

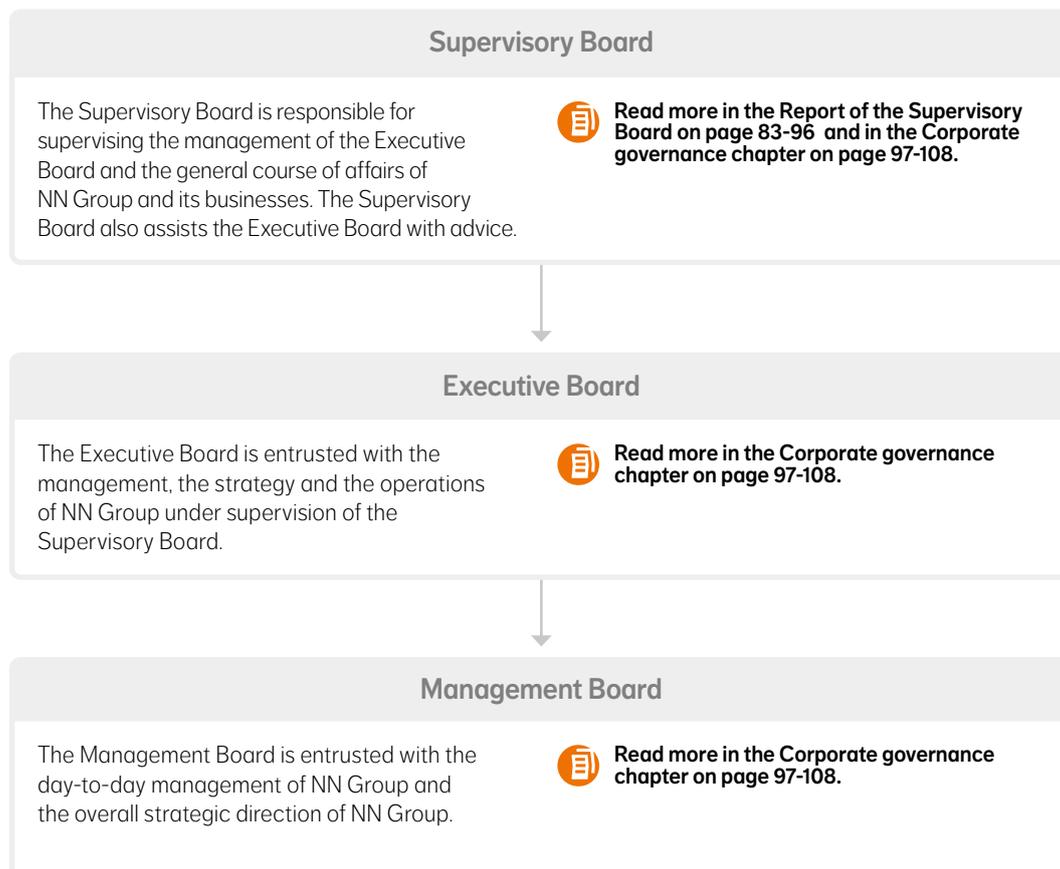


# Corporate governance

## Corporate governance – How we are organised

# How we are organised

NN Group N.V. (NN Group) is a public limited company (naamloze vennootschap) incorporated under the laws of the Netherlands.



### The interests of NN Group and our stakeholders

In performing their duties, the Executive Board, Management Board and Supervisory Board must carefully consider and act in accordance with the interests of NN Group and the business connected with it, taking into consideration the interests of all stakeholders of NN Group. The organisation, duties and way of working of the Executive Board, Management Board and Supervisory Board can be found in the charters of the respective Boards. These are available on the NN Group website.

### Dutch Corporate Governance Code

NN Group is subject to the Dutch Corporate Governance Code (the Code). The application of the Code by NN Group during the financial year 2021 is described in the publication Application of the Dutch Corporate Governance Code by NN Group, dated 9 March 2022, which is available on the website of NN Group. This publication is to be read in conjunction with the Corporate governance chapter on page 97.

### NN Group Compliance Function Charter

NN Group is committed to upholding its reputation and integrity through compliance with applicable laws, regulations and ethical standards in each of the markets in which the company operates. All employees are expected to adhere to these laws, regulations and ethical standards, and management is responsible for ensuring such compliance. Compliance is therefore an essential ingredient of good corporate governance. The purpose of the NN Group Compliance Function Charter is to help businesses effectively manage their compliance risks. This document is available for download on the NN Group corporate website.

## Corporate governance – Our Management Board

### Our Management Board

The Management Board is entrusted with the day-to-day management and overall strategic direction of NN Group.



**David Knibbe**  
Chief Executive Officer and chair of the Executive Board and Management Board  
**Nationality:** Dutch  
**Date of birth:** 1971



**Delfin Rueda**  
Chief Financial Officer and vice-chair of the Executive Board and Management Board  
**Nationality:** Spanish  
**Date of birth:** 1964



**Tjeerd Bosklopper**  
Chief Executive Officer Netherlands Non-life, Banking & Technology  
**Nationality:** Dutch  
**Date of birth:** 1975



**Bernhard Kaufmann**  
Chief Risk Officer  
**Nationality:** German  
**Date of birth:** 1969



**Dailah Nihot**  
Chief Organisation & Corporate Relations  
**Nationality:** Dutch  
**Date of birth:** 1973



**Leon van Riet**  
Chief Executive Officer Netherlands Life & Pensions  
**Nationality:** Dutch  
**Date of birth:** 1964



**Fabian Rupprecht**  
Chief Executive Officer International Insurance  
**Nationality:** German, Swiss  
**Date of birth:** 1969



**Janet Stuijt**  
General Counsel  
**Nationality:** Dutch  
**Date of birth:** 1969

On 19 August Satish Bapat stepped down from his role as a member of the Management Board of NN Group, following the announcement that NN Group had reached an agreement to sell NN Investment Partners to Goldman Sachs Group, Inc.

