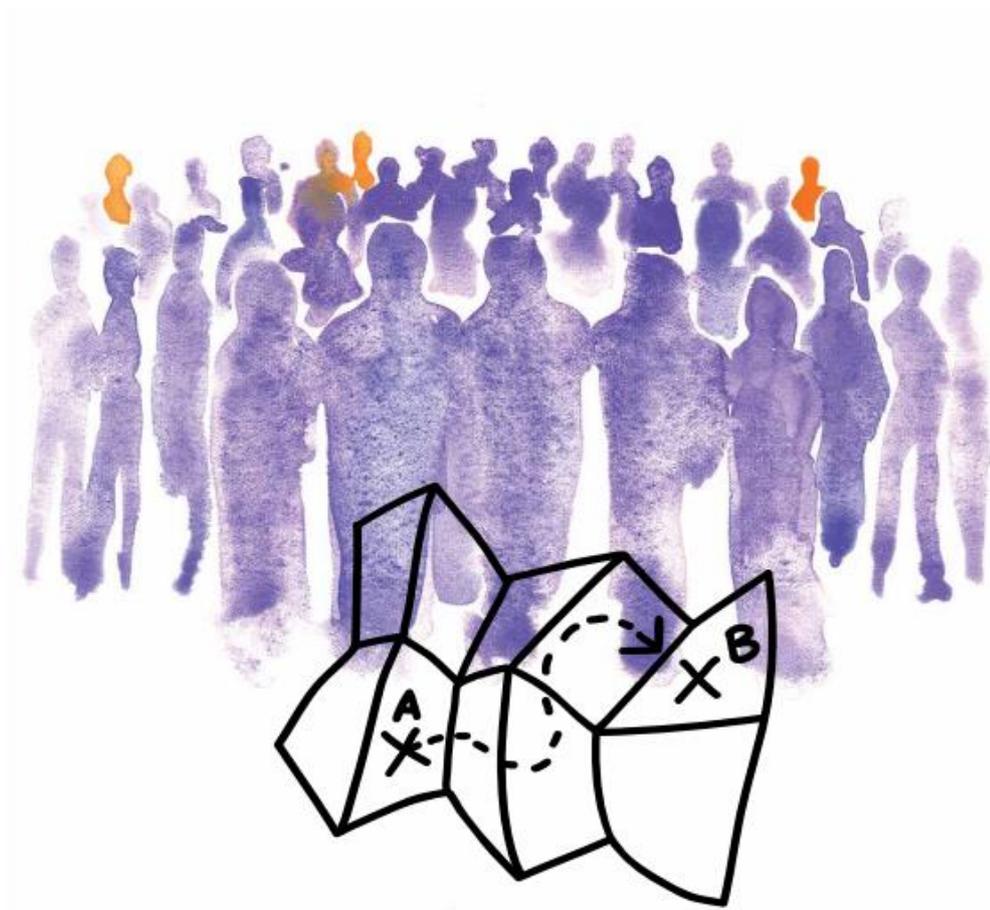


Investment Guidance paper on Human Rights

Supporting document to implement the RI Framework policy

December 2025



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Important legal information

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1. Introduction

At NN Group, we strive to conduct our business in a manner that is environmentally and socially responsible. This includes respecting human rights. This guidance paper focuses on our approach to human rights in our role as an investor. It provides background on human rights and illustrates due diligence processes we apply. It further highlights relevant standards and principles to promote best practices and, where relevant, how we use our leverage to address negative impacts of companies in which we invest.

Background Guidance Papers

NN Group adopted the Responsible Investment Framework policy in 2014. We define Responsible Investment (RI) as the systematic integration of environmental, social, and governance (ESG) factors into investment decision-making and active ownership practices. Our RI Framework policy reflects our commitment to various international and sector-specific standards and initiatives. A key part of our approach to responsible investing is that, where possible and feasible, we aim to mitigate the negative impacts of our investments on sustainability matters. These negative impacts are also called adverse impacts, the most significant of which are referred to as principal adverse impacts (PAIs). PAIs can occur in different areas and be related, for example, to environmental, social and employee matters, human rights, corruption, and bribery.

NN Group has developed guidance papers which are intended to be a basis for discussion between us and our stakeholders. These are living documents that are regularly reviewed to ensure that they reflect evolving risks and best practices. They also reinforce our ongoing education on these topics. The guidance papers are also intended to help our external asset managers in evaluating investments from a topic-specific perspective. By publishing this paper externally, we aim to express our position and use it to leverage change in the sphere of our investment activities.

NN Group and human rights

The basis of our approach to human rights is embedded in the [NN Human Rights Statement](#). It sets out our approach to human rights in our various roles: employer, provider of financial services, business partner, investor, and corporate citizen.

When investing in companies, we could be ‘directly linked’ to challenging human rights situations. We aim to mitigate exposure to adverse human rights impacts and effectively address such situations when they arise. Furthermore, if investee companies do not manage human rights risks appropriately, this may lead to significant financial exposure resulting from reputational damage, regulatory breaches, legal liabilities, and operational interruptions. Implementing a due diligence process to incorporate ESG considerations – which include risks to people from business activities and relationships – in investment analysis and active ownership practices will help us to identify, prevent and mitigate sustainability-related negative human rights risks and impacts. We believe such a process will support us in making better informed business decisions and in identifying sound and beneficial opportunities.

This paper starts by introducing the international framework and principles that form the foundation of human rights. This is followed by an explanation of how human rights risks relate to factors such as the societal setting and the sectors and industries where companies are active. Furthermore, it further provides examples of sub-themes and developments within these themes which we believe are important in relation to human rights risks, impacts and opportunities in an investment context.

2. Human rights and the role of companies

International frameworks

Human rights are rights inherent to all human beings, regardless of their nationality, place of residence, gender, national or ethnic origin, colour, sexual orientation, religion, language, or any other status. We are all equally entitled to our human rights without discrimination. These rights are all interrelated, interdependent, and indivisible.

Human rights were first formally recognised by the Universal Declaration of Human Rights (UDHR), adopted by the United Nations after World War II, in 1948. These rights are protected and expressed through **human rights law**, which includes international treaties, national constitutions, and legal principles.

A central part of this legal framework is the **International Bill of Human Rights**, which outlines key civil, political, economic, social, and cultural rights. In addition, the **International Labour Organization (ILO)** has developed core conventions that safeguard workers' rights and form an essential part of the international human rights system (see Annex 2 for information on the ILO core conventions).

