



# **Biodiversity and deforestation - a view on possibilities for asset managers**

**Adrie Heinsbroek, CSO, NN Investment Partners**

**February 2021**

**Responsible Investing. Because it matters. And it works.**

# NN IP's commitment ... and responsibility

## Principle 1

We will incorporate ESG issues into investment analysis and decision-making processes

## Principle 3

We will seek appropriate disclosure on ESG issues by the entities in which we invest

## Principle 5

We will work together to enhance our effectiveness in implementing the principles

## Principle 2

We will be active owners and incorporate ESG issues into our ownership policies and practices

## Principle 4

We will promote acceptance and implementation of the principles within the investment industry

## Principle 6

We will each report on our activities and progress towards implementing the principles



# Responsible investing at NN IP – our beliefs

## Our RI framework reflects commitments and consequences

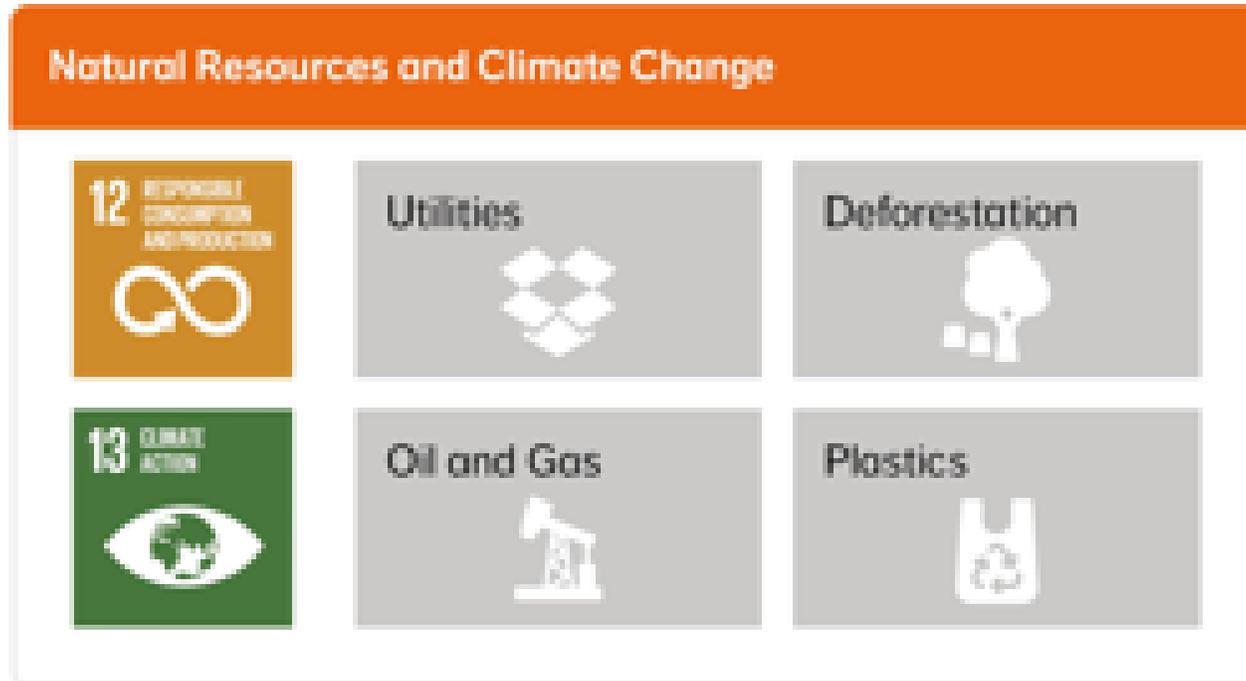
### Putting capital to work.

- As a global asset manager we can and should play an instrumental role in influencing society to move towards a more sustainable society.
- We can play our role by making active decisions on the investments we make, the activities we finance and how we leverage on our role in the capital market to drive improvements and changes.
- As tool and instruments for choices and changes we have set **criteria** in place and we **engage**.



# Engagement – on natural resources

The best way to encourage better corporate behaviour and strive for change



# Engagement – deforestation → soy engagement

Focus on supply chain and on policies

## Engagement and voting



## Engagement-led divestment

We apply an engagement-led divestment approach. This means restriction is proposed only when we feel engagement cannot change a company's conduct or involvement in specific activities.

Increased demand on **soy** has been a significant driver of deforestation in South America and particularly Brazil, now the largest exporter of soybeans globally.

We engage with six investee-companies on deforestation-related risks within their supply chains. Focus on companies with **direct or supply chain exposure** to soybeans and related products.

