

Website Disclosure - SFDR

Product name : NN GS Emerging Markets Debt Fund
Categorisation: article 8
Legal entity identifier (CODE LEI) : 549300P1862TXM0YEB58
Version : 17/08/2023

a) Summary

No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

Environmental or social characteristics of the financial product

The Sub-Fund promotes environmental and social characteristics by:

- Restricting issuers involved in controversial activities and controversial behaviour
- Countries subject to country-wide arms embargo sanctions imposed by the United Nations Security Council, and countries on the Financial Action Task Force list, that are subject to a “Call for Action”, are also restricted
- Adherence in the areas of good governance, respecting human rights and labour rights, protecting the environment and prevention of bribery and corruption

Indicators

The following sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by the Sub-Fund:

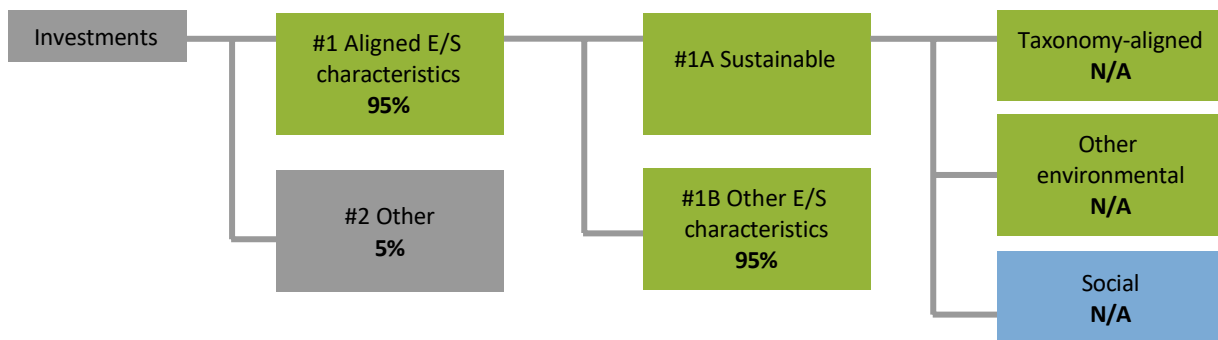
- Number of issuers excluded from the investment universe based on the Exclusion List
- Number of issuers against which arms embargoes have been issued by the UN Security Council and subject to a ‘Call for Action’ on the Financial Action Task Force list
- Number of issuers involved in material violations of internationally recognised standards, for example: OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and UN Global Compact.

Investment strategy

To attain the environmental and social characteristics promoted by the Sub-Fund, the Sub-Fund applies:

- Active Ownership (Stewardship) refers to dialogue and engagement with issuers and the exercise of voting rights – it is a tool used by the Management Company to influence issuers to adopt more sustainable behaviour and practices.
- The Sub-Fund integrates the information on environmental, social and governance factors for its investments based on the Management Company’s ESG Integration approach.
- The Sub-Fund applies the Management Company’s norms-based responsible investment criteria that, as stipulated in the Management Company’s Responsible Investment Policy, restricts investment in issuers involved in controversial activities and controversial behaviour.

Proportion of investments



Monitoring of environmental or social characteristics

The Management Company uses a systematic approach to monitor adherence to the binding elements at security and/or portfolio level. Investment Teams have the primary responsibility to ensure adherence on an ongoing basis (pre and post trade). Independent oversight has the responsibility to monitor and the Compliance function has the responsibility to, where applicable, advise on resolving breaches.

Methodologies

The Management Company's investment teams may use a number of different styles to embed ESG considerations into asset selection and portfolio construction.

Data sources, processing and limitations

The Management Company leverages external data sources to supplement internal research on the environmental and/or social characteristics of the products. While ESG data availability and quality continues to improve, the Management Company does not believe there is currently one ESG data provider that holistically packages the most useful underlying data. Therefore, the Management Company leverages multiple third-party vendors to meet the diverse set of needs and use cases.