The International Bill of Human Rights

The International Bill of Human Rights consists of generally recognised human rights which are set out in the Universal Declaration of Human Rights (1948) and its two legally binding documents:

- The **International Covenant on Civil and Political Rights (ICCPR)**: Adopted by the United Nations General Assembly in 1966, the ICCPR is a legally binding treaty that focuses on civil and political rights, such as the right to life, freedom from slavery and forced labour, non-discrimination, and freedom of expression and association.
- The **International Covenant on Economic, Social and Cultural Rights (ICESCR)**: Also adopted by the United Nations General Assembly in 1966, the ICESCR is another legally binding treaty that focuses on economic, social and cultural rights, such as the right to work, fair wages, safe and healthy conditions, join labour unions, health, and education.

It should be noted that not all countries have ratified or implemented all human rights instruments, which can lead to differences in legal protection across jurisdictions.

In addition to those highlighted in this chapter, several other standards and principles have been developed to safeguard the human rights of various vulnerable groups. Some of the more relevant standards are incorporated in Annex 2.

Companies and human rights

The primary responsibility to protect human rights lies with governments. However, companies have an important role to play as well. Companies can impact human rights in significant ways, both positively and negatively. They can promote human rights and raise standards for people across the globe by virtue of their business activities. However, they can also have a negative impact on human rights through their own activities or when they are associated with human rights abuses committed by others, including state actors.

The **UN Guiding Principles on Business and Human Rights (UNGPs)**, endorsed by the international community in 2011, are considered the global standard that sets out what companies should do to respect human rights. Their development was driven by the recognition that, while international human rights law offers a legal framework, there was a lack of clear guidance on how businesses should apply these principles in practice. The UNGPs aim to fill this gap by outlining practical expectations for companies and investors alike.

The UNGPs rest on the three pillars of the “Protect, Respect and Remedy” Framework that Professor John Ruggie (the former UN Secretary-General’s Special Representative on Business & Human Rights) proposed to the UN Human Rights Council in 2008. These three pillars are:

- States have a **duty to protect** against human rights abuses by third parties, including businesses, through policies, legislation, and adjudication.
- Corporates (including investors) have a **responsibility to respect** human rights, avoid infringing on others' human rights, and address negative impacts related to their activities.
- **Access to remedy** is needed for individuals and groups negatively impacted by business and government activities.

To meet their responsibility under the second pillar to respect human rights, companies are expected to:

- Adopt a policy commitment to human rights.
- Implement due diligence processes to identify, prevent, mitigate, and account for human rights impacts.
- Establish mechanisms to remediate adverse impacts when they occur.

The UNGPs also outline how companies may be involved in adverse human rights impacts, distinguishing three types of involvement:

- **Causing:** The company's own actions directly result in a negative human rights impact.
- **Contributing to:** The company's actions or decisions contribute to harm caused by another party.
- **Directly linked to:** The harm stems from a business partner, such as a supplier or investee company, with the company linked through its operations, products, or (financial) services, even if it did not directly cause the impact. Financial institutions are typically connected to adverse human rights impacts in this way.

Each type of involvement requires a tailored response, ranging from ceasing harmful activities to using leverage to influence others and enable remedy.

The UNGPs have played a key role in the development of similar standards and guidelines by other international organisations such as the **OECD Guidelines for Multinational Enterprises (OECD Guidelines)** and the **UN Global Compact (UNGC)**.

NN Group aligns with the human rights responsibilities for companies and other stakeholders as set forth in the UNGPs and OECD Guidelines. As a responsible asset owner, we recognise that we may be directly linked to adverse human rights impacts caused or contributed to by investee companies. Where feasible, we seek to engage in constructive dialogue with these companies and use our leverage to mitigate such impacts and enable remedy for affected people. Further details on our due diligence approach are provided in our RI Framework policy and our Voting and Engagement Policy for Proprietary Assets (references included in Annex 2).

NN Group asks its asset managers and the companies it invests in to follow similar practices. This includes the expectation that companies adopt and implement policies and practices to comply with internationally recognised human rights laws and standards across their operations and up- and downstream value chain. Key expectations include demonstrating a policy commitment to ESG topics, including human rights; conducting due diligence to identify and address human rights impacts; and establishing mechanisms for remediation. Companies are also expected to

integrate human rights and other ESG criteria into procurement and operational policies, and into contracts with suppliers and subcontractors, where appropriate. This includes the sub-themes outlined in this investment guidance paper, such as matters concerning health, protection of vulnerable groups, and issues in conflict-affected and high-risk areas.

Non-financial reporting on human rights

NN Group encourages companies, especially those active in high-risk sectors, to apply a reporting framework that addresses different aspects of non-financial performance, such as the UN GP Reporting Framework, the Global Reporting Initiative (GRI) Standards (including human rights due diligence and sector specific disclosures) and the International <IR> Framework. The European Union (EU) has introduced several regulations requiring companies and investors to report on their human rights performance. For investors, the EU Taxonomy and Sustainable Finance Disclosure Regulation (SFDR) require transparency about how investment decisions impact human rights. Through standardised PAI indicators, like violations of global norms, the existence of human rights policies and due diligence processes, and the number of severe human rights incidents investee companies have been connected to, investors must disclose the adverse human rights effects of their portfolios. Furthermore, the Corporate Sustainability Reporting Directive (CSRD) sets out detailed requirements to report on human rights policies, due diligence processes, and incidents. It introduces the principle of double materiality, asking companies to explain both how sustainability issues affect them and how they affect society. The CSRD builds upon internationally recognised standards, including the OECD Guidelines and UNGPs, and also applies to NN Group.

Other regulations go further, requiring companies to act. The currently renegotiated Corporate Sustainability Due Diligence Directive (CSDDD), for instance, intends to oblige large firms to identify and address human rights risks across their value chains. The EU Forced Labour Regulation, projected to apply from December 2027, bans products made with forced labour from entering the EU market. The EU Battery Regulation mandates due diligence on raw materials such as cobalt and lithium, which are often sourced from high-risk regions. While some provisions are already in force, the full due diligence requirements will apply from August 2027.