## Corporate governance – Our Supervisory Board

### Our Supervisory Board

The Supervisory Board is responsible for supervising the management of the Executive Board and the general course of affairs of NN Group and the businesses affiliated with it. The Supervisory Board assists the Executive Board with advice.



**David Cole**  
Chair  
**Nationality:** Dutch,  
American  
**Date of birth:** 1961



**H el ene Vletter-van Dort**  
Vice-chair  
**Nationality:** Dutch  
**Date of birth:** 1964



**Inga Beale**  
Member  
**Nationality:** British  
**Date of birth:** 1963



**Heijo Hauser**  
Member  
**Nationality:** German  
**Date of birth:** 1955



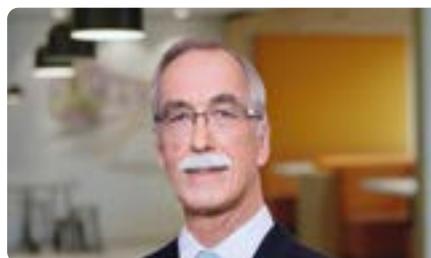
**Robert Jenkins**  
Member  
**Nationality:** American  
**Date of birth:** 1951



**Rob Lelieveld**  
Member  
**Nationality:** Dutch  
**Date of birth:** 1962



**Cecilia Reyes**  
Member  
**Nationality:** Filipino,  
Swiss  
**Date of birth:** 1959



**Hans Schoen**  
Member  
**Nationality:** Dutch  
**Date of birth:** 1954



**Clara Streit**  
Member  
**Nationality:** German,  
American  
**Date of birth:** 1968

## Introduction by the Supervisory Board Chair



### Introduction by the Supervisory Board Chair

The year 2021 was another extraordinary year dominated by the Covid-19 pandemic. While the pandemic had a significant impact on society at large, it has also demonstrated the resilience of NN Group and our employees. Throughout the year, NN delivered a strong performance, both from a financial and a non-financial perspective. At the same time, we continued to support the health and well-being of our customers, our partners and our employees.

Just as in 2020, most meetings of the Supervisory Board of NN Group in 2021 were virtual. Despite the practical challenges arising from this, we were able to fulfil our duties while maintaining an open and constructive dialogue with the Executive Board and Management Board. While doing so, our guiding principles remained the same: focus on the long-term nature of NN's business model and our overall aim to create sustainable, long-term value for our stakeholders.

Throughout the year, the Supervisory Board was closely involved in the following key developments: 1) the implementation of the Group strategy, with a special focus on customer engagement; 2) active portfolio management; 3) the increased focus on ESG; and 4) ongoing succession planning.

Regarding the implementation of our strategy, the Supervisory Board paid particular attention to initiatives taken to improve the satisfaction scores of our clients and business partners. Given the nature of many of our products and services, in some lines of business we do not have many contact points with customers during any given year. The Supervisory Board therefore advised and challenged the Management Board to increase its focus on ensuring customers see NN as a trusted and accessible partner to do business with - whether it is physically, by phone or digitally. While clear progress was made in 2021, there is more work to do in this area.

In addition to the strategy, the Supervisory Board spent a significant amount of time advising on acquisitions and divestments, as well as the regular assessment of all of our individual businesses. During our discussions, the Supervisory Board consistently took into account the interests of our stakeholders, including customers, business partners, employees and shareholders. In the case of NN Investment Partners, we looked in particular at how the intended sale would impact our clients and employees, as well as our focus on responsible investing. This multi-stakeholder approach underpinned our decision-making on all transactions and we used it as a framework for our evaluations of each individual business.

Let me turn now to climate change, one of the most pressing developments of our time and a matter that is having an increasing impact on our customers and the societies in which we operate. The Supervisory Board devotes a growing focus on this topic and throughout the year we had several discussions on this theme with experts across NN. To ensure we maintain our focus as a company, we have embedded clear sustainability targets in our Remuneration Framework so that the performance objectives of our Executive and Management Board properly reflect the ambitions of the Group.

The Supervisory Board was also engaged in succession planning for the various Boards. On 12 October 2021, it was announced that we intend to appoint Annemiek van Melick as CFO and vice-chair of the Executive Board, succeeding Delfin Rueda. Her appointment will be effective as of 1 July 2022, after notification to the General Meeting. Annemiek will bring extensive executive experience in the financial industry and she is well-placed to help drive our strategy in the years to come.

At the same time, we would like to thank Delfin for his valuable contribution and continuous dedication to NN. During his ten years at NN and its predecessor ING Insurance Eurasia, Delfin has played an instrumental role in shaping NN's strategy and in transforming the company into the strong international player that it is today. With his focus on NN's robust financial and risk profile, Delfin played a key role in the IPO of the company in 2014, the implementation of Solvency II, the acquisition of Delta Lloyd in 2017, and several other acquisitions and divestments which further strengthened the company's footprint and competitive position.

Regarding the Supervisory Board itself, we were pleased to welcome Cecilia Reyes, Rob Lelieveld and Inga Beale as new members during the year. All three new members bring highly relevant experience and expertise, which ensures the Supervisory Board remains well positioned to fulfil its role in the future.

The Supervisory Board would like to thank NN Group's employees for their ongoing commitment and hard work during another challenging year. With their dedication and flexibility, they continued to support our customers under often difficult circumstances.

We hope that in 2022 we will have more opportunities to meet in person again, as we believe every team benefits from physical meetings. At the same time, we are deeply concerned by the war in Ukraine and we will closely monitor the developments to assess the potential impact on NN. Together with the Executive and Management Boards, the Supervisory Board looks forward to contributing to the further strengthening of NN's foundation and the creation of long-term value for our stakeholders in a manner fully aligned with the company's values and purpose.

