

1. Statement on principal adverse impacts of investment decisions on sustainability factors, published on 30-06-2025

2. Financial market participant NN Insurance BELGIUM LEI : 0890 270 057

3. Summary

NN Insurance Belgium, registered under legal entity identifier (LEI) 0890 270 057, considers principal adverse impacts of its investment decisions on sustainability factors.

The present statement is the consolidated statement on principal adverse impacts on sustainability factors of NN Insurance Belgium.

This statement on principal adverse impacts on sustainability factors (PAI statement) covers the reference period from 1st January 2024 to 31st December 2024 and covers the financial products in scope of the Sustainable Finance Disclosure Regulation (SFDR).

NN Insurance Belgium is a long-term institutional investor with a duty to act in the best interest of its policyholders, clients, shareholders, and other stakeholders.

To fulfil this duty, we acknowledge the importance of systematically incorporating Environmental, Social, and Governance (ESG) factors into our investment policies, decision-making, and related processes.

On the one hand, we strongly believe that this ensures better informed investment decisions and supports the optimization of the long-term risk-return profile of the investment portfolios. On the other hand, incorporation of ESG factors helps to reflect our organisation's values and further aligns our business with the broader sustainability objectives and expectations of society.

NN Insurance Belgium has proprietary assets where NN Insurance Belgium runs the investment risk, and client assets, which include (amongst others) assets held for unit-linked insurance products invested via collective funds managed by external asset managers. These client assets are therefore managed in accordance with the investment policy of the external asset manager, client preferences and distribution partner preferences.

We carefully select asset managers for managing these assets, taking into account different aspects of the asset management that includes the alignment of their investment philosophy and approach with our Responsible Investment policies (where possible and feasible).

As part of our approach to responsible investing, we aim to take into account the negative impacts of our investment decisions on sustainability factors.

These negative impacts are also called adverse impacts, whereby the most significant adverse impacts are referred to as principal adverse impacts (PAI). These principal adverse impacts can occur in different areas, namely environmental, social and employee matters, human rights, corruption and bribery matters.

We consider the adverse impacts of our financial products' investment decisions through our Responsible Investment Framework policy. The degree and the way the principal adverse impacts are subsequently considered in the investment process depends on several factors, such as on the type of fund or strategy, asset class, asset manager, and availability of reliable data. Consequently, the exact application can differ between financial products which, where applicable, is documented in the financial product disclosures in line with the requirements and timelines of the SFDR.

Where we have full discretion over the way the assets are managed, our asset managers are required to consider the principal adverse impacts in their investment due diligence and investment decision-making. Where we do not have full discretion, for example in collective investment funds other investors are also invested in, we will encourage our asset managers, where possible and feasible, to have suitable methodologies, data, and processes to consider the principal adverse impacts in their investment due diligence and investment decision-making.

For collective investment funds of external asset managers that promote environmental or social characteristics, or that have a sustainable investment objective, we expect asset managers to report, where possible and feasible, to us on their activities to address principal adverse impacts and the achieved results.

As more PAI data and reporting becomes available, we are better positioned to increasingly monitor the performance of our asset managers in this area and will engage in a dialogue with them to further improve their practices and results. We provide more information in this statement on our overall approach to identifying, prioritising, and addressing principal adverse impacts of our investment decisions on sustainability factors for the financial products in scope of the SFDR. This includes the expectations we have of our external asset managers.

Furthermore, we provide the figures (i.e., quantitative values) of the PAI indicators that are mandatory to report on (from Table 1 of Annex I of Delegated Regulation 2022/1288). These figures have been calculated based on our interpretation of the requirements set out in the Delegated Regulation (EU) 2022/1288, and we have considered related guidance, clarifications and frequently answered questions published by the European Commission and the European Supervisory Authorities. This statement relates to the reference period 1st January 2024 until 31st December 2024.

This statement consists of the following five sections:

- A. Description of the principal adverse impacts on sustainability factors;
- B. Description of policies to identify and prioritise principal adverse impacts on sustainability factors;
- C. Engagement policies;
- D. References to international standards; and
- E. Historical comparison

This PAI Statement is only applicable to NN Insurance Belgium and only focuses on the adverse impacts of financial products in scope of the SFDR. For NN Insurance Belgium this concerns the following product categories: Insurance-based investment products, Pension product or scheme.

