

IFD IFR Disclosure proxy voting

Introduction

Before the application of IFD/IFR, both investment firms and credit institutions (banks) were subject to the same EU prudential rules, being a combination of the provisions set out in Capital Requirements Regulation (CRR/CRR II) and the Capital Requirements Directive IV (CRD IV/CRD V) which are derived from the Basel standards. However, the risks faced and posed by most investment firms are substantially different to the risks faced and posed by credit institutions (banks). Investment firms generally do not have large portfolios of retail and corporate loans and do not take deposits. The likelihood that their failure can have a detrimental impact on overall financial stability is lower than in the case of credit institutions (banks). To address this difference in risk profile, the European Commission has introduced the IFR and the IFD to ensure that such differences are reflected in the EU's prudential framework.

The main changes deriving from IFD/IFR impact prudential requirements, remuneration requirements, internal governance and reporting/disclosure requirements. IFR promotes transparency pursued by asset managers and investment firms in relation to their voting rights in listed companies.

Article 52(1), point (a) IFR requires the disclosure of the proportion of voting rights attached to shares held directly or indirectly, broken down by Member State and sector, considering only relevant companies as set out in Article 52(2) IFR. Shares held directly means shares held by the firm on its own account. Shares held indirectly means shares held by its subsidiaries or other undertakings, where the investment firm exercises significant influence or where close links exist. They also include the shares under the investment firm's management on behalf of clients for the exercise of the voting rights, unless voting rights are retained by shareholders by virtue of a contractual arrangement prohibiting the investment firm to vote on their behalf.

To fulfil the requirement from Paragraph 1, point (a), template IF IP1 (TEMPLATE ON PROPORTION OF VOTING RIGHTS) has been developed. It is of a quantitative nature and includes a list of countries, which is further subdivided into sectors and companies. Each company is associated with the total proportion of voting rights held, which is over 5 %. The list of economic sectors is given in the European Skills, Competences, Qualifications and Occupations framework (ESCO), which consists of 27 sectors. These sectors are mapped to NACE codes.

Article 52(1), point (b) IFR requires three elements to be disclosed: a complete description of voting behavior, an explanation of the votes and the ratio of proposals put forward by the administrative or management body of the company, which the investment firm has approved. The objective is to determine if an investment firm is an active shareholder that generally uses its voting rights or not, and how it uses them.

Article 52(1), point (c) IFR calls for an explanation of the use of proxy advisor firms. These firms may provide research, advice or voting recommendations, or only execute voting instructions. There has been concern that links between proxy firms and undertakings or groups in which investment firms hold shares may create conflicts of interest.

Finally, under Article 52(1), point (d) IFR, investment firms have to disclose all voting guidelines in the relevant scope, not only proxy voting guidelines. Voting guidelines can be extensive and may be decided upon on a case-by-case basis for certain items in a general meeting agenda. These guidelines may vary by geographical zone, theme of resolutions and even company by company.

Annex I - Disclosure of investment policy by investment firms

INVESTMENT FIRMS DISCLOSURE

Template number	Template code	Name of the template	Legislative reference
INVESTMENT POLICY			
1	IF IP1	PROPORTION OF VOTING RIGHTS	Regulation (EU) 2019/2023 Art 52(1), point (a)
2	IF IP2	VOTING BEHAVIOUR	Regulation (EU) 2019/2023 Art 52(1), point (b)
3	IF IP3	PROXY ADVISOR FIRMS	Regulation (EU) 2019/2023 Art 52(1), point (c)
4	IF IP4	VOTING GUIDELINES	Regulation (EU) 2019/2023 Art 52(1), point (d)