Yours faithfully,

**David Cole**

Chair Supervisory Board NN Group

## Report of the Supervisory Board

### Supervisory Board

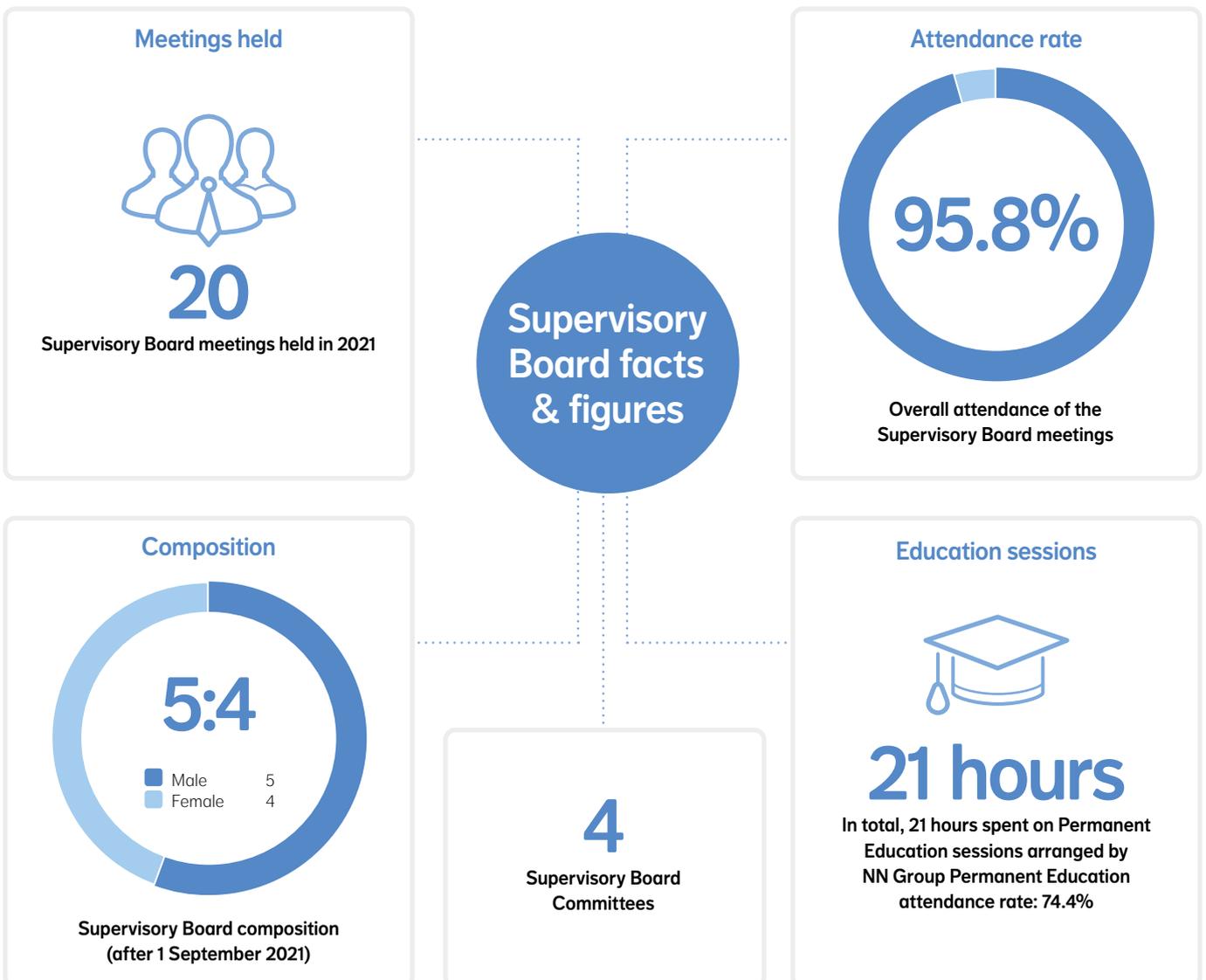
**The Supervisory Board is responsible for supervising the management of the Executive Board and the general course of affairs of NN Group and the businesses affiliated with it. The Supervisory Board also advises the Executive Board. In performing its duties, the Supervisory Board carefully considers and acts in accordance with the interests of NN Group and its affiliated businesses, taking into account the interests of all stakeholders.**

More specifically the Supervisory Board supervises, advises and monitors the Executive Board with respect to among others (i) setting and achieving the objectives of NN Group, (ii) long-term value creation by NN Group, and (iii) the environmental, social and governance aspects which are relevant to NN Group.

This Supervisory Board Report should be read in conjunction with the Corporate Governance section (pages 97-108) and the Remuneration Report (pages 109-123) of this Annual Report.

### Profile of the Supervisory Board

The composition of the Supervisory Board is such that the members are able to act critically and independently of one another, the Executive Board and any particular interests. The Supervisory Board operates as a collegial body and the knowledge, experience and background of its individual members is considered in the context of the Supervisory Board as a whole.



## Report of the Supervisory Board continued

The overall composition of the Supervisory Board is balanced taking into account the members' (a) nationalities, gender, age, experience, education and work background, (b) affinity with the nature of the businesses and culture of NN Group, and (c) executive experience, experience in complex multinationals, and experience in the political and social environment in which such multinationals operate. This ensures a wide range of relevant perspectives and opinions on NN Group, and the opportunities and challenges it faces today and will face tomorrow.

The Supervisory Board strives to ensure that all its members are independent, as defined in the 2016 Corporate Governance Code.

The matrix on page 85 provides an overview of the range of knowledge, experience and backgrounds of the individual Supervisory Board members.

### Supervisory Board meetings

The Supervisory Board held 20 Supervisory Board meetings in 2021. All meetings up to May 2021 were virtual meetings due to the Covid-19 pandemic. As from August 2021, meetings were held in hybrid form. As a further result of the pandemic, the Supervisory Board did not visit one of the NN Group business units as is customary every year. The average attendance rate for Supervisory Board meetings was 95.8%. None of the Supervisory Board members were frequently absent from meetings, and at all meetings attendance was sufficient to constitute a valid quorum.