4. Description of the principal adverse impacts on sustainability factors – Table 1

NN Insurance Belgium recognises several ways of mitigating adverse impacts on ESG factors, the key ones being active ownership (engagement and voting-when possible) and restrictions of exposure to certain sectors and activities.

NN Insurance Belgium works with external asset managers, so the way (principal) adverse impacts are considered in the investment process and which exact mitigating actions are taken or planned depends on several factors. This includes factors such as on the type of fund or strategy, asset class, asset manager, and the availability of reliable data. Where relevant, the disclosures of our financial products provide more insights in how adverse impacts are considered by the financial product.

Table 1 below contains the principal adverse impacts on sustainability factors and is based on the data provided by Morningstar (as the primary data source) and by external managers.

Table 2 and 3 contain the relevant additional indicators: Environmental (Investments in companies without carbon emission reductive initiatives) and Social (lack of human rights policy).

In relation to the values of the PAI-indicators in Table 1, we note the following constraints:

- It is currently not possible to have full insights into all PAIs caused by our investments, as in many cases there is either no data available at all or the data is based on interpretations, estimates or proxies.
- The reporting by issuers on sustainability-related information is still under development. As such, there are significant differences between data disclosed by European issuers (companies and countries) vis-à-vis issuers from other parts of the world, as well as between large issuers and smaller issuers, and between public issuers and private issuers, for example. It is therefore expected that the data reported during these first years after SFDR-implementation and in a still evolving regulatory landscape will be relatively sensitive to fluctuations, necessitating ongoing monitoring and assessment to ensure compliance and optimal data integrity, and making year-on-year data comparisons challenging. We expect that over time, the data will become more stable, which will make it easier to attribute indicator movements to specific targets and actions we have taken on our investment portfolio.
- NN Insurance Belgium invests through external asset managers and for an important part in collective investment funds. Therefore, it does not always have direct influence on issuers in relation to their performance on PAIs.

However, given NN Insurance Belgium's Responsible Investment commitment and ambitions, where we have leverage, we will exert it, as described in this PAI statement.

Indicators applicable to investments in investee companies							
Adverse sustainability indicator	Metric		Impact 2024	Impact 2023	Impact 2022	Explanation	Actions taken, actions planned, and targets set for the next reference period
Green house gas emission	1 GHG emissions	Scope 1 GHG emissions	83.434	82.555	54.705	The increase in GHG emission from 2022 to 2023 is mainly driven by the aggregated investment in the branch 21 fixed income instruments. Previously no data was sourced for fixed-income instruments. The 2024 figures are stable compared to 2023.	1. Policy and ambitions (targets and actions planned) NN Group is committed to accelerate the transition to a low carbon economy and has formulated objectives in its Climate Action Plan (CAP) for its general account investment portfolio: 1.1 decarbonisation 1.1.1 Investments by investing in better climate performers , engaging with issuers to guide them in their transition ,selective divestments, considering climate risks, join forces to develop best practices (such as the Group’s adherence to the Paris Aligned Asset Owner commitment) and public policy advocacy. Although client assets
		Scope 2 GHG emissions	17.184	16.930	15.880		
		Scope 3 GHG emissions	676.814	654.809	556.538		
		Total GHG emissions	777.174	749.533	626.360		

	2,Carbon footprint	Carbon footprint	64.997	62.858	101.488	The evolution of the figures between 2022 and 2023 is explained by a change in the computation methodology.	<p>are not directly in scope of NN Group's CAP, NN Group expects legal entity's to apply the Group's strategy when structuring discretionary mandates and selecting funds, to the degree possible and feasible.</p> <p>1.1.2Coal Phase out Coal Phase-out by 2030 (to "close to zero" defined as between 0-5%): In 2022, Group sharpened its phase-out strategy implementation as follows:</p> <ul style="list-style-type: none"> •No new investments are allowed for corporates with more than 5% thermal coal involvement (measured in revenues for mining companies and in generation capacity for utility companies). On a case-by-case basis, exemption can be considered based on an assessment of a company's coal phase-out plans to
	3.GHG intensity of investee companies	GHG intensity of investee companies	191.539	169.259	692.287	The evolution of the figures between 2022 and 2023 is explained by a change in the computation methodology.	
	4.Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	2,11%	2,38%	1,35%		

