



Adverse sustainability impacts

Pursuant to the Sustainable Finance Disclosure Regulation (hereinafter referred to as “SFDR3), NN Insurance Belgium is required to disclose how we consider adverse sustainability impacts of investment decisions.

We consider principal adverse impacts on Environmental, Social and Governance factors by applying the Responsible Investment Framework policy of the NN Group (the “**RI Framework policy**”). The RI Framework policy supports “the systematic incorporation of Environmental, Social, and Governance (“**ESG**”) factors into the investment process, managing both risks and opportunities.”

Further to the strategies as described regarding the integration of sustainability risk, this implies integration of material ESG risks and opportunities into the research and analyses of investments, as well as consistent demonstration and documentation of ESG factors integration for each individual investment analysis. NN norms-based RI criteria, are a reflection of relevant laws, NN’s values and internationally recognised standards such as the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises serve as guidelines hereto. At the moment, the alignment with the 1.5°C target of the Paris Agreement for Client Assets has not yet been included in a formal policy. However, NN Group has taken the first steps thereto with respect to its Proprietary Assets.

We recognise that full consideration of principle adverse impact is a step-by-step process where we keep making improvements. We intend to provide more detail on the implication of principal adverse impacts when the SFDR level 2 requirements enter into force. In what follows, we describe how the RI Framework policy is currently applied to NN’s own asset managers, as well as to its external assets managers.

1. How it is applied where NN or NN owned asset managers have discretionary mandates

Pursuant to the RI Framework policy we instruct our asset manager to implement a variety of Responsible Investment (“RI”) strategies to consider principal adverse impacts as set out in the RI Framework policy.

For more information on the NN norms-based RI criteria, please refer to the RI Framework policy on the website of NN Group - Responsible investment (nn-group.com).

2. How it is applied where we invest in investment funds, managed by NN Group owned asset managers

NN Group’s asset managers, that manage investment funds, will apply those elements of the RI Framework policy that are consistent with their fiduciary responsibilities to the investment fund and the investment guidelines of the investment fund.



3. *How it is applied where we invest in investment funds, managed by external asset managers*

Investment funds and Private Equity funds managed by external asset managers cannot implement the NN RI Framework policy, because there are multiple investors that participate. Also, the NN Restricted List cannot be applied for the same reason.

For these funds, we will monitor the composition of such funds and we will ask those asset managers for responsible investment policies and restricted lists. We request from these external asset managers an overview on their sustainable investment approach including their style of sustainable investing, their reporting on co2 reduction, waste reduction and water reduction versus benchmark, which sustainable labels the fund and the asset managers have obtained.

The information we have provided above is based upon the information that currently is available, also relying on information provided to us by asset managers. Where asset managers have not provided us with (adequate) information, we will continue our efforts to obtain this information. When in the future more (adequate) information becomes available, we will amend our disclosures to reflect this.