In addition to the formal meetings, the chair and other members of the Supervisory Board maintained regular contact with NN Group's Chief Executive Officer, other members of the Executive Board and Management Board, senior management, heads of staff, business unit CEOs. Due to the pandemic, the Supervisory Board was unable to meet with the supervisory authorities in 2021 as is customary every year. However, the Supervisory Board did meet with the supervisory authorities in January 2022. Finally, the chair and the Central Works Council-nominated members of the Supervisory Board were in contact with (representatives of) the Central Works Council.

### The attendance rate of the individual Supervisory Board members was as follows:

Name	Supervisory Board	Audit Committee	Risk Committee	Remuneration Committee	NomGov Committee	Combined RemCo/ NomGovCo
Inga Beale <sup>1</sup>	9/9	–	2/2	–	3/3	–
David Cole	20/20	6/6	–	–	11/11	1/1
Heijo Hauser	15/20	5/6	3/4	–	10/11	1/1
Robert Jenkins	20/20	6/6	4/4	–	–	–
Rob Lelieveld <sup>2</sup>	3/3	1/1	–	1/1	2/2	–
Cecilia Reyes <sup>3</sup>	8/9	–	2/2	1/1	–	–
Hans Schoen	20/20	6/6	4/4	4/4	–	1/1
Clara Streit	20/20	–	4/4	4/4	–	1/1
Hélène Vletter-van Dort	20/20	–	–	4/4	11/11	1/1
Total weighted average	95.8%	96%	95%	100%	97%	100%

1 Ms Beale was appointed member of the Supervisory Board per 20 May 2021.

2 Mr Lelieveld was appointed member of the Supervisory Board per 1 September 2021.

3 Ms Reyes was appointed member of the Supervisory Board per 20 May 2021.

## Report of the Supervisory Board continued

	I. Beale	D. Cole	H. Hauser	R. Jenkins	R. Lelieveld	C. Reyes	H. Schoen	C. Streit	H. Vletter – van Dort
Nationality	GB	NL/US	DE	US	NL	PH/CH	NL	US/DE	NL
Gender	Female	Male	Male	Male	Male	Female	Male	Female	Female
Year of birth	1963	1961	1955	1951	1962	1959	1954	1968	1964
Education	Mathematics, Economics, Accountancy and Communication	Business Administration	Mathematics	International Studies	Accountancy	Management/Industrial Engineering Finance	Economics Auditing	Business Administration	Law
Insurance	√	√	√	√	√	√	√	√	√
Asset Management	√	√	√	√	√	√	√	√	
Banking		√						√	√
Risk	√	√	√	√	√	√	√	√	√
Finance and Control	√	√	√	√	√	√	√	√	
Law and Governance	√	√	√	√	√	√	√	√	√
Technology	√	√	√		√	√	√		
Organisation and Conduct	√	√	√	√	√	√	√	√	√
Executive Maturity	√	√	√	√	√	√	√	√	√
Multinationals	√	√	√	√	√	√	√	√	√
Social Antenna	√	√	√	√	√	√	√	√	√
International Business	√	√	√	√	√	√	√	√	√
Financial Expert <sup>1</sup>		√	√	√	√	√	√		
ESG Experience	√	√	√	√	√	√	√	√	√

<sup>1</sup> As defined in article 39 (1) of Directive 2014/56/EU of the European Parliament and of the Council of 16 April 2014 amending Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts.

All members of the Supervisory Board are independent, as defined in the 2016 Dutch Corporate Governance Code.

### Supervisory Board Committees

Four committees support the Supervisory Board: the Risk Committee, Audit Committee, Remuneration Committee and Nomination and Corporate Governance Committee. The committees are responsible for preparing matters delegated to them. The chair of each committee verbally reports the main points of discussion and resulting recommendations to the Supervisory Board, which enables the Supervisory Board as a whole to make a decision on these matters. For each committee, the key inputs and underlying considerations leading to a recommendation are recorded.

Please refer to pages 90 to 96 of this report for the reports of each of the committees.

### Key developments

In 2021, the Supervisory Board was involved in a number of key developments aimed at long-term value creation for NN Group and its stakeholders.

### Implementation and progress of the strategy

In 2020, the Supervisory Board was taken along the journey in redefining NN Group's strategy and purpose statement. This resulted in a strategy that is focused on sustainable long-term value creation for all stakeholders and aims for resilient and growing long-term capital generation for shareholders. The SB is pleased to see that NN continues to build on the solid foundations of the company, while becoming an even more customer-centric and data-driven organisation, accelerating management actions to increase cash flow generation and driving profitable growth in attractive markets.

Throughout 2021, the Executive Board and the Management Board ensured that the Supervisory Board was kept up to date on the implementation of the strategy, as well as the challenges faced in the implementation process on a regular basis. These updates provided the Supervisory Board with a holistic overview on the progress towards both the non-financial and financial targets related to the five strategic commitments (i) customers and distribution, (ii) products and services, (iii) people and organisation, (iv) financial strength, and (v) society.

NN had a strong year and performed well across markets and segments, with increased focus and attention on sustainability. Netherlands Life saw an increase in its defined contribution Assets under Management, and NN Bank and Woonnu originated a record volume of new mortgages. Netherlands Non-life's results were strong, despite the claims resulting from the floods in July 2021. NN's business in Japan and strong tied agent force throughout Europe continued to

## Report of the Supervisory Board continued

make a solid contribution to our overall results as they were increasingly able to meet our customers' needs via remote sales and service processes and saw an increased demand for protection products. Partnerships were further strengthened and expanded, for example, by building reciprocity with our bank partners to offer banking products such as mortgages to our customers. Furthermore, NN strengthened its contribution to the transition to a sustainable economy, playing its part in limiting the rise in global temperature to a maximum of 1.5°C in line with the Paris Agreement through setting targets for our investments and our own operations. As part of NN's commitment to building stronger and better communities, volunteer initiatives were increased and existing and new non-profit initiatives, aimed at improving people's financial well-being, were scaled up and started.