IF IP1 - Template on proportion of voting rights

Country	Economic sector	Company name	LEI	Proportion of voting rights attached to shares held directly or indirectly as set out in Article 52(2)
Belgium	Health Care	UCB SA	549300R35LEP2GV6YS74 - 272374 shares 5493000YF35FL5NW5J03 - 27593 shares	299967
Canada	Materials	Nutrien Ltd	549300L5JF0TR1DO5Q10	48562
Finland	Financials	Nordea Bank Abp	549300R35LEP2GV6YS74 - 1994468 shares 5493000YF35FL5NW5J03 - 451245 shares	2445713
Finland	Materials	UPM-Kymmene Oyj	549300R35LEP2GV6YS74	156923
France	#N/A	Peugeot S.A.	549300R35LEP2GV6YS74 - 819093 shares 5493000YF35FL5NW5J03 - 226913 shares	1046006
France	Industrials	Vinci	549300L5JF0TR1DO5Q10 - 16752 shares 549300R35LEP2GV6YS74 - 166726 shares 5493000YF35FL5NW5J03 - 36230 shares	219708
France	Financials	BNP Paribas	549300L5JF0TR1DO5Q10 - 36107 shares 549300R35LEP2GV6YS74 - 310496 shares 5493000YF35FL5NW5J03 - 50531 shares	397134
France	Consumer Discretionary	Lvmh Moet Hennessy Vuitton SE	549300L5JF0TR1DO5Q10 - 2256 shares 549300R35LEP2GV6YS74 - 55616 shares	57872
France	Financials	Societe Generale S.A.	549300R35LEP2GV6YS74	658777
France	Consumer Discretionary	Kering	549300R35LEP2GV6YS74 -31775 shares 5493000YF35FL5NW5J03 -5134 shares	36909
France	Consumer Discretionary	Michelin (CGDE)-B	549300R35LEP2GV6YS74 -121179 shares 5493000YF35FL5NW5J03 -25116 shares	146295
France	Consumer Staples	Danone	549300R35LEP2GV6YS74	92182
France	#N/A	Total SE	549300L5JF0TR1DO5Q10 - 81903 shares 549300R35LEP2GV6YS74 - 397963 shares 5493000YF35FL5NW5J03 - 123949 shares	603815
France	Industrials	Rexel SA	549300R35LEP2GV6YS74 -633055 shares 5493000YF35FL5NW5J03 -192989 shares	825953
France	Financials	Amundi	549300R35LEP2GV6YS74	111316
France	Industrials	Compagnie de Saint-Gobain S.A.	549300L5JF0TR1DO5Q10 - 66318 shares 549300R35LEP2GV6YS74 - 326619 shares 5493000YF35FL5NW5J03 - 119940 shares	512877
France	Information Technology	Capgemini	549300R35LEP2GV6YS74 -126366 shares 5493000YF35FL5NW5J03 -24936 shares	151302
France	Health Care	Sanofi	549300L5JF0TR1DO5Q10 - 19607 shares 549300R35LEP2GV6YS74 - 240012 shares 5493000YF35FL5NW5J03 - 76280 shares	335899
France	Consumer Discretionary	Lvmh Moet Hennessy Vuitton SE	549300L5JF0TR1DO5Q10 - 2256 shares 549300R35LEP2GV6YS74 - 55616 shares	57872
France	Utilities	Engie	549300L5JF0TR1DO5Q10 - 128059 shares 549300R35LEP2GV6YS74 - 741988 shares 5493000YF35FL5NW5J03 - 488849 shares	1358896

