south pole group

NN INVESTMENT PARTNERS

Future-proofing investments with robust in-house environmental screening tools

Climate change and an overexploitation of natural resources are likely to increase environmental risks for companies around the world. Companies that are able to use resources efficiently are less likely to experience negative shocks due to resource scarcity, and are more likely to outperform inefficient peers in the event of new government legislation. NN Investment Partners is ensuring that all investment decisions are based on the best available information on carbon, waste and water by partnering with the leading service provider on the market. South Pole Group's tailored in-house portfolio screening tool has allowed NN IP to gain accurate insights across asset classes into the water, waste and carbon emissions intensity of portfolio companies The tool allows NN IP to meet the most detailed information requirements posed by clients.

About NN Investment Partners

NN investment partners

NN Investment Partners (NN IP) is the asset manager of NN Group N.V. NN Investment Partners is headquartered in The Hague, the Netherlands, and manages, in aggregate, approximately EUR 197 bn in assets for institutions and individual investors worldwide. NN Investment Partners employs over 1,100 staff and is active in 16 countries across Europe, the Middle East, Asia and the USA. The company boasts a long-track record of sustainable equity and fixed income products. The NN Group is also a signatory of the Geneva Association's Statement on Climate Change as well as the Paris Pledge for Action, demonstrating its leadership and commitment towards the global climate agreement. In addition, as a CDP investor signatory, the NN Group actively encourages companies to disclose better information on their corporate carbon footprint and water management.

"We have a fiduciary duty towards our clients to invest in our client's best interests. Sound investment decisions start with having the right information. South Pole Group's solution provides an important add-on to the other ESG information on companies and countries that we have from other partners, brokers and proprietary internal research. We were convinced by the Group's impressive coverage of companies and Scope 1, 2, and 3 emissions, the availability of other environmental data such as water and waste, and their good data quality procedures. By partnering with South Pole Group, we are able to further enhance the quality of our investment decisions."

Jeroen Bos, CFA, CAIA,
Head of Equities
NN Investment Partners

1373EN, 12.2016

The Goal

NN Investment Partners is committed to investing responsibly and meeting clients' growing demand for products that generate solid financial returns while minimising social and environmental risks. NN IP's ongoing goal is to have a complete insight into the risks and opportunities that the companies and countries that they invest in are facing. To fully understand how resource-intensive companies and countries are NN IP requires the most comprehensive carbon emissions data. NN IP is continuously enriching its sound environmental risk framework to account for additional natural capital indicators - such as the water and waste intensity - of its investments.

The Challenge

NN IP needed a tool that captures environmental risk indicators across different asset classes. It was paramount for NN IP to find a solution with enough flexibility for portfolio managers and the ability to accommodate a changing investment universe. Importantly, NN IP needed a solution that would allow it to provide on-demand reporting for institutional clients.

The Solution

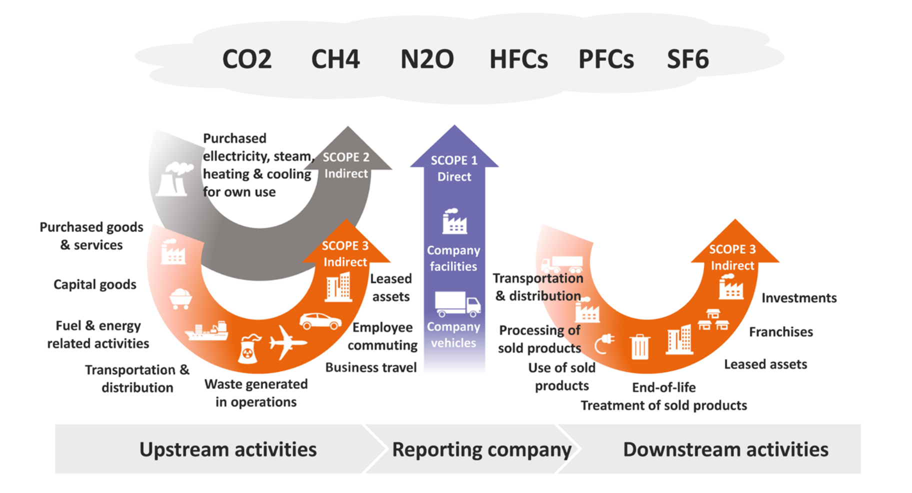
South Pole Group's in-house screening tool provides NN IP with the raw data to holistically understand environmental risks across its investment universe, while allowing it to maintain ownership of the full process in-house. The screening tool includes a raw data feed that incorporates numerous environmental risk indicators. These include the water & waste intensity of individual investee companies, the GHG footprint of holdings, as well as the breakdown of green-brown revenue sources for energy and utilities companies active in the sectors most at risk in the ongoing transition to a low-carbon economy. In addition, the solution includes a tool that allows for portfolio level aggregation of the data and enables easy reporting to clients.

The Key benefits

Comprehensive insights: NN IP is able to gain a complete overview of its investments' emissions across Scopes 1, 2 and 3 - beyond the current market standard of Scope 1 and 2. In addition, the availability of reliable data on water and waste has allowed NN IP to enrich its environmental risk framework to account for additional natural capital indicators.

Ability to meet current and future information requirements of clients: The tool allows NN IP to provide on-demand reporting to institutional clients. The quality of reporting is further complemented by the usage of South Pole Group's Climate Impact Transparent label, which ensures that the results have been verified by a third party.

Further development of in-house capacity: The solution provides enough flexibility to allow portfolio managers to accommodate a changing investment universe. In addition, the tool includes a detailed user manual, which outlines the different methodological considerations that must be taken into account. By developing this expertise in-house, NN IP is able to better engage with investee companies, clients and stakeholders on these environmental topics.



WHY WORK WITH US

Global team

We are a truly global provider of sustainability solutions and services. Our team is made up of over 180 skilled and enthusiastic professionals from over 30 different countries, based in offices spanning 6 continents.

Proven impact

Since 2006, we have measured the climate impact of countless companies and products worldwide. We have screened USD 2 trillion+ of investments for their climate impact and we have developed 500+ projects in renewables, forestry, agriculture, industry and households. Through our efforts, over 80 million tonnes of CO_2 have been saved - around a quarter of the annual national GHG emissions of France.

Added value

We help you grow with groundbreaking solutions that benefit your business, the environment and society.

#READYFOR2020

Visit www.thesouthpolegroup.com/contacts to find your local office or call our Headquarters in Zurich on +41 43 501 35 50