Due diligence

Given the belief that ESG factors can affect the performance and risk profile of investments, the Management Company seeks to understand the impact of ESG related risks. The Responsible Investment Framework, in particular the Restriction Criteria, ESG Integration and Engagement & voting (Stewardship) is collectively applied among the issuers as part of the due diligence process. Integrating and managing sustainability risks and opportunities via due diligence is primarily the responsibility of the investment teams (first line). Risk Management (second line) has the responsibility to manage the identified sustainability risks through oversight, engagement with the first line when sustainability risk levels exceed the risk appetite of the firm and / or specific metrics exceed their pre-defined thresholds. The Management Company also uses internal monitoring systems to check issuer positions against guidelines crafted to ensure compliance with sustainability indicators.

Engagement policies

Engagement with portfolio companies and issuers is conducted across asset classes and may vary by investment teams. There is a focus on a proactive, outcomes-based engagement, in an attempt to promote best practices. The engagements conducted by the Global Stewardship Team is designed to complement the engagements conducted by the investment teams. The engagement initiatives are continually reviewed, enhanced and monitored to ensure they incorporate current issues and evolving views about key environmental, social, and governance topics and sustainability-related controversies. To guide engagements, the Global Stewardship Team creates an annual Focus List. The Focus List reflects the thematic priorities and guides the voting and engagement efforts and includes environmental, social and governance matters considered to be principal in terms of potential adverse impacts.

Designated reference benchmark

N/A – This Sub-Fund is actively managed and therefore does not have a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental or social characteristics that it promotes.

b) No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

c) Environmental or social characteristics of the financial product

Environmental/Social characteristics

The Sub-Fund promotes environmental and social characteristics, as described in Article 8 of the SFDR. Specifically, the Sub-Fund promotes environmental and social characteristics by:

- **Restricting issuers involved in controversial activities and controversial behaviour.** This is done by applying GSAM's norms-based responsible investment criteria, restricting investments involved in the development, production, maintenance or trade of controversial weapons, the production of tobacco products, thermal coal mining and/or oil sands extraction.

Countries subject to country-wide arms embargo sanctions imposed by the United Nations Security Council, and countries on the Financial Action Task Force list, that are subject to a "Call for Action", are also restricted.

- **Adherence in the areas of good governance, respecting human rights and labour rights, protecting the environment and prevention of bribery and corruption.** The Sub-Fund does so by assessing the extent to which issuers act in accordance with relevant laws and internationally recognised standards, for example: OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and UN Global Compact.

Indicators

The following sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by the Sub-Fund:

- Number of issuers excluded from the investment universe based on the Exclusion List
- Number of issuers against which arms embargoes have been issued by the UN Security Council and subject to a 'Call for Action' on the Financial Action Task Force list
- Number of issuers involved in material violations of internationally recognised standards, for example: OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and UN Global Compact.

Binding elements

The Sub-Fund's binding elements are listed below:

- **Exclusions based on the norms-based RI criteria.** The Sub-Fund, as per the Management Company's norms-based responsible investment criteria, will exclude investment in issuers involved in activities including but not limited to, the development, production, maintenance or trade of controversial weapons, the production of tobacco products, thermal coal mining and/or oil sands production. Adherence to the norms-based responsible investment criteria is based on pre-set revenue thresholds, as stated in the Management Company's Responsible Investment Policy, and relies on third-party data. For the latest thresholds and activities, please refer to the Management Company's Responsible Investment Policy available on the website.

The Sub-Fund will not invest in any countries subject to country-wide arms embargo sanctions imposed by the United Nations Security Council, and countries on the global money laundering and terrorist financing watchdog, Financial Action Task Force list, that are subject to a "Call for Action".

d) Investment strategy

To attain the environmental and social characteristics promoted by the Sub-Fund, the Sub-Fund applies:

- Norms-based RI criteria
- ESG integration approach
- Active Ownership

Norms-based RI criteria

The Sub-Fund applies the Management Company's norms-based responsible investment criteria that, as stipulated in the Management Company's Responsible Investment Policy, restricts investment in issuers involved in controversial activities and controversial behaviour.

For the sovereign investments of the Sub-Fund attributable to the investment strategy, each country is reviewed by the Management Company's ESG Committee as to whether any arms embargoes have been issued by the UN Security Council or whether it appears as a 'Call for Action' on the Financial Action Task Force list. If the country appears on either list, then it is included on the Exclusion List, resulting in an exclusion from the investment universe.