France	Financials	Scor SE	549300R35LEP2GV6YS74		377151
France	Consumer Discretionary	Kering	549300R35LEP2GV6YS74 5493000YF35FL5NW5J03	-18424 shares -4495 shares	22919
France	Industrials	Alstom	549300R35LEP2GV6YS74 5493000YF35FL5NW5J03	-365029 shares -85688 shares	450717
France	Financials	BNP Paribas	549300L5JF0TR1DO5Q10 549300R35LEP2GV6YS74 5493000YF35FL5NW5J03	- 34707 shares - 521953 shares - 54527 shares	611187
France	Consumer Staples	Pernod Ricard	549300R35LEP2GV6YS74 5493000YF35FL5NW5J03	-132353 shares -11902 shares	144255
France	Industrials	Bouygues	5493000YF35FL5NW5J03		31072
France	Industrials	Schneider Electric SE	549300L5JF0TR1DO5Q10		8965
Germany	Industrials	Siemens AG	549300R35LEP2GV6YS74 5493000YF35FL5NW5J03	-277469 shares -83467 shares	360936
Germany	Information Technology	Infineon Technologies AG	549300R35LEP2GV6YS74		157843
Germany	Communication Services	Deutsche Telekom AG	549300L5JF0TR1DO5Q10 549300R35LEP2GV6YS74 5493000YF35FL5NW5J03	- 68889 shares - 1739246 shares - 355650 shares	2163785
Germany	Materials	Covestro AG	549300R35LEP2GV6YS74 5493000YF35FL5NW5J03	-93685 shares -34216 shares	127901
Germany	Health Care	Merck KGAA	549300R35LEP2GV6YS74		126632
Germany	Materials	Basf SE	549300R35LEP2GV6YS74 5493000YF35FL5NW5J03	-51709 shares -70419 shares	122128
Germany	Industrials	Deutsche Post AG	549300R35LEP2GV6YS74 5493000YF35FL5NW5J03	-355963 shares -110965 shares	466928
Germany	Financials	Muenchener Rueckversi- cherungs-Gesellschaft AG	549300R35LEP2GV6YS74 5493000YF35FL5NW5J03	-125219 shares -27627 shares	152846
Germany	Information Technology	Sap SE	549300L5JF0TR1DO5Q10 549300R35LEP2GV6YS74 5493000YF35FL5NW5J03	- 8045 shares - 186930 shares - 29170 shares	224145
Germany	Financials	Deutsche Boerse AG	549300R35LEP2GV6YS74 5493000YF35FL5NW5J03	-106055 shares -26618 shares	132673
Germany	Utilities	E. On SE	549300R35LEP2GV6YS74 5493000YF35FL5NW5J03	-1308692 shares -428990 shares	1737682
Germany	Materials	EVONIK INDUSTRIES AG	549300L5JF0TR1DO5Q10 549300R35LEP2GV6YS74 5493000YF35FL5NW5J03	- 38455 shares - 71815 shares - 37154 shares	147424

Country	Economic sector	Company name	LEI	Proportion of voting rights attached to shares held directly or indirectly as set out in Article 52(2)
Germany	Real Estate	LEG Immobilien SE	549300R35LEP2GV6YS74 - 170263 shares 5493000YF35FL5NW5J03 - 18857 shares	189120
Germany	Consumer Discretionary	Daimler AG	549300R35LEP2GV6YS74	91706
Germany	Consumer Discretionary	Continental AG	549300L5JF0TR1DO5Q10	17734
Germany	Consumer Discretionary	Volkswagen AG	549300L5JF0TR1DO5Q10	10809
Ireland	Materials	Smurfit Kappa Group Plc	549300R35LEP2GV6YS74 - 97332 shares 5493000YF35FL5NW5J03 - 27702 shares	125034
Ireland	Materials	CRH Plc	549300R35LEP2GV6YS74 -178333 shares 5493000YF35FL5NW5J03 -30303 shares	208636
Ireland	Materials	Smurfit Kappa Group Plc	549300R35LEP2GV6YS74	97332
Ireland	Materials	CRH Plc	549300R35LEP2GV6YS74 -479743 shares 5493000YF35FL5NW5J03 -24890 shares	504627
Ireland	Industrials	nVent Electric plc	549300L5JF0TR1DO5Q10	42679
Ireland	Materials	Linde Plc	549300L5JF0TR1DO5Q10	3779
Ireland	Health Care	Medtronic Plc	549300L5JF0TR1DO5Q10	31203
Italy	Financials	Intesa Sanpaolo Spa	549300L5JF0TR1DO5Q10 - 404973 shares 549300R35LEP2GV6YS74 - 7244704 shares 5493000YF35FL5NW5J03 - 2184349 shares	9834026
Italy	Financials	Intesa Sanpaolo Spa	549300L5JF0TR1DO5Q10 - 378973 shares 549300R35LEP2GV6YS74 - 10177474 shares 5493000YF35FL5NW5J03 - 2129555 shares	12686002
Japan	Consumer Discretionary	Sony Group Corporation	549300L5JF0TR1DO5Q10	21900
Japan	Information Technology	Murata Manufacturing Co. Ltd.	549300L5JF0TR1DO5Q10	34000
Japan	Consumer Discretionary	Nissan Motor Co. Ltd.	549300L5JF0TR1DO5Q10	283900
Japan	#N/A	Kyowa Exeo Corporation	549300L5JF0TR1DO5Q10	36600
Japan	Financials	Sumitomo Mitsui Financial Group Inc	549300L5JF0TR1DO5Q10	86000
Luxembourg	Materials	Aperam SA	549300R35LEP2GV6YS74 -66024 shares 5493000YF35FL5NW5J03 -23051 shares	89075
Netherlands	Consumer Discretionary	Stellantis N.V	549300R35LEP2GV6YS74 -1305507 shares 5493000YF35FL5NW5J03 -377926 shares	1683433
Netherlands	Industrials	Airbus SE	549300R35LEP2GV6YS74 - 249211 shares 5493000YF35FL5NW5J03 - 25817 shares	275028
Netherlands	Consumer Staples	Koninklijke Ahold Delhaize N.V.	549300R35LEP2GV6YS74 - 507850 shares 5493000YF35FL5NW5J03 - 134081 shares	641931
Netherlands	Consumer Discretionary	Stellantis N.V	549300R35LEP2GV6YS74 - 813413 shares 5493000YF35FL5NW5J03 - 180754 shares	994167