	5.Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	Share energy consumption non renewable source : 8,44% Share energy production from non renewable source : 2,22%	Share energy consumption non renewable source : 13% Share energy production from non renewable source : 1,55%	Share energy consumption non renewable source :44,7% Share energy production from non renewable source : 2,89%	The evolution of the figures between 2022 and 2023 is explained by a change in the computation methodology	<p>determine its credibility, considering aspects such as having independently verified, science-based targets.</p> <ul style="list-style-type: none"> • For existing exposures NN Group will monitor closely the progress and consider engagement when necessary with corporates to ensure their coal phase-out plans are progressing in line with our target and otherwise divestment is considered. <p>1.1.3 Alignment Strategy</p> <p>Under NN Group conventional oil and gas policy , Group applies apply a stricter</p>	
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	6	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	<p>Nace A : Agriculture, forestry and fishing activities :0,0</p> <p>Nace B: Mining & quarrying : 0,006</p> <p>Nace C: Manufacturing : 0,038</p> <p>Nace D: electricity , gas, steam and air co supply : 0,031</p> <p>Nace E: water supply, sewerage, waste management and remediation: 0,001</p> <p>Nace F: construction : 0,000</p> <p>NACE G (wholesale and retail trade and repair of motor vehicles and motorcycles) :0,000</p> <p>NACE H (transportation</p>	<p>Nace A : Agriculture, forestry and fishing activities :0,0</p> <p>Nace B: Mining & quarrying : 0,007</p> <p>Nace C: Manufacturing : 0,045</p> <p>Nace D: electricity , gas, steam and air co supply : 0,032</p> <p>Nace E: water supply, sewerage, waste management and remediation: 0,001</p> <p>Nace F: construction : 0,000</p> <p>NACE G (wholesale and retail trade and repair of motor vehicles and motorcycles) :0,000</p> <p>NACE H (transportation and storage</p>	<p>Nace A : Agriculture, forestry and fishing activities :2,892</p> <p>Nace B: Mining & quarrying : 1,102</p> <p>Nace C: Manufacturing : 3,342</p> <p>Nace D: electricity , gas, steam and air co supply :1,251</p> <p>Nace E: water supply, sewerage, waste management and remediation: 0,039</p> <p>Nace F: construction : 0,120</p> <p>NACE G (wholesale and retail trade and repair of motor vehicles and motorcycles) :0,092</p> <p>NACE H (transportation and storage activities) :0,218</p> <p>NACE I (real estate) : 0,469</p>	<p>In 2022 , this indicator was computed on relevant investments whereas it is computed based on all investments since 2023. The 2024 figures are pretty stable compared to 2023.</p>	<p>Paris Alignment Strategy:</p> <p>i. No new direct investments in companies active in the oil and gas supply chain if “not aligned” with the Paris Agreement</p> <p>ii. No new direct investments in companies active in the oil and gas supply chain (including state owned companies, not including supporting product or service companies) with >30% revenue that are only “committed to aligning”.</p> <p>iii. No new investments in companies providing supporting products and services if “not aligned”. Policy applies to product and service companies >5% revenues derived from oil and gas activities. In NN Group voting policy includes several voting instructions that should be applied if a company is not disclosing its GHG emissions and targets</p>	