NN Group recognises that as sustainability data becomes more consistent and comparable, reporting frameworks such as SFDR, CSRD and the EU Taxonomy will play an increasingly important role in assessing human rights risks and sustainability performance. Complementary regulations like CSDDD and the Forced Labour and Battery Regulations introduce additional expectations around due diligence, particularly for companies operating in complex value chains.

3. Understanding human rights risks and impacts

We have a responsibility to respect human rights. A good understanding of human rights risks allows us to identify investment impacts (positive and negative), risks and opportunities. These insights provide the means to focus dialogue and engagement on the topics that are relevant to the companies in which we invest. While all companies are exposed to some degree of human rights risks, the severity and likelihood of those risks will vary based on factors such as the region, industry, and specific circumstances of the company's operations and supply chain.

NN's Responsible Investment team conducted a risk assessment based on human rights-related incidents and controversies related to companies' activities. This assessment is based on data points retrieved from our external ESG data provider Sustainalytics. The analysis has not been limited to NN Group's investment universe. Instead, we assessed the entire investment universe that was made available to us. This approach was taken to ensure a comprehensive perspective on human rights risks and impacts. The data points provided relate to the involvement (both through direct operations and their supply chains) of companies in incidents and controversies across the following human rights-related topics:

- 1. Society & Community Incidents**
 - Access to basic services
 - Community relations
 - Sanctions
 - Social impact of products
 - Human rights related to the society in which the company operates
 - Weapons
- 2. Social supply chain incidents**
 - Labour relations
 - Other employee-related human rights
 - Community relations
 - Occupational health and safety
 - Human rights related to society
- 3. Employee incidents**
 - Labour relations
 - Occupational health and safety
 - Other employee related human rights violations

Our assessment involved an analysis of the severity of the impact of incidents on society and the environment, as well as the level of financial risk posed to the company. Additionally, we evaluated the probability of a company within a specific industry getting involved in a severe incident. We also took into account labour rights, recognising the interdependence between human rights and labour rights. Labour rights are further addressed in our Investment Guidance Paper on Labour Rights.

The risk and impact assessment evaluated the company's own operations and its supply chain as well the company's adverse impacts on human rights and human rights risk for each human rights-related topic. In carrying out this exercise we took the most conservative approach (a medium score on financial risks and a high score on adverse impacts rounds up to a high-risk score).

Table 1: Human Rights Sector Matrix

GICS SECTOR	OWN OPERATIONS	
	OPERATIONS	SUPPLY CHAIN
Consumer Discretionary	Medium	High
Consumer Staples	High	High
Energy	High	Medium
Financials	Medium	Medium
Healthcare	Medium	Medium
Industrials	Medium	Medium
Information Technology	Low	High
Materials	High	High
Real Estate	Low	Low
Telecommunication Services	Medium	Low
Utilities	High	Medium

Note: This sector breakdown is based on the Global Industry Classification Standard (GICS). The assessment is based on incidents and controversies reported by Sustainalytics and will be updated regularly as new events occur or are resolved (last update Q4 2023).

The risk and impact analysis indicates that the consumer discretionary, consumer staples, energy, information technology, materials, and utilities sectors have the highest human rights-related risks and negative impacts. These can manifest in a company's own operations and/or in their supply chains. Conducting a thorough analysis of risks and impacts during the due diligence process is crucial when considering investment in high-risk sectors. Furthermore, an effective due diligence process is not complete without stakeholder engagement as it provides valuable insights into the risks to and impacts on people.

Table 2 contains examples of human rights-related risks, opportunities and impacts for several industry groups. It is important to keep in mind that the human rights performance profile will vary from company to company. An analysis of a company's human rights performance should therefore always be carried out at the individual company level.

Table 2: Examples of key human rights risks, opportunities, and impacts

Industries (GICS)	Main human rights risks
Oil & Gas producers (Energy)	<ul style="list-style-type: none"> • Working conditions, particularly health and safety, both own operations and supply chain • Conflicts with local communities (land rights, indigenous and cultural rights, social risks related to environmental impacts such as pollution and water stress) • Complicity in human rights violations (e.g. through relationships with entities such as national and private security forces that may violate human rights) <p><i>Positive impacts:</i> contribute to improving standard of living of local community (infrastructure, health, education, employment, etc.)</p>
Diversified metals (Materials)	<ul style="list-style-type: none"> • Working conditions, particularly health and safety, both own operations and supply chain, and use of forced and child labour • Conflicts with local communities (land rights, indigenous and cultural rights, social risks related to environmental impacts such as pollution and water stress) • Complicity in human rights violations (e.g. through relationships with entities such as <national and private> security forces that may violate human rights) <p><i>Positive impacts:</i> contribute to improving the standard of living of local communities (infrastructure, health, education, employment, etc.)</p>
Food products (Consumer staples)	<ul style="list-style-type: none"> • Workers' treatment, particularly in the supply chain (unsafe conditions, low wages and long working hours, forced and child labour) • Impact on local communities: conflicts over land/ water rights, environmental impact of manufacturing processes which can lead to issues such as water stress • Product quality and safety for consumers <p><i>Positive impacts:</i> contribute to tackling global nutrition challenges, for example, by producing healthier foods, ensure affordable pricing, and marketing and labelling products responsibly</p>
Pharmaceuticals (Healthcare)	<ul style="list-style-type: none"> • Product quality and safety (consequences of product recalls for consumers), and false or deceptive marketing practices • Social impact of products (e.g. pricing concerns/access to healthcare) • Data privacy and security of supplier and consumer information <p><i>Positive impacts:</i> advancing research and science to improve global health, and contribute to access to medicine in developing countries</p>
Software & services (Information technology)	<ul style="list-style-type: none"> • Data privacy and security of end-user-information, call for more transparency on government surveillance • Working conditions, both in own operations and in the supply chain (unsafe conditions, low wages and long working hours and use of forced and child labour) • Product quality and safety for consumers and in the supply chain <p><i>Positive impacts:</i> reducing the 'digital divide'</p>

4. Sub-themes and emerging trends

In this chapter, we discuss several sub-themes which we believe are important in relation to human rights. These examples are based on gathered feedback, human rights standards, and sectoral guidelines.

The relationship between human rights and labour rights is not always clear-cut, as labour rights are frequently included in human rights documents. Consequently, some overlap exists between this Investment Guidance Paper and the Investment Guidance Paper on Labour Rights. To avoid redundancy and provide more focused guidance, we have chosen to explore certain topics in greater depth in the Labour Rights paper, such as child and forced labour. However, other areas of overlap, including health and safety, are also discussed in this paper, with an emphasis on their impact on people other than workers.