Netherlands	Consumer Staples	Heineken N.V.	549300R35LEP2GV6YS74 - 360130 shares 5493000YF35FL5NW5J03 - 77533 shares	437663
Netherlands	Materials	Akzo Nobel N.V.	549300R35LEP2GV6YS74 - 58772 shares 5493000YF35FL5NW5J03 - 18711 shares	77483
Portugal	Utilities	EDP-Energias DE Portugal S.A.	549300R35LEP2GV6YS74 - 1206371 shares 5493000YF35FL5NW5J03 - 421187 shares	1627558
Portugal	Utilities	EDP-Energias DE Portugal S.A.	549300R35LEP2GV6YS74 - 1067193 shares 5493000YF35FL5NW5J03 - 200178 shares	1267371
Singapore	Financials	United Overseas Bank Limited	549300L5JF0TR1DO5Q10	45500
Spain	Utilities	Iberdrola S.A.	549300R35LEP2GV6YS74	2670798
Spain	Industrials	ACS, Actividades de Construcción Y Servicios, S.A.	549300L5JF0TR1DO5Q10	27518
Sweden	Energy	Lundin Energy AB	5493000YF35FL5NW5J03	107279
Switzerland	Health Care	Novartis AG	5493000YF35FL5NW5J03	122159
Switzerland	Financials	UBS Group AG	549300L5JF0TR1DO5Q10 -202882 shares 5493000YF35FL5NW5J03 -409807 shares	612689
Switzerland	Financials	Zurich Insurance Group AG Ltd	5493000YF35FL5NW5J03	15389
Switzerland	Consumer Staples	Nestle SA	549300L5JF0TR1DO5Q10 -16800 shares 5493000YF35FL5NW5J03 -95753 shares	112553
Switzerland	Financials	Chubb Limited	549300L5JF0TR1DO5Q10	15736
Switzerland	Financials	Chubb Limited	549300L5JF0TR1DO5Q10	14192
Taiwan	Information Technology	Taiwan Semiconductor Manufacturing	549300L5JF0TR1DO5Q10	162000
United Kingdom	Consumer Staples	Unilever plc	549300L5JF0TR1DO5Q10 - 36900 shares 549300R35LEP2GV6YS74 - 608544 shares 5493000YF35FL5NW5J03 - 211322 shares	856766
United Kingdom	Energy	Royal Dutch Shell Plc	549300R35LEP2GV6YS74 -780977 shares 5493000YF35FL5NW5J03 -415242 shares	1196219
United Kingdom	Consumer Staples	Tesco plc	5493000YF35FL5NW5J03	1351442
United Kingdom	Financials	HSBC Holdings plc	5493000YF35FL5NW5J03	1135502
United Kingdom	Energy	BP plc	5493000YF35FL5NW5J03	1115415
United Kingdom	Health Care	Astrazeneca plc	5493000YF35FL5NW5J03	89764
United Kingdom	Consumer Staples	Reckitt Benckiser Group Plc	5493000YF35FL5NW5J03	88268
United Kingdom	Health Care	Astrazeneca plc	5493000YF35FL5NW5J03	89764
United Kingdom	Financials	Prudential plc	549300L5JF0TR1DO5Q10	83722