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			and storage activities) :0,003 NACE I (real estate) :0,003	activities):0,002 NACE I (real estate) :0,005			<p>2. Active ownership (actions taken)</p> <p>NN Group's main external asset manager has Climate transition as one of its stewardship themes. As part of these activities, the asset manager focuses on improving emissions disclosure and emission target-setting disclosure in its investee companies.</p> <p>Although our external asset manager withdrew from collaborative initiatives such as Climate Action 100+ towards the end of 2024, it continues to engage on climate with our investee companies on an individual basis. In 2024, NN Group climate engagement was expanded through its involvement in Morningstar Sustainalytics' Net Zero Transition Stewardship Programme and NN Group participation in collaborative engagements through the Dutch Climate Coalition and Net Zero Engagement Initiative.</p>	
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							<p>3 Restrictions (actions taken)</p> <ul style="list-style-type: none">- Thermal coal mining: More than 5% of revenues derived from new investments in thermal coal mining (current holdings are in run-off to 5% by 2030)- Oil / tar sands extraction: More than 5% of revenues derived from oil sands extraction- Arctic drilling: More than 5% of revenues from Arctic drillingShale oil and gas production: Immediate exclusion of companies directly involved and generating >30% of revenues from shale oil and gas. For companies with between 5 and 30% involvement, investment is only allowed if it has a credible transition plan.	
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Biodiversity	7.Activities negatively affecting biodiversity-sensitive	Share of investments in investee companies with sites / operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	1,31%	1,69%	1,83%		<p>1.Policy and ambitions on Biodiversity</p> <p>NN Group has signed the Finance for Biodiversity Pledge and is a member of the Finance for Biodiversity Foundation. NN Group has herewith committed to assess its impact, set targets and report publicly on these targets by 2025 at the latest. In January 2024 NN Group published its Biodiversity Whitepaper in which is presented the results of NN Group's first impact and dependency assessment. In 2025 NN Group will work its Nature Action Plan for proprietary assets, which outlines further initiatives to be taken to develop its approach on biodiversity and nature.</p> <p>2.Active ownership</p> <p>In 2024, NN Group participated in various engagement initiatives, including the Nature Action 100 initiative, Morningstar Sustainalytics' Biodiversity & Natural Capital engagement programme, and the CERES Valuing Water Finance Initiative. While the precise objectives of these engagement programs vary they all have in common that they in one way or another are aimed at reversing nature and/or biodiversity loss by encouraging companies to take a more ambitious actions to protect nature.</p>	
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							<p>In addition, NN Group's external asset manager, to whom engagement activities are delegated, has two thematic engagement topics: plastics and deforestation.</p> <p>The plastics programme advocates for clear disclosure and high-quality target setting by Fast Moving Consumer Goods (FMCG) companies, while the deforestation programme focuses on disclosure of processes and goals to manage deforestation risks by producers and users of forest risk commodities. For additional information on our approach, please refer to NN's Active Ownership Report and NN Group's Engagement Policy for Proprietary Assets.</p>
Water	8.Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR	0,0000	0,0004	0,1240		<p>NN Group takes a holistic approach to biodiversity and natural capital, recognizing the importance of sustainable water management for supporting ecosystem services and habitats.</p> <p>NN Group was involved in the Bridge water research project and also participates in the Ceres' Valuing Water Finance Initiative. The latter initiative is a collective engagement effort that aims to encourage companies with a high-water footprint to recognize and address water as a financial risk. Also, where possible, NN Group participates in external</p>

