	Based on this policy NN entities have a clearly defined process in place that assures proper governance around the approval of gifts, events and business meals as well as adequate and complete registration of gifts, events and business meals.
Awareness and compliance	All employees are aware of the thresholds and the approval and registration process and comply with these requirements.

5. Minimum requirements

This chapter describes requirements that are mandatory.

Minimum requirement	Description
Local Standard	NN entities have to make an own local Standard. The local standard needs to be approved by the business responsible MB member of NN Group, who can delegate this to the Chief Compliance Officer of NN Group.
Thresholds and frequencies	NN entities define clear thresholds and frequencies for gifts, events, and business meals. The thresholds and frequencies are in accordance with (applicable) local and international law, are appropriate for the country the NN entity operates in, as well as for the markets they are active in and reflect NN's Statement of Living our Values.
Thresholds	In defining the thresholds and frequencies, different treatment for public and non-public officials is taken into account, as public officials are subject to stricter rules.
Local standard with values and transparency rules regarding gifts, events and business meals	The NN entity standard clearly states that no employee may offer or receive a gift or an event, regardless of its value, which constitutes an inducement or bribe, violates applicable laws, regulations or NN Values, and/or create or give the appearance of creating a conflict of interest. Gifts or events should not be provided or received if there is reason to believe that the recipient will attempt to conceal it. All gifts or events should, at all times, be provided and received in an open and transparent way.
Local standard with scope and minimum instructions on gifts, events and business meals	The NN entity standard reflects that employees may not offer or accept as a gift or event: <ul style="list-style-type: none"> • Travel or accommodation; • Cash or cash equivalents; • Facilitation payments; • Gifts or events at a private address. The standard also reflects that gifts and events must not involve activities, products, services or venues that might embarrass, or that might be considered of bad taste or that might violate NN's Values.
Local standard with scope and minimum instructions on gifts, events and business meals	The NN entity standard reflects that the offering / acceptance of meals and refreshments is allowed, provided that: <ul style="list-style-type: none"> • the purpose is business; • the attendance of staff is related to their duties with NN; • the level of expense is reasonable and customary in the context of the business relationship with the client; • the frequency of such lunches / dinners with the same client is not excessive.
Local standard with instructions on gifts and donations with a political relationship (e.g. political parties and candidates)	The NN entity standard reflects that NN entities are not permitted to make gifts or political donations or to offer events to political parties or candidates for political office.
Definitions	NN entities use the definitions for gifts, events and business meals and political donations, (non) public officials as outlined in Appendix 1 of this document (the Group definitions).
Process on approval and exceptions	NN entities develop and implement a proper governance process for the approval of gifts, events and business meals – as well as an approval process for exceptional circumstances.
Process on Business partner due diligence	NN entities ensure that bribery/corruption is duly considered in the onboarding process of third parties. The third party is made aware of NN's anti-bribery stance and has appropriate processes to ensure that it does not offer, promise, pay, solicit, request or agree to receive or accept a bribe in any of its dealings on behalf of NN. All agreements in which NN retains the services of a third party contain provisions relating to compliance with applicable anti-Bribery laws.
Process on registration, reporting and monitoring	NN entities develop a process aimed at adequate and complete registration of gifts, events and business meals in a Hospitality Register. NN entities ensure that the Register can be reported on, and that its content can be tracked (by the first line) and monitored by Compliance.
Awareness, compliance and monitoring	NN entities ensure that hierarchical managers take the responsibility to develop and maintain high levels of awareness on the objectives and the content of the NN entity's policy, as well as of the approval and registration process linked to it – and that they periodically monitor compliance with the policy.

Appendix 1. Definitions

Gifts

Any benefit (financial or not) other than an 'event' provided to a NN employee or closely related individual by an external person or provided by a NN Employee to an external person or closely related individual. Benefits also include all kinds of services and the procurement of goods at a price below market value.

Gifts do not include any item that is:

- one of a number of identical items that are widely distributed (e.g., pens, desk sets, promotional materials, items marked with a corporate logo, etc.); or
- covered by the definition of 'event'.

Events

Any benefit, where the donor is also present, provided to a NN employee or closely related individual by an external person or provided by a NN employee to an external person or closely related individual in the form of:

- meals, drinks, visits to theatres, other venues, etc.; and / or
- tickets to events (e.g., invitations to concerts, exhibitions, sporting events).

Business meals

Meals and refreshment offered / accepted in the course of a meeting or other occasion with a (potential) business partner.

Political donations

Political donations are contributions, financial or in kind, to support a political cause. Financial contributions can include both donations and loans whereas in-kind contributions tend to be payments in goods or services. In kind contributions can include gifts or loans of property, provision of services, advertising or promotional activities endorsing a political party, purchase of tickets to fundraising events, contributions to research organisations or think-tanks with close associations to a political party, or the release of employees without pay to undertake political campaigning or to stand for office.

A political cause may include political parties, election committees, party affiliated organisations, party aligned research bodies, pressure or lobby groups, causes that are politically aligned, party officers and candidates.

Public official

- Any officer or employee of a foreign, national, local or municipal government whether elected or appointed (this includes officials holding a legislative, administrative or judicial position of any kind);
- Any person acting in an official capacity or exercising a public function for or on behalf of any government or its instrumentality such as a professional working for a public health agency;
- Any officer or employee of a public international organisation such as the UN or the World Bank;
- Political parties, their officials, and candidates for public office; or
- Any officers or employees of State-owned or State-controlled entities.