Country	Economic sector	Company name	LEI	Proportion of voting rights attached to shares held directly or indirectly as set out in Article 52(2)
United Kingdom	Communication Services	Vodafone Group plc	549300L5JF0TR1DO5Q10	1263147
United Kingdom	Utilities	SSE Plc.	549300L5JF0TR1DO5Q10	72942
United Kingdom	Financials	Prudential plc	549300L5JF0TR1DO5Q10	75722
United States	Health Care	Bristol-Myers Squibb Co.	549300L5JF0TR1DO5Q10	33073
United States	Financials	Ameriprise Financial Inc	549300L5JF0TR1DO5Q10	5591
United States	Utilities	Eversource Energy	549300L5JF0TR1DO5Q10	11727
United States	Energy	Conoco Phillips	549300L5JF0TR1DO5Q10	43752
United States	Industrials	United Parcel Service, Inc.	549300L5JF0TR1DO5Q10	10715
United States	Information Technology	Intel Corp.	549300L5JF0TR1DO5Q10	39150
United States	Financials	Marsh & McLennan Cos., Inc.	549300L5JF0TR1DO5Q10	13561
United States	Consumer Discretionary	Las Vegas Sands Corp	549300L5JF0TR1DO5Q10	43157
United States	Health Care	Cerner Corp.	549300L5JF0TR1DO5Q10	13321
United States	Health Care	Merck & Co Inc	549300L5JF0TR1DO5Q10	22827
United States	Financials	JPMorgan Chase & Co.	549300L5JF0TR1DO5Q10	14196
United States	Consumer Discretionary	McDonald's Corp	549300L5JF0TR1DO5Q10	6291
United States	Energy	Chevron Corp.	549300L5JF0TR1DO5Q10	27148
United States	Financials	Reinsurance Group Of America, Inc.	549300L5JF0TR1DO5Q10	8767
United States	Health Care	Quest Diagnostics, Inc.	549300L5JF0TR1DO5Q10	11100
United States	Real Estate	Equinix, Inc.	549300L5JF0TR1DO5Q10	1416
United States	Financials	Blackrock Inc.	549300L5JF0TR1DO5Q10	2040
United States	Materials	Martin Marietta Materials, Inc.	549300L5JF0TR1DO5Q10	3928
United States	Consumer Staples	Walmart Inc	549300L5JF0TR1DO5Q10	25940
United States	Consumer Staples	Procter & Gamble Co.	549300L5JF0TR1DO5Q10	19875
United States	Information Technology	Automatic Data Processing Inc.	549300L5JF0TR1DO5Q10	8174
United States	Information Technology	Oracle Corp.	549300L5JF0TR1DO5Q10	23507
United States	Information Technology	Microsoft Corporation	549300L5JF0TR1DO5Q10	30213
United States	Information Technology	Cisco Systems, Inc.	549300L5JF0TR1DO5Q10	69265