Health and safety

The consequences of work-related accidents, occupational health impacts and diseases are generally well understood and broadly considered to be a material social issue for many industries. Our internal analysis also indicated 'occupational health and safety' as the most frequently mentioned human rights risk across industries. This topic is further addressed in our Investment Guidance paper on Labour Rights. However, beyond their own workforce and workers in their value chain, companies are also expected to prevent adverse health and safety impacts on customers and local communities (the precautionary approach). Companies that fail to include a broader perspective may incur high (operational) costs, regulatory actions and lawsuits resulting in financial damage. For example, when they are faced with a deterioration of the health of communities near to production locations, or when product safety and quality-related accidents occur. The OECD Guidelines offer recommendations and practical guidance for companies on health and safety matters.

In addition, exposure to harmful, hazardous or toxic substances, chemicals and chemical waste, whether through production, use, or international trade, can violate fundamental rights such as the right to health, life, and a safe environment. International agreements such as the Stockholm, Basel, and Rotterdam Conventions, and legal frameworks like the EU's **REACH**, are essential tools for protecting people, especially vulnerable communities and workers. These topics are further addressed in our Environmental and Labour Rights Investment Guidance papers.

Access to healthcare and healthy food

Access to (affordable) healthcare is a critical human rights issue, especially for people in developing countries and low-income

earners in developed countries. Several organisations advocate for this, including the Access to Medicine Foundation (see case box) and the Global Health Technologies Coalition, which promotes the development of new technologies to improve health outcomes in the developing world. The Medicines Patent Pool also works to increase access to affordable medicines for people living with HIV/AIDS, tuberculosis, and hepatitis C.

The World Health Organization (WHO) plays a vital role in promoting global health and wellbeing. Its guidance is particularly relevant for companies in the healthcare and nutrition sectors, but also increasingly applies to other industries. For example, the WHO has identified antimicrobial resistance (AMR) as a major public health threat. It calls for the prudent use of antibiotics and investment in new treatments. Another WHO priority is Nutrition and Food Safety. The Access to Nutrition Index (see case box) assesses company compliance, which is a growing concern for investors focused on regulatory and reputational risk.

Investor initiatives to promote health

The **Access to Medicine Foundation** aims to reduce global healthcare inequities by encouraging pharmaceutical companies to improve access to medicine in low- and middle-income countries. Investors can become signatories and use the Foundation's data and benchmark, such as the Access to Medicine Index, to inform and strengthen their corporate engagement strategies. The Foundation also leads the AMR Investor Action Initiative, which brings together investors to address the growing threat of antimicrobial resistance.

Similarly, the **Access to Nutrition Initiative** works with companies, investors, policymakers, and civil society to promote sustainable access to nutritious and affordable food. Investors can join as signatories to collectively drive progress on responsible nutrition practices, using the Access to Nutrition Index to assess company performance and guide engagement.

NN Group encourages asset managers to become signatories to these initiatives, supporting collaborative investor action to improve global health outcomes and reduce long-term systemic risks.

It is important for investors to recognise that companies proactively addressing issues such as access to medicine, antimicrobial resistance, and responsible nutrition practices not

only help reduce long-term economic and societal costs but are also better equipped to manage long-term business risks and contribute to global health objectives.

As part of the Dutch coalition of insurance companies, NN is involved in an initiative exploring how investors can contribute to healthier food systems. The coalition recognises that health is essential for a vital and economically strong society and aims to encourage food producers and retailers to shift away from unhealthy and highly processed products, making healthier choices more accessible to all.

Tobacco prevention

In addition to the aforementioned themes, the WHO promotes tobacco control. The tobacco epidemic is a significant public health threat. Based on the WHO's research, tobacco causes over 7 million deaths worldwide each year.² It is clear that all forms of tobacco use are harmful, and there is no safe level of exposure.

NN Group's restrictions on tobacco

NN Group has excluded producers of tobacco products (such as cigarettes, cigars, and tobacco) from its investments since 2018.

In 2023, we joined a larger group of financial institutions as a signatory of the [Financial Sector Statement on Tobacco Control](#), urging governments to accelerate implementation of the WHO's Framework Convention on Tobacco Control (FCTC) to achieve its health and economic benefits. In addition, we evaluated our exclusion criteria for tobacco production and decided to expand our policy by adding e-cigarettes to the restricted list. We also lowered the exclusion threshold for revenues from tobacco production from 50% to 5% across all investment assets. We believe that engagement with the tobacco industry is unlikely to lead to meaningful change. Tobacco causes irremediable harm to health and is linked to ongoing human rights and environmental concerns, especially in its supply chains.

The majority of tobacco users live in low- and middle-income countries, where tobacco-related illness and death have the greatest impact. Tobacco use contributes to poverty, as spending on tobacco diverts resources from basic needs. Furthermore, the economic costs of tobacco use are significant, including healthcare costs and lost human capital. In the case box we describe our restrictions on tobacco. More details on our restrictions can be found in our RI Framework policy.

² WHO - Key facts related to tobacco

The protection of vulnerable groups

NN expects companies to respect the rights of vulnerable groups. Vulnerable groups are those who are at a higher risk of being exploited, discriminated against, or mistreated. Examples of vulnerable groups include women and girls, children, migrant workers, indigenous peoples, the elderly, persons with disabilities, LGBTQIA+ individuals, refugees and asylum seekers, and human rights defenders. Vulnerability can arise from a variety of factors, such as poverty, social exclusion, discrimination, marginalisation, or oppression.

Below, we elaborate more on the expectations we have from companies with respect to (the rights of) specific groups of vulnerable people.

Our Investment Guidance paper on Labour rights provides further analysis of issues related to children's rights and the protection of migrant workers, with particular attention to concerns such as child labour and forced labour, which are recognised as salient³ human rights topics within our investment activities.