							research provider's thematic engagement programs with natural capital and water objectives.
Waste	9.Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	0,6490	0,2910	6,3090		

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

Adverse sustainability indicator	Metric		Impact 2024	Impact 2023	Impact 2022	Explanation	Actions taken, actions planned, and targets set for the next reference period
Social and employee matters	10.Violations of UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0,21%	0,34%	0,05%		<p>Policy</p> <p>NN expects the companies it invests in to act in accordance with the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for MNEs. NN Group expects the portfolio management team to assess each company on adherence to these principles.</p> <p>Active ownership</p> <p>If NN Group assesses companies violate these standards severely and systematically, an engagement process needs to be started in order for the company</p>

	<p>11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact Principles and OECD Guidelines for Multinational Enterprises</p>	<p>Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanism to address violation of the UNGC principles or OECD Guidelines for Multinational Enterprises.</p>	9,23%	8,45%	3,30%	<p>to remain eligible for investment. NN Group has a Controversy and Engagement Council (Council) in place that monitors NN Group's own engagements and engagements conducted on behalf of NN Group by external asset managers or engagement providers. The Council evaluates progress on engagements related to high level controversies and (potential) norms violations. The Council provides recommendations related to oversight of these engagements, and in instances where insufficient progress towards engagement objectives is made, the Council can recommend (to the RI Committee) that companies be restricted for investment.</p> <p>In the event the company violates NN Group's norms- based RI criteria in the areas of governance, human rights, labour rights, the environment, and/or bribery and corruption, NN Group will vote against the (re)appointment of the Chair.</p> <p>By means of its active ownership programme , NN Group address its thematic commitment to human rights by being participants in Morningstar Sustainalytics' Human Rights and Transition Stewardship Programme and by being an active member of Platform Living Wage Financials (PLWF).</p> <p>Restrictions When an issuer is in violation of</p>	
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							<p>NN's norm-based RI criteria and engagement is not considered feasible or was unsuccessful, the issuer will be considered ineligible for investment and the RI Committee will recommend the Management Board of NN Group to put the issuer on the Restricted List.</p>	
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	0,14%	0,10%	11,04%			
	13. Board gender diversity	Average ratio of female to male board members in investee companies	26,88%	26,38%	27,93%		<p>Active ownership</p> <p>In NN Group voting policy for proprietary assets, NN representatives vote against the (re)appointment of the Chair and the Nomination Committee Chair if the percentage of female directors on the board is less than best practice levels of 30% in most European markets.</p>	

-	14 .Exposure to controversial weapons (anti- personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture of selling of controversial weapons	0,00%	0,00%	0,00%		<p>NN Group considers certain weapons to be controversial due to the disproportionate and indiscriminate impact on the civilian population. This is the case for among others anti-personnel landmines, cluster munitions, chemical weapons and biological weapons (the full list of what NN Group defines as controversial weapons can be found in our RI Framework policy).</p> <p>Restriction NN Group restrict companies that are involved in activities such as production, research and development, maintenance, system integration and testing of products or services that are considered dedicated and essential for the lethal use of these type of weapons. In defining these weapons, we follow widely accepted international conventions or, where not available, we have developed our own criteria.</p>
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Indicators applicable to investments in sovereign and supranationals

Adverse sustainability indicator	Metric		Impact 2024	Impact 2023	Impact 2022	Explanation	Actions taken, actions planned, and targets set for the next reference period	
Environmental	15.GHG intensity	GHG intensity of investee countries	0,0370	0,0411	0,1152			
Social	16.Investee countries subject to social violations	Number of investee countries subject to social violation (absolute and relative number)	<p>Number of investee countries subject to social violations : 0,125</p> <p>Percentage of countries subject to social violation : 0,258%</p>	<p>Number of investee countries subject to social violations : 0,0520</p> <p>Percentage of countries subject to social violation : 0,18%</p>	<p>Number of investee countries subject to social violations : 0,0284</p> <p>Percentage of countries subject to social violation : 0,13%</p>			

Indicators applicable to investments in real estate

Adverse sustainability indicator	Metric		Impact 2024	Impact 2023	Impact 2022	Explanation	Actions taken, actions planned, and targets set for the next reference period	
Fossil fuels	17.Exposure to fossil fuels through real estate	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	0,00	0,00	0,00			
Energy efficiency	18.Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	0,00%	0,00%	0,00%			

NB : The data sources used to calculate the adverse sustainability indicators are primarily Morningstar and data obtained from external asset managers. As for the periods 2023 and 2024, as a basis for PAI-indicator aggregation calculations, all investments were considered rather than just covered investments, as in 2022. Please refer for more information about the data sources to the section “*Data sources used*”, in the chapter “*Description of policies to identify and prioritise principal adverse impacts on sustainability factors*”.

In aggregating data to FMP (Financial Market Participant) entity data, in cases where no data was available, a value of zero (0) has been used for the PAI-indicator. This means that the values of the PAI-indicators reported in the table may be lowered due to incomplete data availability.

The percentage of data available for each PAI-indicator (hereafter: coverage), was between 0.02 and 77%. This coverage percentage is calculated by dividing the value of the investments for which data was available for an individual PAI-indicator, by the value of the investments for which that individual PAI-indicator is applicable. The differences in percentages are among others related to the constraints mentioned in the introduction above table 1. Regarding the PAI-indicators related to GHG emissions (PAI-indicator number 1), scope 1, 2 and 3 may not add up to the total GHG emissions reported, due to different coverage percentages.

Other indicators for principal adverse impacts on sustainability factors

Additional climate and other environment-related indicators – Table 2

Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric
Indicators applicable to investments in investee companies		
Climate and other environment-related indicators		
Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement.