ESG integration approach

The Sub-Fund integrates the information on environmental, social and governance factors for its investments based on the Management Company's ESG Integration approach. The first step towards ESG integration is to identify material ESG risk and opportunities. Secondly, the material ESG risks and opportunities are assessed and expressed via a number of ESG ratings. The final step of ESG Integration involves incorporating this ESG analysis into investment screening and security selection of issuers.

For sovereign issuers most ESG factors - from the quality and availability of education and healthcare to political stability and energy sources – tend to be significant for all countries around the world.

Active Ownership

Active Ownership refers to dialogue and engagement with issuers and the exercise of voting rights – it is a tool used by the Management Company to influence issuers to adopt more sustainable behaviour and practices. Engagement occurs in three ways: thematic engagement, ESG dialogues and controversy engagement. Thematic engagement focuses on different themes that have a material impact on society, and where the Management Company believes engagement efforts can achieve beneficial change. Analysts and portfolio managers also maintain regular bottom-up dialogues with issuers on ESG subjects that the Management Company believes may have a material impact on their value.

A fundamental view of the Management Company is its approach of inclusion over exclusion and thus an engagement led divestment approach is applied, via controversy engagement. In the case of any violations against items listed in the norms-based responsible investment criteria, assessment is first made to identify the possibility to engage with the issuer in question to address the violation. If engagement is deemed feasible, a formal engagement process must be started in order for the issuer to remain eligible for investment. If engagement is deemed to be unsuccessful, the issuer will be revisited by the Management Company.

In order to effectively represent clients in their role as stakeholders, where possible and feasible, voting is also conducted as a tool to encourage issuers to change for the better and plays an important role in holding the issuer accountable.

Additionally, engagement with sovereigns on (potential) bond issuance is also conducted to better assess investment risks and opportunities. The Sub-Fund also advocates policy and legislation that support sustainability and stakeholder rights. This is done primarily via a number of international industry bodies that the Management Company is a member of and through collaborations with other investors.

Committed minimum rate to reduce the scope of the investments

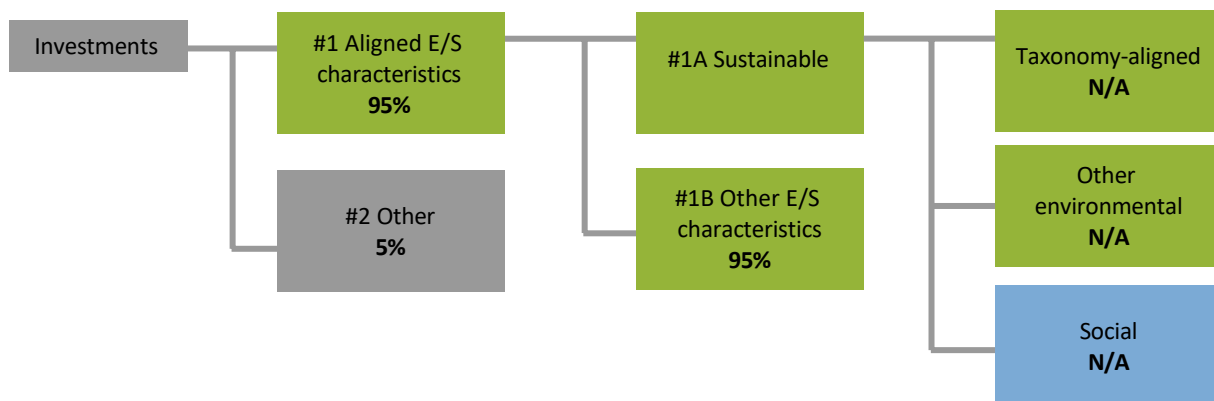
N/A - Prior to the application of the investment strategy, the Sub-Fund does not commit to a minimum rate to reduce the scope of the investments.

Good governance

The Sub-Fund leverages a proprietary approach to identifying and evaluating global norms violators and issuers that may be engaged in poor governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

This proprietary approach seeks to identify, review, evaluate and monitor companies that are flagged by external data providers as being in violation of, or otherwise not aligned with, the United Nation Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights as well companies that have received high controversy scores (including significant governance controversies, severe labour rights controversies and severe tax compliance controversies). Following review of these external data inputs, companies that the Management Company believes to have an ongoing and serious violation and/or are considered to not be following good governance practices with insufficient remediation will be excluded from the Sub-Fund. This list of companies will be reviewed on a semi-annual basis. The Management Company may not be able to readily sell securities that are intended for exclusion from the Portfolio at each semi-annual review (for example, due to liquidity issues or for other reasons outside of the Management Company's control), however, will seek to divest as soon as possible in an orderly manner and in the best interests of investors.

e) Proportion of investments



Taxonomy aligned investments

The Sub-Fund does not commit to make sustainable investments with an environmental objective aligned with the EU Taxonomy. Hence, the minimum extent is 0%

Transitional and enabling activities

The minimum share of investments in transitional and enabling activities is 0%.

Minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy

The Sub-Fund does not commit to make Sustainable Investments. Hence, the minimum commitment is 0%

Minimum share of sustainable investments with a social objective

N/A - This question is not applicable as the Sub-Fund does not commit to make Sustainable Investments.

Investments included under "Other"

Investments included under 'other' may include cash used for liquidity purposes, derivatives for efficient portfolio management/investment purposes and/or investments in UCITS and UCIs which may be used to achieve the investment objective of the Sub-Fund but neither promote the environmental or social characteristics of the Sub-Fund, nor qualify as Sustainable Investments.

The percentage shown is the planned percentage which may be held in these instruments but the actual percentage can vary from time to time.

These financial instruments are not subject to any minimum environmental or social safeguards.

f) Monitoring of environmental or social characteristics

The Management Company uses systems to monitor adherence to binding elements as stated in the Pre Contractual

Disclosures. These systems are widely used within the organisation, for example by investment teams and independent oversight, to monitor pre and post trade compliance to investment guidelines in an automated way. Automated checks support monitoring adherence to binding elements at security and/or portfolio level such as concentration percentages (e.g. commitments to minimum proportion of sustainable investments) and exclusions (e.g. firm wide restriction list).

The monitoring process gives rise to the following responsibilities :

1. Investment Teams have the primary responsibility to ensure adherence to binding elements on an ongoing basis (pre and post trade).
2. Independent oversight has the responsibility to monitor the adherence to binding elements and will analyse and flag any potential breaches to the Investment Teams. Based on the nature of a breach it may be required to involve other departments, such as Compliance and Operational Risk Management, in the resolution of a breach.
3. The Compliance function has the responsibility to, where applicable, advise on resolving breaches on binding elements. The Management Company's internal policy for incident correction will be applied for the resolution of a breach.

g) Methodologies for environmental or social characteristics

The following methodologies are used to measure how the social or environmental characteristics promoted by the financial product are met.

Number of issuers against which arms embargoes have been issued by the UN Security Council and subject to a Call for Action on the Financial Action Task Force list

The number of issuers against which arms embargoes have been issued by the UN Security Council and/or are subject to a Call of Action on the Financial Action Task Force List (FATF), are applicable for sovereign issuers and are derived from the norms-based responsible investing criteria, reflecting the views and beliefs of the Management Company. Based on the FATF, high-risk jurisdictions (i.e. 'Call of Action' issuers) have significant strategic deficiencies in their regimes to counter money laundering, terrorist financing, and financing of proliferation. For the high-risk jurisdictions, the FATF calls on members to apply enhanced due diligence. The Management Company applies issuer-based screening processes as a means of measuring whether the characteristics or objectives have been met.

Number of issuers excluded from the investment universe based on the Exclusion List

The Exclusion List is made up of issuers that do not adhere to pre-defined revenue thresholds of the Management Company's norms-based responsible investing criteria. These criteria apply to all types of strategies and are a reflection of relevant laws, values and internationally recognized standards. Companies are excluded when stewardship is unlikely to change an issuer's conduct or involvement in specific business activities and/or when controversies are deemed as too high. The Management Company applies issuer-based screening processes as a means of measuring whether the characteristics or objectives have been met.

Number of issuers involved in material violations of internationally recognised standards, for example: OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and UN Global Compact

The Management Company expects the issuers it invests in to act in accordance with relevant laws and internationally recognised standards: the UN Global Compact principles, the UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises. Adherence is expected in the areas of proper governance, respecting human rights and labour rights, protecting the environment and prevention of bribery and corruption. The Management Company applies issuer-based screening processes as a means of measuring whether the characteristics or objectives have been met.

h) Data sources and processing

Number of issuers against which arms embargoes have been issued by the UN Security Council and subject to a Call for Action on the Financial Action Task Force list

In order to assist ESG analysis, gain in-depth research, ratings and analysis of the ESG-related business practices across a number of developed and emerging markets, the Management Company leverages external data sources including:

- Sustainalytics
- Public information accessible via the UN webpages
- Public information accessible via the website FATF-GAFI.ORG (www.fatf-gafi.org).