Human rights defenders

The 2023 update of the OECD Guidelines for Multinational Enterprises places greater emphasis on protecting at-risk individuals, including human rights defenders. Companies are expected to pay special attention to any negative impacts on these groups and avoid reprisals against human rights defenders, addressing any harm within their own operations and those of business partners. Ensuring safe spaces for raising concerns without fear of retaliation is crucial, especially in restricted civic environments: settings where civil society actors face legal, political or physical barriers to operating freely. As highlighted in the [No News is Bad News report](#), a collaboration between our ESG data provider Morningstar Sustainalytics and several banks and investors, civil society actors such as journalists, trade unions, and environmental defenders play a vital role in revealing risks and providing early warnings. ESG data providers, including Sustainalytics, face challenges in integrating this information due to methodological constraints and limited access to reliable data in high-risk geographies. The No News is Bad News report provides recommendations for investors regarding enhanced due diligence in environments with limited civic space.

³ The human rights at risk of the most severe negative impact through our activities and business relationships, see also the [UNGP Reporting Framework](#).

Indigenous peoples and land rights

Indigenous peoples are those who were living on their lands long before settlers arrived. Across the globe, they have often suffered disproportionately from the impacts of business developments. There is widespread international recognition of their distinct rights and interests, particularly through standards such as the UN Declaration on the Rights of Indigenous Peoples (2007). A cornerstone of these rights is the principle of Free, Prior and Informed Consent (FPIC), which requires that affected communities be properly informed of the risks of a commercial development and have the opportunity to accept or reject those risks.

Importantly, FPIC is not limited to indigenous peoples alone. It applies to any group that may be affected by commercial activities, underscoring the importance of inclusive consultation and respect for the rights of all stakeholders, including local communities, small-scale farmers, and other vulnerable populations.

As global demand for food, fuel, forests, and minerals continues to grow, companies are increasingly investing in land. This intensifies pressure on land resources and heightens the risk of human rights violations, particularly for communities whose access to land is essential for their livelihoods and food security. NN Group expects companies to prevent conflicts over land rights and to engage in meaningful consultation with affected communities. When acquiring natural resources or developing new projects, companies should implement FPIC and establish accessible grievance mechanisms for indigenous peoples, local communities, and other stakeholders.

Human rights risks related to the energy transition

In emerging markets, the transition presents both opportunities and risks. While it can improve public health and create jobs, it may also lead to job losses and new inequalities. The mining sector, vital for sourcing transition-critical minerals, exemplifies these challenges. Despite its role in economic development, mining often brings environmental, human rights, and labour risks.

A just transition in the mining sector necessitates the mitigation of adverse effects on local communities, careful consideration of long-term environmental and health consequences, and the development of responsible mine closure plans.

In addition, while artisanal and small-scale mining (ASM) may entail certain environmental and social challenges, it is important for companies and other parties to approach ASM thoughtfully, recognising its role in supporting local livelihoods.

Both the UNGPs and OECD guidelines stipulate that companies should engage stakeholders meaningfully in relevant decision-making processes. To this end, companies and investors can use guidance such as the [OECD Due Diligence Guidance for](#)

[Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#), which outlines a framework for identifying and mitigating risks in mineral supply chains, and the [OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector](#), which provides practical tools for building trust and fostering inclusive engagement with local communities.

Human Rights Engagement in a Transitioning Economy

NN, through our engagement provider Sustainalytics, engages with companies in high-risk sectors as part of the Human Rights and Transition Stewardship Programme. The initial focus is on renewable energy value chains; solar, wind, batteries, and electricity networks; targeting companies in metals and mining, electrical equipment, semiconductors, and utilities.

Companies are selected for their strategic importance, market presence, and influence across the value chain. We also try to target companies that are less engaged by other investors. The programme's goal is to ensure companies implement robust human rights due diligence systems aligned with the UN Guiding Principles, both in their operations and supply chains. Engagement priorities include community rights, child and forced labour, safe working conditions, and transparent disclosure. The approach leverages business-to-business influence, encourages collaboration with stakeholders such as policymakers and NGOs, and uses escalation if progress stalls.

Over time, the programme plans to expand its scope to include sectors linked to biodiversity and digital transformation, such as food production and ICT, reflecting the evolving landscape of human rights risks in a transitioning economy.

For more information on NN Group's active ownership efforts related to human rights, please consult the latest update of NN Group's active ownership report.

Certification schemes are crucial in high-risk sectors, offering independent verification of responsible practices. Therefore, companies should be certified accordingly. Some examples of certification programmes have been included in Annex 2.

The Climate Action 100+ initiative, of which NN Group is a supporter, is engaging with the mining industry to address the mining-related issues mentioned above. The initiative recognises that a just transition is crucial to achieving the net zero emissions target outlined in the Paris Agreement and has therefore included a Just Transition indicator in its Net Zero Company Benchmark since 2022.

Moreover, the Institutional Investor Group on Climate Change (IIGCC) published the [Net Zero Standard for Diversified Mining](#) in

September 2023 which helps investors to assess the progress of diversified mining companies as they move to net zero. This standard includes dedicated just transition metrics. For more context and supporting information on the Net Zero Standard, the accompanying document, [Investor Expectations for Diversified Mining](#), is a valuable resource.

In addition, the ILO's [Just Transition Finance Tool for banking and investing activities](#) and the Impact Investing Institute's [Just Transition Criteria Tool](#) can be applied to other high-risk sectors, such as energy, transportation, and agriculture, to help investors align their investments with a just transition.

Equal opportunities and non-discrimination

NN Group regards equal treatment and non-discrimination as a salient human rights topic. We recognise and value both visible and invisible differences and are committed to fostering an inclusive workplace where all individuals are respected. Our actions in this domain as both a company and employer are outlined in our [Code of Conduct](#) and [Diversity, Equity & Inclusion policy](#). Further details on this topic can be found in our Investment Guidance paper on Labour Rights.

We expect investee companies to foster equal opportunities, paying particular attention to vulnerable and marginalised groups, including women, persons with disabilities, and migrant workers. Discrimination in hiring, based on gender, ethnicity, sexual orientation (including LGBTQIA+), or physical ability, is a violation of human rights and undermines efforts to build a resilient and diverse society and workforce. Promoting diversity and inclusion enhances productivity, reduces workplace risks, and supports innovation. We therefore encourage investee companies to adopt policies against workplace discrimination, including disability rights and gender equality, supported by a clear strategy or integrated business approach. [NN Group's Voting Policy for Proprietary Assets](#) supports international standards such as the UN Global Compact, UN Guiding Principles on Business and Human Rights, and OECD Guidelines, which prohibit discrimination. The policy also considers board gender diversity in voting decisions and may vote against companies that fail to meet these expectations.