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters – Table 3

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS		
Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric
Indicators applicable to investments in investee companies		
Human rights	9. Lack of a human rights policy	Share of investments in entities without a human rights policy

5. Description of policies to identify and prioritise principal adverse impacts on sustainability factors

Policy framework addressing our investments' adverse impacts on ESG factors

We, NN Insurance Belgium, are part of NN Group and operate within the policy framework NN Group has set up. The NN Group's approach towards responsible investing is documented in its Responsible Investment (RI) Framework policy (hereafter RI Framework policy).

The objective of this policy is to support in the systematic incorporation of sustainability risk and opportunities into the investment process. This includes selecting external asset managers and funds, as well as the due diligence, monitoring, and review of these external asset managers and funds.

The scope of the NN Group RI Framework policy includes both the management of sustainability risk and the consideration of adverse impacts on ESG factors in our investment decision process. The latter is a key part of NN Group's approach to Responsible Investing.

As a part of NN Group, NN Insurance Belgium, where possible and feasible, takes into account negative impacts on sustainability factors that our investments may cause.

NN Group's definition of adverse impacts (including, but not limited to investments) are negative impacts on ESG factors that are caused by or (in)directly linked to NN Group's activities (strategy, investment decisions, underwriting and operations). In the context of this PAI statement, adverse impacts are defined as the negative impacts caused by NN Insurance Belgium's investments, whereby the most significant adverse impacts are referred to as principal adverse impacts.

The NN Group RI Framework policy applies to every asset category where it is possible and feasible to consider ESG factors.

This PAI statement concerns the assets linked to the financial products in scope of the SFDR, namely the following product categories: Insurance Based Investment Products, Pension product or scheme. Given the diversity of the related assets, the exact way that the NN Group RI Framework policy is implemented may differ per FMP. This includes the way how adverse impacts of NN Insurance Belgium's investment decisions are identified, prioritised, and taken into account when possible and feasible.

Governance and implementation

The NN Group RI Framework policy has been in place since 2014. The objective of the NN Group Responsible Investment (RI) Committee is to ensure suitable governance and monitoring of the development and implementation of NN Group's RI approach. The NN Group RI Framework policy is regularly updated, based on relevant developments related to responsible investment. The NN Group RI Committee approved the latest version of the RI Framework policy in July 2024. As per this date, the latest version of the policy has been implemented by NN Insurance Belgium.

We, NN Insurance Belgium, apply those elements of the NN Group RI Framework policy that are consistent with the fiduciary responsibility and the mandate provided by our clients, and relevant regulation. Where we invest directly or work with external asset managers via discretionary mandates, we strive to implement, where possible and feasible, the NN Group RI Framework policy. Where such assets are invested via collective investment funds managed by external asset managers, we apply a principle-based approach, meaning that where possible and feasible, the key premises and objectives of the NN Group RI Framework policy are expected to be applied by the external asset manager.

Methodology to select additional principal adverse impact

NN Insurance Belgium considers additional PAI-indicators from Table 2 and 3 of Delegated Regulation (EU) 2022/1288, namely:

- Indicator 4 from Table 2: Investments in companies without carbon emission reduction initiatives;
- Indicator 9 from Table 3: Lack of a human rights policy.

These additional indicators are considered to be principal to NN Insurance Belgium. This was determined by assessing factors such as severity, probability of occurrence and potential irremediability of the underlying (direct or indirect) adverse impact. Furthermore, given the limited data availability and the quality of currently available data for the PAI-indicators listed in Table 2 and 3 of the Delegated Regulation (EU) 2022/1288, the indicators selected are those for which NN Insurance Belgium is able to measure and monitor the performance of over time.

The review of whether these are still the most relevant additional PAI-indicators takes place on a periodic basis. As applies to the implementation of PAIs in general, the degree of implementation of these additional PAI-indicators in the investment process depends on several circumstances, such as whether we have full discretion over the assets or not.

Data sources used

NN Insurance Belgium works with different external asset managers. Their PAI-indicator data reporting may be based on different methodologies, or they may not (yet) report on this data. To enhance data availability and comparability across all assets within product and entity level adverse impacts

calculations, NN Insurance Belgium uses adverse indicator data from a third-party data provider, Morningstar, as the primary data source as well those from external asset managers.

