



**NN investment  
partners**

## **UK Modern Slavery Act**

Transparency statement NN Investment Partners B.V.  
Financial year 2017

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<b>Version</b>	1
<b>Date</b>	4 May 2018
<b>Author</b>	Jean-Clément Meignen
<b>Department</b>	Legal

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## **UK Modern Slavery Act**

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### Version control

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<b>Author</b>	Jean-Clément Meignen (Legal)
<b>Description</b>	Transparency statement UK Modern Slavery Act 2015

### Review

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<b>Reviewer</b>	Legal, Compliance & Responsible Investments

### Approval

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<b>Approved by</b>	Satish Bapat, CEO

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## **1. Introduction**

The below statement is made pursuant to the UK Modern Slavery Act 2015.

In October 2015 the UK Modern Slavery Act (the “**Act**”) came into force. The Act requires certain large organisations doing business in the United Kingdom to produce a public “slavery and human trafficking statement”. The concept of “modern slavery” under the Act encompasses behaviours such as forced, compulsory or coerced labour, deprivation of personal freedom or facilitating the movement of people for exploitation. Pursuant to Section 54 of the Act the present statement describes our approach to, and contribution to prevention of modern forms of slavery in our business and value chain during financial year 2017.

### *Active in the UK*

NN Investment Partners B.V. (“**NN IP**”) is internationally active in the financial industry and offers investment funds and solutions, as well as portfolio management and financial advisory services, to its customers in a large number of jurisdictions. NN IP has a branch office in the United Kingdom and meets the turnover threshold under the Act. NN IP is established in the Netherlands and regulated by the Netherlands Authority for the Financial Markets.

## 2. Transparency statement

### 2.1 Relevant NN Group and NN IP policies

NN IP is part of NN Group, one of the largest insurance and asset management group of companies in the Netherlands and publicly listed on Euronext Amsterdam. As an NN Group company, NN IP shares the values of NN Group and is fully committed to the ‘**NN statement of Living our Values**’, which guides interactions with stakeholders and embodies responsible business conduct and corporate citizenship within the entire NN Group. This commitment is further embedded in the **NN Group Human Rights Statement**, which sets out NN Group’s approach to human rights in its various roles, as well as its commitment to a number of internationally recognized principles, declarations and standards.<sup>1</sup> The same commitment is also apparent from the **Responsible Investment Policy Framework** adopted by NN Group in 2014 and NN IP’s **Responsible Investment Policy statement**. This framework and statement set out the measures taken by NN Group and NN IP to ensure both proprietary and customer assets are responsibly invested. The framework is strongly inspired by the United Nations Global Compact, a set of ten principles for responsible corporate behavior in four<sup>2</sup> areas – including human rights – and is intended as internal guidance to NN IP and other group entities conducting asset management activities. The ESG Committee of NN IP steers the implementation of the Responsible Investment Policy Framework and Responsible Investment Policy Statement within our asset management activities.

### 2.2 NN IP – business & supply chain

NN IP offers both collective (i.e. collective investment schemes) and individual (i.e. managed accounts) asset management solutions in a variety of asset classes. In order to service our customers we procure a range of services from third party suppliers in various jurisdictions who may, in turn, enter into sub-contracts with their suppliers. We delegate portfolio management and outsource certain administrative and operational functions. We procure services and distribute our investment services and products in a large number of jurisdictions. Collective investment schemes are distributed through an international network of reputable distributors, the vast majority consists of regulated financial firms.

Considering our NN Group affiliation, the nature of our business and the heavily regulated industry in which we –and many of our suppliers and distributors– operate, the

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<sup>1</sup> This includes the Universal Declaration of Human Rights; the ILO Declaration on Fundamental Principles and Rights at Work; UN Guiding Principles on Business and Human Rights, as included in the OECD Guidelines for Multinational Enterprises; the Children’s rights and Business Principles; and the UN Global Compact Principles.

<sup>2</sup> Namely: Human rights, Labour relations, Environment and Anti-corruption.



risk of modern slavery taking place in NN IP's business and value chain is considered to be low. Nevertheless we apply robust due diligence processes when selecting business and procurement partners.

### **2.3 NN IP – approach to modern slavery prevention**

As an NN Group company –as stated above– NN IP generally complies with high standards in terms of respect for human rights. The [NN Group Human Rights Statement](#) describes the guiding principles of NN Group's approach to human rights and the various policies in which those principles are embedded. NN IP takes these policies into account in its various roles as an employer, an investor, a business partner and a corporate citizen. In terms of NN IP's compliance with the Act in its business and value chain the following can be mentioned.

#### **2.3.1 Procurement process**

- (a) Prior to onboarding of a new business partner NN IP follows an extensive due diligence process, including amongst others a comprehensive check on: (i) the ultimate beneficial owners of the business partner; (ii) all locations the business partner is active in; (iii) any adverse media attention related to the business partner and its ultimate beneficial owners; and (iv) a check on applicable financial economic sanctions regimes.
- (b) Our standard terms and conditions are being applied in all material instances and require on an ongoing basis: (i) compliance with laws regarding health and safety at work; (ii) a warranty against child labour practices; (iii) a general obligation to comply with all relevant laws and regulations; (iv) prior approval of sub-contracting and the obligation for the sub-contractor to comply with the same terms and conditions as those that apply between NN IP and the supplier that sub-contracts; as well as (v) a right for NN IP to audit compliance with all contractual obligations including a right to do on-site inspections.

#### **2.3.2 Delegation of portfolio management**

The standard due diligence process outlined above is equally followed prior to delegation of portfolio management to a third party. Moreover (proposed) delegated portfolio managers are required to fill-in a questionnaire both prior to their appointment and on a yearly basis. This is designed to ascertain that the delegated activities are conducted in accordance with legal and regulatory requirements and NN IP's minimum standards, as per the various applicable NN Group and NN IP policies. The questionnaire is reviewed and updated on a yearly basis. In 2016 specific questions regarding environmental, social, and corporate governance aspects were added to the questionnaire.

### 2.3.3 Fund distribution

The standard due diligence process outlined above is equally followed prior to appointment of a new distributor for NN IP-managed funds. In addition distributors are required to provide a completed the (industry standard) Wolfsberg questionnaire. For the subsequent periodic monitoring of distributors we use ongoing name screening, desk research as well a standardized questionnaire available via an online platform provided by an external service provider. The periodic monitoring is targeted at a pre-selected group of distributors according to a risk-based approach.

### 2.3.4 Investment process

Based on the [Responsible Investment Policy Framework](#) adopted by NN Group in 2014 we have implemented a number of more specific policies with respect to investment of the assets entrusted to us by our (internal and external) clients. NN IP's [Responsible Investment Policy Statement](#) provides an overview of our approach , to ensure that Environmental, Social and Governance (ESG) factors are embedded in our investment processes and ownership practices. In 2008, we have committed ourselves to the United Nations backed Principles for Responsible Investment (PRI) and ever since that time we have an increasing focus on embedding ESG in our investment process, both analysis, decision making as well as risk management. For more details please refer to the aforesaid Statement.

## 2.4 Periodic review

The above processes, policies and procedures are subject to periodic review and regular improvement.

The current statement will be updated on a yearly basis.

4 May 2018

Satish Bapat, CEO NN Investment Partners