Security practices

In certain operating environments, companies may rely on public or private security forces to protect their assets, employees, or operations. This includes sectors such as extractives, private detention facilities, and other high-risk contexts. However, such reliance can expose companies to serious human rights risks, particularly when security forces, whether state or private, engage in violence, intimidation, or abuse against local communities or vulnerable groups.

There are various industry standards and practices that can help companies to assess the human rights risks in these situations.

For example, the [Voluntary Principles on Security and Human Rights \(VPSHR\)](#) offer guidelines to companies in the extractives industry (oil, gas and mining) with respect to, amongst others, their security practices. The principles cover issues such as risk assessments, engagement with public security forces, and grievance mechanisms for affected communities. In addition to the VPSHR, the [International Council on Mining and Metals \(ICMM\)](#) has developed a set of 10 principles regarding sustainability for mining and metals companies that include commitments to respect human rights, engage with communities, and implement effective grievance mechanisms. NN Group encourages companies in the extractives sector to adhere to these standards and guidelines, particularly when engaging security forces, although not limited to this context. For further guidance on responsible investment in conflict-affected and high-risk areas, please refer to Annex 1.

Data privacy, usage and ethics

In the current digital age, processing personal data has become an essential part of business operations. However, with the availability of vast amounts of (personal) data, there have been continuous concerns regarding privacy and data usage, and individuals' rights to know how their data is being collected and used. The General Data Protection Regulation (GDPR) has set uniform regulation within the EU, imposing restrictions on personal data processing, storage, and protection. Under GDPR, companies must obtain explicit consent from individuals before collecting and processing their personal data. Individuals also have the right to access their personal data, request its erasure, and object to its processing. Failure to process personal data lawfully can lead to operational, regulatory, and reputational risks. NN Group [commits](#) to obtaining and processing personal data in a fair and transparent manner, and we expect the same from companies we invest in or from which we obtain services.

Artificial intelligence (AI) has advanced rapidly, and its use will profoundly affect data processing. While AI can help companies to analyse customer propositions and create enhanced tailor-made solutions, it can also pose a threat to human rights through biases, discrimination, and violations of privacy rights. Furthermore, decision-making processes incorporating AI may have significant social and economic consequences, such as unequal access to (financial) resources and opportunities. Addressing these risks requires a comprehensive approach that considers the ethical implications of AI development and deployment, including ensuring transparency, accountability, and respect for human rights. In the case box "Artificial Intelligence at NN Group" we explain how we deal with ethical issues related to AI.

Risks related to the large-scale processing of (personal) data and AI are not limited to deployment; they can also arise upstream in the value chain. These include social and human rights risks that can emerge from the sourcing of materials and components (see

the section on [human rights related to the energy transition](#)), as well as the production of hardware and software.

To help companies navigate this complex landscape, we recommend considering the 2023 update to the OECD Guidelines, which includes recommendations on responsible business conduct in the digital age. Additionally, we urge companies to collaborate on best practices in data management, for example, by participating in multilateral initiatives like the Global Network Initiative or the Electronics Industry Citizenship Coalition. By prioritising customer privacy, anti-discrimination, and ethical considerations, companies can better capture digital opportunities and maintain customer trust.

Artificial Intelligence at NN Group

At NN Group, we recognise that data is crucial to serving customers effectively, and we are committed to exploring the potential use cases of AI. By being one of the front runners in using AI - along with other tools and strategies - for analysing customer propositions, we aim to strengthen our customer relationships, foster intuitive partnerships, and create superior tailor-made solutions. Our current focus is on product/market optimisation, process efficiency, fraud and claim analytics, and we are continually exploring other potential use cases.

To ensure that AI use cases are trustworthy, NN Group has developed the 'NN AI Guidelines', based on the seven requirements of trustworthy AI. We have incorporated these Guidelines into our governance and established an AI Working Group that validates AI systems/models, focusing on relevant aspects of trustworthy AI. We deploy AI in line with [the Ethical Framework for data-driven applications](#) of the Dutch Association of Insurers. NN is closely monitoring and acting proactively to relevant legislation, such as the EU AI Act, providing rules for the development, deployment, and use of AI systems, including transparency, accountability, and non-discrimination requirements, as well as requirements for high-risk AI applications.

In order to properly assess the risks associated with big data and AI, investors should consider transparency on companies' data

management policies in addition to policies and practices related to ethical and responsible AI, cybersecurity, and human rights.

Arms and controversial weapons

We recognise the essential role that the defence industry plays in safeguarding national and European security, particularly in light of increasing geopolitical tensions. As insurers, we acknowledge the complexity and dual nature of the defence sector: while it contributes to the protection of democratic values and societal stability, it also carries elevated risks of human rights violations and controversial weapon involvement.

Consistent with the [Principles for Investing in the Defence Industry](#) established by the Dutch Association of Insurers and jointly developed by participating insurers, NN Group underscores the significance of thorough due diligence in evaluating organisations within the defence industry. This is particularly crucial given the sector's limited transparency and the challenges in accessing reliable and consistent data. Our approach excludes companies involved in controversial weapons or those operating in high-risk countries under international sanctions. We are especially cautious when weapons or related systems are sold to countries or non-state actors where they may be used to fuel or prolong armed conflict or suppress civilian populations. Companies that engage in such activities risk being complicit in human rights abuses (see also Annex 1).

To mitigate these risks, NN Group applies group-wide restrictions on investments related to controversial weapons and arms trade. Specifically, we exclude companies that:

- Develop, produce, maintain, or trade controversial weapons;
- Are involved in the trade of arms to central governments or non-state actors subject to UN or EU arms embargoes. We may restrict companies on a case-by-case basis on broader considerations. For instance, we may restrict companies engaging in arms trading with conflict-affected and high-risk areas, where there is a potential for significant harm to civilians.

More detailed information on how we define controversial weapons and how we apply these restrictions can be found in our RI Framework policy.

5. Concluding remarks

NN Group's RI Framework policy highlights the measures we will take to systematically integrate sustainability factors into our investment decision making and active ownership practices. We have developed norms-based RI criteria, also relating to human rights, which are a reflection of relevant laws, the organisation's values, and internationally recognised standards such as the UNGC, the UNGPs and the OECD Guidelines. If there are strong indications that an issuer may not be aligned with these criteria, a decision will be made as to whether NN considers this a non-alignment. If this is the case, we will decide whether engagement or, as a last resort, restriction is appropriate and feasible to address the negative impact.