In case the adverse impact data is not available in Morningstar, NN Insurance Belgium makes use of the data provided via the external manager, preferably delivered by means of the European ESG Template (EET).

We expect data coverage to improve in the coming years. Therefore, we will continue to evaluate different approaches to retrieving PAI-indicator data.

6. Engagement policies

Engagement and voting, as well as public policy advocacy, are effective ways for investors to hold company management accountable and to create beneficial change. We therefore expect the external asset managers we work with to address, where possible and feasible, principal adverse impacts via structural voting and engagement activities, underpinned by high quality research and data.

In NN Group's [Responsible Investment \(RI\) Framework policy](#) minimum active ownership criteria are described which we expect all investee companies and external asset managers to respect. Appendix II of that document contains proxy voting standards and Appendix III engagement standards.

The extent and manner in which our engagement expectations are reflected in the engagement policies of the external asset manager, may differ between external assets managers. This also holds for how and the extent in which external asset managers include adverse impacts and specific adverse impact indicators in their engagement policies and how they will adjust their policies based on the development of the principal adverse impacts caused by their investments.

Where considered needed we would engage with our asset managers to further improve their practices, results, and disclosures in this area.

We expect our asset managers to periodically report on their engagement activities and results

If over time, an external asset manager or fund (still) does not meet the RI Framework policy criteria and engagement with the external asset manager has not led to sufficient material improvements, NN Insurance Belgium could reconsider its investments made in the specific fund or mandate and might consider the potential transition to other external asset managers

7. References to international standards

NN Insurance Belgium as part of NN Group, adheres to relevant international standards and guidelines, including UN Global Compact and the OECD Guidelines for Multinational Enterprises. To underline our ambitions, NN Group including NN Insurance Belgium has endorsed various national and international initiatives, and we are a member of various relevant international organisations. For an overview, please visit NN Group's [website](#).

The NN Group's commitment to international standards is also reflected in our investment approach, which incorporates the 10 principles of UN Global Compact, the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises. These have been translated in our Responsible Investment Framework policy by including minimum criteria that have to be adhered to in the investment process. NN Insurance Belgium tracks indications of violations of NN's norms-based responsible investing criteria. Such indications include research from our external ESG research or engagement provider(s), input from own (investment) staff, our asset managers, and information from NGOs or media sources. Where we do not have full discretion over the way our assets are managed, we encourage our external asset managers to integrate these international norms and standards in their investment process.

NN Group is a member of several Paris Agreement related initiatives and NN Insurance Belgium encourages our external asset managers to adopt a net-zero or climate transition strategy, where relevant, possible, and feasible. Where the external asset manager has a Paris aligned, net-zero or other climate strategy in place, it depends on the external asset manager whether a forward-looking climate scenario is used and what it is based on.

From the PAIs mentioned in table 1, 2 and 3 in this PAI statement, the following ones are (among others) indicators that can be used to measure adherence to or alignment with responsible business conduct codes and internationally recognised standards for due diligence and reporting and/or the objectives of the Paris Agreement:

- Table 1, PAI indicator 10: Violations of UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises;
- Table 1, PAI indicator 11: Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact Principles and OECD Guidelines for Multinational Enterprises;
- Table 1, PAI indicator 16: Investee countries subject to social violations;
- Table 2, PAI indicator 4: Investments in companies without carbon emission reduction initiatives.

As mentioned under *"Data sources used"* in the section *"Description of policies to identify and prioritise principal adverse impacts on sustainability factors"*, NN Insurance Belgium expects the external asset managers to collect and report on the data on adverse impacts and therefore also responsible for the methodology and data used to measure the adherence or alignment with international standards.

The scope of coverage, data sources, and whether the methodology used forecasts the principal adverse impacts of investee companies may therefore vary between external asset managers. This also relates to the potential use of any forward-looking climate scenarios.

Historical comparison

The PAI-indicator data over 2022, 2023 and 2024 can be found in table 1 of this disclosure. At this moment in time, it is not possible for NN Insurance Belgium to attribute specific changes in underlying PAI-indicator data to specific targets and actions we have taken on our investment portfolio, given the reasons described before.

End note

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