Transformation remains a priority for all business units and the first tangible signs of progress became evident in 2021. Customer engagement platforms around Carefree Retirement and Self-care were launched in Spain, and in Turkey and Poland, respectively. In the Netherlands, NN further expanded its customer engagement platforms through various new launches, such as Veerkracht, which promotes mental, physical and social well-being. Throughout NN, the focus was on digitalisation and improving data and artificial intelligence (AI) capabilities, enhancing customer engagement and efficiencies. These developments also require different skills from employees, such as IT and data analytics, as well as new ways of collaborating and managing teams.

Workforce transformation therefore remains one of NN's top priorities in implementing our strategy, especially given the scarce labour market. NN is an attractive employer; however, this will continue to require significant efforts in recruitment, re-skilling, leadership development and ways of working.

The SB concludes that in general, good progress has been made in executing the strategy, with further room to improve the speed of implementation, which continues to be addressed throughout the company.

That said, in light of the rapid technological developments in the industry, the war on talent, and the high importance of sustainability, the Supervisory Board encouraged and supported the Executive Board and Management Board on the need to accelerate by building an engaged workforce and nurturing a culture aligned with our purpose, values and ambition.

### M&A

The Supervisory Board was taken along in and supported the outcomes of the 2021 portfolio review, taking into account the different markets and strategy reviews that were conducted, leading up to among others the sale of the Bulgarian Pension and Life business, the sale of the Belgium closed book portfolio, the acquisition of MetLife Poland and Greece and Heineenord in the Netherlands, and the divestment of NN Investment Partners (NN IP).

Throughout 2021, the Supervisory Board was regularly updated on all stages of the various projects. This allowed the Supervisory Board to advise, supervise and robustly challenge the Executive Board and Management Board on these transactions ensuring that throughout these processes the interests of all stakeholders and long-term value creation remained an integral part of the considerations on the respective transactions. The Supervisory Board wishes to express its appreciation for the commitment shown by everyone involved and the diligent approach in which these transactions were executed successfully, ensuring continued long term value creation for NN Group and all its stakeholders.

On 11 February 2021, NN Group announced the sale of its Bulgarian Pension and Life business.

On 5 July 2021, NN Group announced that it had agreed to acquire MetLife's business activities in Poland and Greece, for a total consideration of EUR 584 million. The acquisition will further bolster NN's leading market position, strengthening its position in life and pensions in Poland, while creating the market leading insurance company in Greece.

On 8 July 2021, NN Group announced the acquisition of a majority stake in Dutch insurance broker Heineenord. Heineenord is one of the largest insurance brokers and service providers in the Dutch insurance market, offering policy administration, underwriting services and claims handling, among others. The company is growing rapidly in both revenues and margin and is active as a broker and mandated agent for a wide variety of non-life insurance products and insurers, servicing both the SME and retail market. The acquisition is in line with NN's customer-centric proposition.

On 19 August 2021, NN Group announced the agreement to sell its asset manager NN IP to Goldman Sachs Group, Inc. for total cash proceeds of EUR 1.7 billion. As part of the agreement, NN Group and Goldman Sachs Asset Management will enter into a ten-year strategic partnership under which the combined company will continue to provide asset management services to NN Group. Throughout this process the Supervisory Board paid particular attention to the proposed terms of the strategic partnership, the future investment capabilities of the combined entity and the shared vision and alignment of interests such as environmental social and governance (ESG) factors and ensuring that the overall goal is to continue creating long-term value for NN Group and its stakeholders.

The combination of the complementary investment capabilities of NN IP and Goldman Sachs will create a full suite of asset management products that can be offered to clients through the distribution networks of both parties. Through Goldman Sachs, NN IP has a broader platform to accelerate its growth and further improve the offering and service to its clients. It will also allow NN Group to continue its successful cooperation with NN IP and to benefit from the strengths and complementary product propositions of Goldman Sachs.

On 8 October 2021, NN Group announced the intention of NN Belgium to sell the closed book life portfolio, a transaction that will simplify NN Belgium's IT structure and allow NN Belgium to focus on executing its strategy to further grow its protection and pension business.

## Report of the Supervisory Board continued

### Changes in the Supervisory Board and the Executive Board

On 10 February 2021, NN Group announced that the Supervisory Board nominated Ms Cecilia Reyes and Mr Rob Lelieveld for appointment as members of NN Group's Supervisory Board for a term of four years. These nominations were made with the intention to further strengthen the composition of the Supervisory Board from a risk management and financial expertise perspective. On 2 April 2021, NN Group further announced that the Supervisory Board nominated Ms Inga Beale for appointment as member of NN Group's Supervisory Board for a term of four years. This nomination was made with the intention to further strengthen the composition of the Supervisory Board with a specific focus on transformation processes. These appointments were approved by the Dutch Central Bank (DNB) and adopted by the General Meeting at the annual general meeting.

On 12 October 2021, NN Group announced that the Supervisory Board intends to appoint Ms Annemiek van Melick as Chief Financial Officer (CFO) and vice-chair of the Executive Board of NN Group for a term of four years. The appointment of Ms Van Melick was approved by the DNB and will be notified to the General Meeting at the annual general meeting.

Ms Van Melick will succeed Mr Delfin Rueda who will leave NN Group as of 1 July 2022, after being CFO and vice-chair of the Executive Board of NN Group since 2014.

The Supervisory Board followed an extensive selection process using a specialised agency with the close involvement of the Nomination and Corporate Governance Committee and other members of the Supervisory Board in relation to the appointment of Ms Van Melick.

The Supervisory Board is confident that, with this appointment, the Executive Board will continue to be well-positioned to lead the company in this fast-paced and dynamic environment, delivering on the strategic priorities and ensuring sustainable long-term value creation for all stakeholders.