IF IP2 - Voting behaviour

IF IP2.01 - Table on the description of voting behaviour

Row	Item	Value
1	Number of relevant companies in the scope of disclosure	113
2	Number of general meetings in the scope of disclosure during the past year	87
3	Number of general meetings in the scope of disclosure in which the firm has voted during the past year	87
4	Does the investment firm inform the company of negative votes prior to the general meeting?	No
5	Proportion of in-person vote used by the firm	0
6	Proportion of vote by mail or electronic vote used by the firm	100%
7	On a consolidated basis, does the investment firm group possess a policy regarding conflicts of interests between relevant entities of the group?	Yes
8	If yes, summary of this policy	Several conflicts of interest could arise related to NN IP's stewardship activities. If this occurs, NN IP will execute its voting and engagement policy, as agreed upon with our clients and following our standard voting policy and engagement approach. In the event that a business relationship might threaten the objectivity or the nature of stewardship activities, NN IP's compliance department is consulted. If engagement activities are to be pursued after consultation with NN IP's compliance department, different stakeholders including the NN IP Board and clients are informed.

IF IP2.02 - Template on voting behaviour

Row	Item	Number	Percentage
1	General meetings resolutions:		
2	the firm has approved	1610	84%
3	the firm has opposed	225	12%
4	in which the firm has abstained	4	0.2%
5	General meetings in which the firm has opposed at least one resolution	76	4%

IF IP2.03 - Table on explanation of the votes

Row	Item	Value
1	Departments or roles in the investment firm that take part in deciding a voting position	Responsible Investment team, Investment team, operational support team
2	Description of the validation process for negative votes	<p>When the NN IP proxy voting committee has reasons to deviate from the standard voting guidelines as laid out in NN IP's Proxy Voting Policy Client Assets, this decision needs to be taken by majority</p> <p>When agreement cannot be reached via majority, the vote of the Chair of the PVC will be the casting vote if the votes are equally divided on a matter, or the topic will be escalated to the MTI</p>
3	Number of full time equivalents used to analyse resolutions and examine voting records, excluding external resources such as proxy advisor firms	2
4	Explanation of any material change in the rate of approval	See above
5	List of publicly available investment policy documents describing the investment firm's objectives	<p>All documents are available here:</p> <p>https://www.nnip.com/en-INT/professional/asset-management/responsible-investing</p>
6	If relevant, certification of the firm's investment policy	

IF IP2.04 - Template on voting behaviour in resolutions by theme

Row	Item	Voted for	Voted against	Abstained	Total
1	Voted resolutions by theme during the past year:	1562	233	3	1798
2	Board structure	826	81	2	909
3	Executive remuneration	206	94		300
4	Auditors	240	1		241
5	Environment, social, ethics	38	14		52
6	Capital transactions	196	40		236
7	External resolutions	40	3		43
8	Other	16	0	1	17

IF IP2.05 - Template on the ratio of approved proposals

Row	Item	Value
1	Percentage of resolutions put forward by the administrative or management body that are approved by the firm	100
2	Percentage of resolutions put forward by shareholders that are approved by the firm	100

IF IP3 - Proxy advisor firms

IF IP3.01 - Table on the list of proxy advisor firms

Name of proxy advisor firm	Identifier of proxy advisor firm	Contract type	Investments associated with the proxy advisor firm	Themes of resolutions in which the proxy firm gave voting recommendations in the past year
Glass Lewis & Co	Glass Lewis & Co	Only execution of votes		Board Structure, Executive Remuneration, Auditors, Environment, Social, Ethics, Capital Transactions, External Resolutions

IF IP3.02 - Table on the links with proxy advisor firms

Name of proxy advisor firm	Identifier of proxy advisor firm	Relevant undertakings with which the proxy advisor firm has links	Type of link	If relevant, policy regarding conflicts of interests with the proxy advisor firm
Glass Lewis & Co	Glass Lewis & Co	Please see Glass Lewis conflict of Interest Policy		Not relevant, no conflict of interest with proxy advisor firm

IF IP4 - Table on voting guidelines

Voting guidelines regarding the companies the shares of which are held in accordance with Art. 52(2): short general summary and, if needed, links to non-confidential documents

As we do not have 5% of all voting rights, this is not relevant.
On nnip.com the NN IP Voting policy is available.