NN Group encourages our asset managers to use this paper as guidance to identify and address adverse impacts on people and to engage in a dialogue with companies to address human rights-related risks, which could in our view affect the value of investments. Where needed, we will support these processes with additional tools or guidance materials. This may include more detailed thematic or sector policies for areas that are deemed to be high risk.

By also publishing this paper externally, we aim to clarify our position and use it to leverage change in the sphere of our investment activities.

Annex 1: Investing in companies operating in Conflict-Affected and High-Risk Areas (CAHRAs)

Introduction

We respect human rights and aim to use our leverage on investee companies to prevent or address violations of human rights. Human rights risks related to conflict-affected and high-risk areas (CAHRAs) are an area of concern for NN Group. We expect investee companies to comply with international human rights laws, principles, and guidelines. Accordingly, we expect companies operating in, or with, (actors in) CAHRAs to undertake heightened due diligence measures and to actively prevent, mitigate, or cease involvement in actual or potential breaches of these international standards, with particular emphasis on International Humanitarian Law. Companies that associate with governments or non-state actors involved in gross human rights abuses not only breach international standards, but also face heightened legal, financial, and reputational risks. These risks can lead to direct business impacts, including litigation, revenue loss, and operational disruption, making proactive due diligence both an ethical and financial necessity.

This annex provides guidance on responsible investing in conflict-affected and high-risk areas (CAHRAs). It aims to help the asset managers we work with to navigate investing in these areas while adhering to international standards and mitigating human rights risks.

Turbulent geopolitical landscape

Investing responsibly in conflict-affected and high-risk areas is becoming increasingly important, as global conflicts continue to rise and pose serious risks to human rights and economic stability. This is highlighted by the current turbulent geopolitical landscape. As confirmed by the [Global Peace Index 2024](#) and the [Institute for Human Rights and Business \(IHRB\)](#), the number and intensity of violent conflicts worldwide have reached levels not seen in decades, with millions of people living under the control of non-state armed groups and many more displaced by violence. These conflicts have profound human rights implications and generate significant economic costs globally. As such, the intersection of armed conflict and human rights is not only a humanitarian concern but also a relevant consideration for investors.

Conflict-Affected and High-Risk Areas

Although there is no universal definition, the [EU conflict Minerals Regulation](#) defines CAHRAs as *'areas in a state of armed conflict or fragile post-conflict as well as areas witnessing weak or non-existent governance and security, such as failed states, and widespread and systematic violations of international law, including human rights abuses'*.

There is also no single, authoritative source for identifying conflict-affected and high-risk areas (CAHRAs). Instead, multiple sources exist – often overlapping but not always aligned. Each conflict has distinct characteristics, making uniform assessments impractical. ESG data providers are increasingly omitting complex or politically sensitive conflicts. As a result, assessing companies' involvement in CAHRAs requires an approach that is tailored and may take more time and resources.

So, although there are several sources that can be used to identify CAHRAs, some of the more intuitive and relevant ones include:

- [Institute for Economics and Peace Global Peace Index \(GPI\)](#): an intuitive database ranking countries on peacefulness. Indicators include those related to domestic and international conflict.
- [Geneva Academy Rule of Law in Armed Conflict \(RULAC\)](#): an extensive database, with many deep dives available to understand the context of each conflict that is appropriate for carrying out background research.

Additional sources to identify CAHRAs can be found in [Chapter 4 of the EU Conflict Minerals Regulation](#) (please note that some of the sources only identify CAHRAs related to conflict minerals). In order to assess the extent to which a country adequately protects human rights, additional sources are needed, indicating for example citizens' political rights and civil liberties and the degree of corruption in a country. Please consult our Sovereign Bond Criteria for Proprietary Assets (Appendix IV to the RI Framework policy) for more information.

International Humanitarian Law (IHL) versus Human Rights Law

International Humanitarian Law (IHL) and Human Rights Law both aim to protect human rights, but they are applicable in different contexts. In the context of CAHRAs, IHL is particularly relevant. Also known as the **law of armed conflict**, IHL applies specifically during times of war and seeks to limit the effects of armed conflict by protecting those who are not or no longer participating in hostilities (civilians, wounded and sick members of the armed forces, prisoners, the displaced, etc.).

It regulates warfare through key principles:

- Distinction: Between civilians and combatants.
- Proportionality: Civilian harm must not outweigh military advantage.
- Military Necessity: Force must be limited to legitimate military objectives.

The cornerstone of IHL are the [Geneva Conventions and their Additional Protocols](#). It is important to note that not all the principal instruments of IHL are recognised or adopted by every country, which affects enforceability.

In contrast, **human rights law** applies at all times, both in peace and conflict, and encompasses a broad range of rights and freedoms that individuals can claim from their governments (see also Chapter 2 for a more detailed explanation of human rights law).

Heightened Human Rights Due Diligence

The UNGPs outline guidance for business operations in CAHRAs (see Chapter 2 for additional information on the UNGPs). In line with the UNGPs, in jurisdictions where governmental protection of human rights is lacking, companies are expected to undertake **heightened due diligence measures** related to human rights risks. This is essential to ensure that they are not involved in human rights violations simply due to insufficient state oversight or enforcement. It is important to note that this responsibility must be exercised within the boundaries of domestic law, ensuring that companies do not contravene local legal requirements while adhering to international standards. Heightened due diligence is built around the concept of proportionality; a higher degree of risk requires a more extensive assessment. In the context of CAHRAs, heightened due diligence guidance builds upon the due diligence process as described by the [OECD Due Diligence Guidelines](#), but adding the conflict lens to the analysis, i.e. how do the company's activities affect the conflict. The United Nations Development Programme (UNDP) provides a [detailed explanation](#) of heightened due diligence for businesses operating in CAHRA contexts.

Our approach to companies potentially involved in CAHRAs

Companies working in or with CAHRAs are expected to include a conflict perspective in due diligence. Investors are expected to do the same by using resources like the Responsible Investment Association Australasia (RIAA)'s [Investor Toolkit on Human Rights & Armed Conflict](#).