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- Sustainalytics

i) Limitations to methodologies and data

Number of issuers against which arms embargoes have been issued by the UN Security Council and subject to a Call for Action on the Financial Action Task Force list

The data limitations include the backward-looking nature and a time lag in the data, with a subsequent implication being the data available at any point in time not being reflective of the latest available information. Additional limitations recognised by the Management Company include reliance on only third party data sources and the potential risk of having the wrong data being provided and the indicators identified not being a perfect reflection of the intended characteristics or objectives sought. Due to the identified limitations, the Management Company has taken due care to carefully select data providers with reputable credentials, that are widely recognised in the industry for their expertise and credibility. Additionally, multiple data sources are applied, where applicable, to limit the reliance to a single data provider. The Management Company also conducts internal analysis on the quality and coverage of the data and applies a data governance framework, comprising of a multitude of stakeholders.

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j) Due diligence

Given the belief that ESG factors can affect the performance and risk profile of investments, the Management Company seeks to understand the impact of ESG related risks. The Responsible Investment Framework, in particular the Restriction Criteria, ESG Integration and Engagement & voting (Stewardship) is collectively applied among the issuers as part of the due diligence process. The Restriction Criteria applies a norms-based approach, restricting investments involved in controversial activities. ESG Integration in the context of the RI Framework involves evaluating environmental, social and governance factors in a systematic manner in order to achieve enhanced investment decision-making and long-term risk-adjusted returns. This is done in a consistent and auditable manner

to ensure ESG or sustainability factors relating to an investment or investment proposal are sufficiently understood or recognized and includes monitoring the investment on an ongoing basis. Where possible and feasible, these risks are also addressed as part of both engagement and voting, with the aim of reducing their potential financial impact and negative impact on society as a whole. Integrating and managing sustainability risks and opportunities via due diligence is primarily the responsibility of the investment teams (first line). Risk Management (second line) has the responsibility to manage the identified sustainability risks through oversight, engagement with the first line when sustainability risk levels exceed the risk appetite of the firm and / or specific metrics exceed their pre-defined thresholds. The Management Company also uses internal monitoring systems to check issuer positions against guidelines crafted to ensure compliance with sustainability indicators.

k) Engagement policies

Assessing and promoting effective stewardship among the companies and issuers represented in the portfolios we manage on behalf of our investing clients is a key part of our investment process. Engagement with portfolio companies and issuers is conducted across asset classes and may vary by investment teams. In keeping with our integrated approach to stewardship and investment, we have a robust, global engagement effort that marries the vision of our dedicated Global Stewardship Team with the expertise of our investment teams. We focus on proactive, outcomes-based engagement, in an attempt to promote best practices. The engagements conducted by our Global Stewardship Team are designed to complement the engagements conducted by our investment teams. Our engagement initiatives are continually reviewed, enhanced and monitored to ensure they incorporate current issues and evolving views about key environmental, social and governance topics, and sustainability-related controversies. To guide our engagements, our Global Stewardship Team creates an annual Focus List. Our Focus List reflects our thematic priorities and guides our voting and engagement efforts and will include environmental, social and governance matters that we consider to be principal in terms of potential adverse impacts. We have published an Engagement Policy in accordance with the requirements of Directive (EU) 2017/828 and its implementing measures (the Shareholder Rights Directive II) which provides further details on our engagement approach.

l) Designated reference benchmark

N/A – This Sub-Fund is actively managed and therefore does not have a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental or social characteristics that it promotes.

Sustainability information contained in this product document has been compiled by NN Insurance Belgium SA/NV to the best of its ability. However, NN is dependent on the information on the various sustainability aspects made available by the asset managers. However, the legislation requiring this information to be made available only came into force on 1 January 2023. The information in this document has therefore been compiled on the basis of the information made available to date and may be modified and/or supplemented in line with the information that will be provided by asset managers in the coming years.