### Other discussion topics

Other important topics of discussion during the Supervisory Board meetings in 2021 included (i) the ongoing Covid-19 pandemic, (ii) culture, (iii) business plan and capital plan, (iv) responsible investment, (v) unit-linked products in the Netherlands, (vi) Executive Board and Management Board assessment, and (vii) annual accounts, dividend and share buyback programme. These topics are addressed below in turn.

In addition, the Supervisory Board:

- Actively followed developments, opportunities and challenges in the various insurance markets, the impact of continued low interest rates and increasing inflation rates in the second half of 2021, impact of the European Insurance and Occupational Pensions Authority's (EIOPA) Opinion on the Solvency II review to the European Commission, and preparations for the Dutch pension legislation revision, of which implementation has been delayed by one year.
- Was periodically updated by the Executive Board and Management Board on the overall commercial performance of NN Group and its affiliated businesses, the ongoing integration of VIVAT Non-life, the IT budget and benchmark, IT simplification project, and engagement with stakeholders, and provided input on the deep-dive investor presentations of 26 May 2021 and 25 November 2021.
- Discussed and/or approved the financial quarterly and semi-annual results of NN Group, which included the Quarterly reports of Corporate Audit Services (CAS) and Quarterly reports of KPMG, 2021 Key risks and risk appetite statement, NN Bank Funding plan 2021, and NN Group debt issuance.
- Was regularly updated on the (ongoing) review of the internal governance and operating arrangements applicable within the group in order to contribute to the ambition of remaining competitive and delivering on the strategy by identifying and eliminating inefficiencies that can be facilitated by a change in our Governance and Operating Model and the benefits realised in 2021.

- Was updated on and addressed matters concerning the NN Group values and its purpose, the results of the annual employee engagement survey, and the performance goals for the Executive Board and Management Board.
- Gained insight into the Key Talent Management and Succession Planning within NN and discussed the succession plans of the Executive Board, Management Board and several senior leaders.
- Paid continued heightened attention in different sessions to the non-financial key performance indicators and the monitoring thereof by the Purpose Council in preparation of the Management Board's decision-making on the related issues. The objectives of the Purpose Council are to promote the successful adoption of the NN purpose, embed it in the company's culture and to centrally oversee the implementation and advise the Executive Board and the Management Board on determining company-specific metrics for fulfilling the purpose and on setting performance indicators that drive behaviour throughout the organisation.
- Addressed the main points of discussion as verbally reported on by the chair of each of the committees. These topics included amongst others the Year Plans 2021 Control Functions, which included the NN Group Systematic Integrity Risk Assessment, the Risk Control Framework, Information technology and security, NN Group's partial internal model, the NN Group Own Risk and Solvency Assessment (ORSA) Report 2020, the Preparatory Crisis Plan 2021, Financial Economic Crime (FEC) related topics, implementation of the IFRS 9 and 17 Programme, Board objectives and NN Group System of Governance Review. These topics are further addressed in detail below under the respective committee reports.

## Report of the Supervisory Board continued

### Ongoing Covid-19 pandemic

Following the outbreak of the Covid-19 pandemic, the Supervisory Board was regularly updated on the impact of the pandemic on various aspects of NN Group's business, employees, customers and the resulting operational crisis management.

A Corona Coordination Team (CCT), a multi-disciplinary team of specialists, was formed in 2020 and continued throughout 2021 to ensure the daily monitoring and proactive management of business continuity and employee safety.

The vast majority of employees were able to continue working from home in 2021. The morale of employees was monitored throughout this period through surveys, and the results were shared with the Supervisory Board. All relevant risks, financial and non-financial, related to Covid-19 developments were monitored regularly via a dashboard that was shared with the Executive Board, Management Board and Supervisory Board.

The Supervisory Board was also updated on and addressed several initiatives launched to support the different stakeholder groups, including provision of additional customer support, during the Covid-19 pandemic.

The Supervisory Board wants to express its appreciation for the commitment shown by the Executive Board, the Management Board and each employee during these challenging times, which commitment is also reflected in the measurement of the NN Group values further described below under the heading Culture.

### Culture

NN Group's values, described in the NN statement of Living our Values, set the standard for conduct and provide a compass for decision-making within the group and all our interactions with stakeholders. The values, care, clear and commit, are an integral part of our strategic framework and are a crucial element in achieving our ambition to become an industry leader, known for customer engagement, talented people, and contribution to society. In addition, the NN Code of Conduct clearly outlines minimum rules of conduct that NN Group employees must adhere to at all times, and which they

are requested to formally acknowledge on an annual basis.

The Executive Board and Management Board are responsible for creating a culture aimed at long-term value creation, for which the NN statement of Living our Values and NN Code of Conduct form the foundation. The Executive Board and Management Board therefore periodically report to the Supervisory Board on how the NN statement of Living our Values is being put into practice within the group, and the effectiveness of and compliance with the Code of Conduct. The Supervisory Board supervises the Executive Board and Management Board on this matter.

The Supervisory Board was presented with the annual Living our Values Report on programme implementation 2021, which provided insight into how NN is living the values according to our employees, customers and the general public, addressed areas of concern, and provided recommendations for improvements. Measurements on the three values continued to score high among employees and employees feel highly connected with the NN values. The NN values remain recognisable for customers and the general public and are well-embedded in the NN brand in most markets where NN is active. From a compliance perspective a new mandatory e-learning was launched in 2021, focused on handling confidential information with care. In addition, the Risk Culture check, which monitors cultural elements within the organisation that form the bases for solid risk management, was integrated with the Maturity Assessment on risk management, jointly now referred to as the Risk Framework Maturity Reflection.