When investee companies are active in CAHRAs, we encourage asset managers to carry out enhanced due diligence. Additional precautions are advisable for companies operating in the defence sector and/or supplying arms or dual-use goods to CAHRAs, given the potential risk that such goods could be used in situations where human rights law and/or IHL is violated.

When entering into a dialogue, a useful tool for guidance is the RIAA Investor Toolkit.

Questions that can be of help to provide insights into companies' involvement, cover topics such as:

- How companies and their business partners avoid causing or contributing to harm to people, and how they respond when harm has occurred.
- The existence of accessible grievance channels for affected people, and transparency in how complaints are resolved.
- Whether companies have a responsible exit strategy in case conflict escalates and operations must cease or relocate, in order to minimise harm to local communities and other affected people.
- For companies sourcing raw materials from CAHRAs, how they conduct supply chain checks and implement remedial and preventive measures.

The severity of the negative impact on people should guide investor questions. The share of a company's profit linked to potentially harmful activities is a secondary consideration.

Conclusion

To operate responsibly in Conflict-Affected and High-Risk Areas, it is essential that both companies and investors conduct comprehensive due diligence processes. This heightened level of scrutiny is necessary to understand and address the unique risks present in these challenging environments.

In alignment with our RI Framework, if we have strong indications that a company may not be aligned with NN's norms-based RI criteria, for instance by violating IHL, we will seek additional information to assess the severity of the company's involvement. Depending on the outcomes of this assessment, a decision will be taken as to whether this constitutes non-alignment with our criteria. If so, we will determine whether engagement or, as a last resort, restriction is appropriate and feasible to address the negative impact.

Annex 2: Standards, guidelines and other references

Some of the relevant international standards and principles consulted or relevant for this paper

Universal Declaration on Human Rights

The International Bill of Human Rights

International Covenant on Civil and Political Rights

International Covenant on Economic, Social and Cultural Rights

Protect, Respect and Remedy Framework: The UN Guiding Principles on Business and Human Rights

UN Global Compact principles

OECD Guidelines for Multinational Enterprises

OECD Due Diligence Guidance for Responsible Business Conduct

Responsible Business Conduct for Institutional Investors

The Geneva Conventions and their additional protocols

ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy

The ILO's Declaration on Fundamental Principles and Rights at Work. This declaration highlights a set of core conventions:

- Freedom of Association and Protection of the Right to Organise Convention, 1948, No 87
- Right to Organise and Collective Bargaining Convention, 1951, No 98
- Forced Labour Convention, 1930, No 29
- Abolition of Forced Labour Convention, 1957, No 105
- Minimum Age Convention, 1973, No 138
- Worst Forms of Child Labour Convention, 1999, No 182
- Equal Remuneration Convention, 1951, No 100
- Discrimination (Employment and Occupation) Convention, 1958, No 111
- Occupational Safety and Health Convention, 1981, No 155

Convention of the Rights of the Child

Convention on the Elimination of All Forms of Discrimination against Women

UN Declaration on the Rights of Indigenous People

Relevant NN Specific documentation

- Code of Conduct
- Privacy statement
- Other NN Group policies, statements, guidance papers and other documents as well as memberships can be found [here](#), including the RI Framework policy and its underlying documents.

Some of the relevant financial sector publications

The CRO Forum is a group of professional risk managers from the insurance industry that focuses on developing and promoting industry best practices in risk management. The CRO Forum published a [position paper](#) on human rights in 2014.

The Dutch Association of Insurers (Verbond van Verzekeraars) published a paper with [Principles for Investing in the Defence Industry](#) (2024), as well as [an Ethical Framework for Data-Driven Applications](#) (2025).

A collective of several investors, banks and ESG data provider Morningstar Sustainalytics published a paper exploring how financial institutions can strengthen human rights risk assessments of business activities in areas where civic space is restricted, [No News is Bad News](#) (2023).

Other relevant tools and guidelines

Relevant guidelines, standards, and certifications programmes related to a just transition:

- [The Better Mining program](#)
- [The Fairmined Standard](#) (managed by the Alliance for Responsible Mining)

- The Initiative for Responsible Mining Assurance (IRMA)
- ICMM's Mining Principles
- Climate Action 100+ Net Zero Standard for Diversified Mining
- Climate Action 100+ Investor Expectations for Diversified Mining
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
- OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector
- ILO's Just Transition Finance Tool for banking and investing activities
- Impact Investing Institute's Just Transition Criteria Tool

Supporting documents specific to conflict as referred to in this paper:

- IEP Global Peace Index World Map
- Economics and Peace - The Global Peace Index 2024 (the IEP report over 2024)
- Geneva Academy Rule of Law in Armed Conflict (RULAC)
- UNDP Heightened Human Rights Due Diligence for Business in Conflict-Affected Contexts: A Guide
- The Responsible Investment Association Australasia (RIAA) Human Rights Working Group Investor Toolkit on human rights & armed conflict: Managing human rights impacts and international humanitarian law implications before, during and after armed conflicts arise
- EU Conflict Minerals Regulation (Commission Recommendation under the EU Conflict Minerals Regulation (2018/1149))
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
- The Voluntary Principles on Security and Human Rights
- IHRB's Top Ten Business and Human Rights Issues in 2025

Sources related to Health referred to in this paper:

- Access to Medicine Foundation
- Access to Nutrition Initiative
- Regulation (EC) No 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH)

Reporting frameworks

UN Guiding Principles Reporting Framework

Global Reporting Initiative (GRI) G4 and relevant sector disclosures, e.g.: Construction and Real Estate, Electric Utilities, Financial Services, Food Processing, Media, Mining and Metals, Oil and gas

International <IR> Framework

Abbreviations

CAHRA(s) – Conflict-Affected and High-Risk Area(s)

CSRD – Corporate Sustainability Reporting Directive

CSDDD – Corporate Sustainability Due Diligence Directive

FPIC – Free, Prior and Informed Consent

ILO – International Labour Organization

International <IR> Framework – the International Integrated Reporting Framework

OECD – Organisation for Economic Co-operation and Development

OECD Guidelines – OECD Guidelines for Multinational Enterprises

PAIs or PAI indicators – Principal Adverse Impacts or Principal Adverse Impact indicators

SFDR – Sustainable Finance Disclosure Regulation

UN – United Nations

UNGPs – UN Guiding Principles on Business and Human Rights

UNGC – UN Global Compact

WHO – World Health Organization