Engagement targets are

- disclose and implement a commodity specific no-deforestation policy
- Establish a transparent monitoring and verification system for supplier compliance

# Engagement – Brazilian authorities and Cerrado Manifesto

Connecting to be informed and understand on the ground practices



## Engagement

NN Investment Partners signed an open letter to Brazilian embassies expressing concern about increasing deforestation in Brazil. This has led to a dialogue with members of the Brazilian Congress about the conservation of the country's tropical forests. We are part of the Investors Policy Dialogue on Deforestation in Brazil and continue to engage with Brazil government representatives.

## Cerrado Manifesto

NN Investment Partners NN IP is a signatory to the Statement of Support for the Cerrado Manifesto.



# Collective engagement and collective advocacy

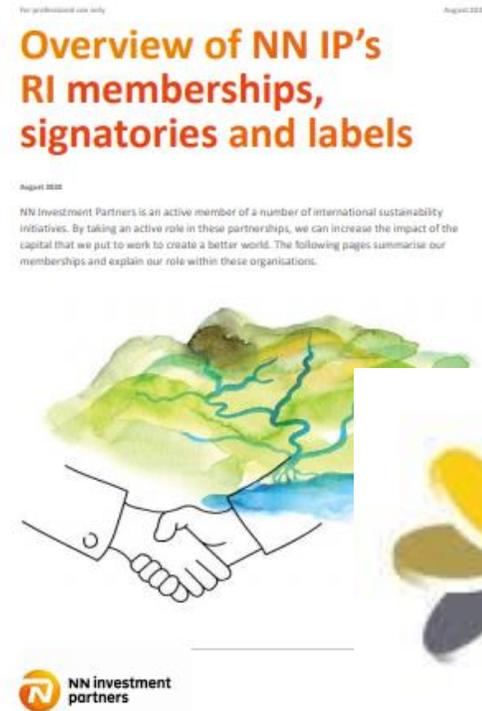
## Strengthen positioning and increases impact

- To better understand the challenges facing the meat industry and the role soy cultivation plays in the value chain, we have become a member of **the FAIRR initiative**. FAIRR provides extensive research on investor risk in the global protein value chain and coordinates a network of investors that engage on intensive animal production.
- To increase our impact, NN IP is also participating in the **PRI-Ceres Investor Initiative for Sustainable Forests**. This is a collaborative effort to establish common norms and good practices for delivering on companies' commitments related to deforestation.
- NN IP is also a signatory of the Statement of Support for the **Cerrado Manifesto**. This reflects our commitment to halting deforestation and our intention to work with the industry, producers, governments and inhabitants to protect the valuable, biodiverse Cerrado region of Brazil. The Manifesto's main challenge is to find mechanisms to end deforestation in an area where regulations do not incentivise protection: around 85% of the conversion of Cerrado's native vegetation for soy is legal under Brazilian law.

# Engagement to prevent/mitigate (potential) negative impacts

## Collaborate on topics to address deforestation and issues on biodiversity (climate)

- Using our leverage to prevent and mitigate (potential) negative ESG impacts on stakeholders
- Multi-perspective angle to capture links to deforestation and climate and biodiversity
- Addressing the (whole) supply chain to achieve structural change
- Engage individually and/or in collaboration with other (NL) institutional investors
- Both companies and policymakers
- Signing statements on topics supports the dialogue



Finance *for*  
Biodiversity  
Pledge

# Accountability and Transparency



# Disclaimer

This communication has been prepared solely for the purpose of information and does not constitute an offer, in particular a prospectus or any invitation to treat, buy or sell any security or to participate in any trading strategy or the provision of investment services or investment research. While particular attention has been paid to the contents of this communication, no guarantee, warranty or representation, express or implied, is given to the accuracy, correctness or completeness thereof. Any information given in this communication may be subject to change or update without notice. Neither NN Investment Partners B.V., NN Investment Partners Holdings N.V. nor any other company or unit belonging to the NN Group, nor any of its directors or employees can be held directly or indirectly liable or responsible with respect to this communication. Use of the information contained in this communication is at your own risk. This communication and information contained herein must not be copied, reproduced, distributed or passed to any person other than the recipient without NN Investment Partners B.V.'s prior written consent. Investment sustains risk. Please note that the value of any investment may rise or fall and that past performance is not indicative of future results and should in no event be deemed as such. This communication is not directed at and must not be acted upon by US Persons as defined in Rule 902 of Regulation S of the United States Securities Act of 1933, and is not intended and may not be used to solicit sales of investments or subscription of securities in countries where this is prohibited by the relevant authorities or legislation. Any claims arising out of or in connection with the terms and conditions of this disclaimer are governed by Dutch law.



**NN investment  
partners**