### Business plan and capital plan

In January 2021, the Executive Board and Management Board presented the Supervisory Board with NN Group's business plan for 2021-2023 and capital plan for 2021-2025. This outlined, among other things, the projected growth of the operating result and value of new business, operating capital generation, capital flows, solvency development, administrative expense savings and investments and the challenges in this regard, investments related to innovation and strategic initiatives,

projected improvements to the combined ratio (non-life), return on equity (bank) and cost/income ratio (asset management), the capital and cash position over the plan period, projected performance against various other financial parameters, as well as Covid-19 impact. After thorough analysis and discussion, the business plan for 2021-2023 and the capital plan for 2021-2025 were approved by the Supervisory Board in January 2021.

Throughout the year, the Supervisory Board was regularly updated on how NN Group was performing on its business and capital plan and is satisfied with the performance reported. Topics of particular focus included:

- The shift towards operating capital generation during the year as key performance indicator and the challenges in this regard.
- Digital transformation of the business and driving innovation across markets.
- Investments versus capital return.
- The impact of the low interest rates, increasing inflation rates and market volatility.
- Performance improvement at Netherlands Non-life (taking into account the negative impact of floods and Covid-19) and NN Bank.
- The strong results at NN Life Japan and the continuing dynamic market in Japan.
- Challenges faced by business units including Movir, NN Spain Non-life, NN Belgium, Netherlands Life and the ongoing optimisation of the investment portfolio, and NN Turkey.
- Steps taken by NN Group and NN IP to further embrace sustainability and the inclusion of ESG factors.

### Responsible investment

For NN Group, as a large international financial services company, responsible investment is an important factor in what we do. In our role as investor, we integrate ESG factors into our investment process. Our asset manager, NN IP, has been integrating ESG factors into the investment process for over a decade. Significant progress was made in 2021 in the areas of responsible investing, client experience and operations and technology, of which progress the Supervisory Board was regularly updated. NN Group's Responsible Investment (RI) Framework

## Report of the Supervisory Board continued

policy describes the measures the group takes to responsibly invest its own assets and those entrusted to them by customers. Measures include integration of ESG factors in research/valuation, voting, engagement and, as a measure of last resort, restriction.

NN's responsible investment approach is guided by norms-based responsible investing criteria, which reflect our investment beliefs and values, relevant laws and internationally recognised standards from the United Nations Global Compact and OECD Guidelines for Multinational Enterprises. If we identify that a company severely and structurally breaches our norms-based criteria, we first assess the engagement potential to address the violation. Only when engagement is not considered feasible, we will decide to remove the issuer from the eligible investment universe and place it on the Restricted List, which applies across the organisation. The Restricted List is updated four times a year and the Supervisory Board is informed on changes where relevant, for example, when it concerns the exclusion of specific sectors.

Furthermore, as part of NN's long-term ambition, the proprietary investment portfolio is being transitioned to net-zero greenhouse gas emissions by 2050, which is in line with the 1.5°C target of the Paris Agreement. Playing our part in helping the real economy to decarbonise serves as a guiding principle in our approach. To oversee the process of aligning our portfolio to the Paris goals and defining action plans and targets, a NN Paris Alignment Council has been established, chaired by the NN Group Chief Investment Officer. Paris Alignment strategies were developed and rolled out for different asset classes and interim targets were set for 2025 and 2030.

In the regular updates provided to the Supervisory Board on the progress towards both the non-financial and financial targets related to the five strategic commitments, a robust discussion took place on the progress and challenges in relation to ESG-integrated Assets under Management, integration of ESG in underwriting, acceleration of the transition to a low-carbon economy and the reduction of the NN direct environment footprint, among others. During these discussions the Supervisory Board encouraged the progress made, but also challenged whether enough is being done in this regard.

### Unit-linked products in the Netherlands

See Note 45 in this Annual Report for a description of legal proceedings with respect to unit-linked products in the Netherlands. The Supervisory Board was periodically updated on relevant developments in the collective actions and individual legal proceedings pending against Nationale-Nederlanden.

### Executive Board and Management Board assessment

The Executive Board and Management Board performance goals reflect both financial and non-financial objectives to safeguard the long-term success of the business. To demonstrate commitment to our NN values, care, clear, commit the Boards' performances are also assessed based on the NN Leadership Profile. In the fourth quarter of 2021, the Supervisory Board conducted this assessment of the Executive Board and Management Board and its members. To this end, the Supervisory Board members met with the Executive Board and Management Board members individually in a series of two-on-one meetings. The outcomes of the assessments were discussed during a Supervisory Board meeting which resulted in follow-up actions. For a detailed overview of the outcome of the Executive Board's performance assessment against the financial and non-financial objectives, please refer to page 114 of the Remuneration Report.

### Annual accounts, dividend and share buyback programme

During 2021 the Supervisory Board discussed and approved the 2020 annual accounts, the 2020 proposed final dividend payment and the share buyback programme which commenced on 1 March 2021 and NN Group's 2021 interim dividend.

The Executive Board prepared the 2021 annual accounts and discussed these with the Supervisory Board. The 2021 annual accounts will be submitted for adoption by the General Meeting at the 2022 annual general meeting, as part of the 2021 Annual Report. NN Group will propose paying a final dividend of EUR 1.56 per ordinary share, or approximately EUR 476 million in total, based on the number of outstanding shares on the date of this Annual Report, excluding the shares held by NN Group in its own capital in treasury.

### Continuous learning

It is essential that the Supervisory Board members are knowledgeable about how NN Group and its affiliated businesses are run, trends in the market and regulations impacting NN's business, and have the specific expertise required for the fulfilment of their duties. Supervisory Board members should proactively maintain their expertise at the required standard and, where necessary, endeavour to improve their expertise. The Supervisory Board Induction Programme and Permanent Education Programme for Supervisory Board members therefore cover topics necessary to ensure the continuous learning of Supervisory Board members, both at the outset and after their appointment.

The Supervisory Board members followed the 2021 NN Group Permanent Education Programme, which was developed based on the input received from the 2020 annual Supervisory Board self-assessment and requests from the Supervisory Board members, the Executive Board and Management Board, and staff.

In total, 21 hours of general knowledge and deep-dive sessions were arranged by NN Group. These programmes covered the relevant developments within NN Group and in the financial sector, as well as the duty of care towards the client.

The general knowledge sessions included (in alphabetical order) Analysis of ESG ratings (including the DJSI), Diversity & Inclusion Training, IFRS 9 and 17, IFRS 9 and 17 Programme update, i-LEAD & Meaningful Conversations, Longevity Risk, Recovery and Resolution of Insurance Companies, Risks for Supervisory Board, Executive Board and Management Board: criminal liability of companies and management, 2021 SAA Study and DNB SAA Action Plan, Solvency II 2020 Review, Terrorist financing, money laundering and sanctions risk (in May and July), The changing environment around environment (including changing stakeholder expectations, climate-related risks and opportunities), and Unit-linked: overview proceedings.

## Report of the Supervisory Board continued

The business deep-dive session covered Netherlands Life, Customer Experience and Scaling excellence: Building the organisation and capabilities for digital transformation. As part of these deep-dive sessions, the Supervisory Board also focused on gaining a better understanding of the business in three themes (i) customer experience, (ii) operational excellence, and (iii) performance versus peers.

Aside from the Permanent Education Programme, the Supervisory Board members also met with NN Group colleagues and teams, as well as with some of the function heads of NN Group's Support Functions, in order to learn more about NN Group's businesses and activities. The Supervisory Board members also participated individually in several education and knowledge sessions organised by external organisations and took advantage of the different learning possibilities online to ensure that they kept themselves informed.

### Self-assessment

As is customary on an annual basis, the Supervisory Board and committees evaluated their own performance over the year 2021. The Nomination and Corporate Governance Committee discussed the importance of having a benchmark on the functioning of the Supervisory Board and its individual members. In light of the changed composition of the Supervisory Board, it was agreed to engage an external advisor to facilitate the 2021 self-assessment in reviewing the functioning of the Supervisory Board as a whole, its committees and their respective chairs, and the individual Supervisory Board members, and to support the Supervisory Board in strengthening its effectiveness.

The scope of the 2021 self-assessment included individual interviews with each of the Supervisory Board, Executive Board and Management Board members, as well as a number of group staff members and the external auditor by the external advisor.

The outcome of the 2021 self-assessment was discussed during a workshop session with the full Supervisory Board in February 2022, facilitated by the external party.

The main conclusion from the self-assessment was that the Supervisory Board is a well-functioning team of involved and reflective professionals with relevant knowledge and expertise. The Supervisory Board and Committee meetings are perceived as effective. Areas identified where more value can be added and effectiveness improved are (i) striking a more balanced approach between conformance and performance, (ii) supervising digital transformation with supporting mechanisms, (iii) gaining a better insight into the culture of Insurance International (which is partly attributed to the recent Covid-19 restrictions), and (iv) investing more in relations within the Group by organising informal meetings with management, business unit CEOs, employees and trainees within the organisation, as soon as Covid-19 allows.

### Risk Committee

The Risk Committee assists the Supervisory Board in performing its duties. To this end, it prepares items for discussion and decision-making by the Supervisory Board, and recommends actions in various areas, including:

- NN Group's key risks and risk appetite statements, risk strategy and policies.
- Risk exposures resulting from the business strategies and plans of NN Group and its affiliated businesses.
- The design, operation and effectiveness of the risk management and internal control systems of NN Group (the Risk Control Framework).
- NN Group's public disclosures on risk and risk management.
- Any Material Transactions.

The Risk Committee works closely with the Audit Committee in order to avoid omissions and duplication in its activities. For this reason, the chair of the Risk Committee is also a member of the Audit Committee, and vice versa.

### Composition and attendance

The members of the Risk Committee are Mr Hauser (chair), Ms Beale, Mr Jenkins, Ms Reyes, Mr Schoen and Ms Streit. The Risk Committee met four times in 2021 with a 95% attendance rate. All meetings up to May 2021 were virtual meetings due to the Covid-19 pandemic. As from August 2021, meetings were held in hybrid form.

Ms Beale and Ms Reyes were appointed as members of the Risk Committee per 20 May 2021. Mr Lelieveld and Ms Vletter-van Dort attended the meeting in November 2021 as observers.

Other attendees were the Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, General Counsel, General Manager Corporate Audit Services (CAS), Head of Group Enterprise Risk Management and the external auditor (KPMG).

During 2021, the chair of the Risk Committee regularly liaised with the Chief Risk Officer and Chief Compliance Officer, and met with the external auditor and relevant subject-matter experts.

### Discussion topics

During its meetings, the Risk Committee discussed, among other things: (i) the Risk Plan 2021, the Group Legal Operational Plan, and the Compliance Operational Plan 2021 and the NN Group Systematic Integrity Risk Assessment (Group SIRA), (ii) the Risk Control Framework, (iii) the risk management report, (iv) information technology (IT) and security, and (v) the performance and appropriateness of NN Group's Partial Internal Model (PIM). These topics are addressed below in turn. Following the Covid-19 pandemic, its impact on various aspects of NN Group's business was addressed in several Risk Committee topics and underlying documents.

The Risk Committee discussed the NN Group Own Risk and Solvency Assessment (ORSA) Report 2020, which took into account the new strategy and the impact of the Covid-19 pandemic. The Risk Committee reviewed the key risks and risk appetite statements 2021, which were prepared taking into account both the impact of the Covid-19 pandemic and the NN Group strategy. The Risk Committee also regularly addressed the potential impact of the 2020 Solvency II review request of the European Commission to EIOPA to provide technical advice for the European Commission's legislative proposal (Solvency II Review). Furthermore, the Risk Committee discussed the Preparatory Crisis Plan 2021, Derivatives Counterparty Risk report, the Strategic Asset Allocation, the 2020 Actuarial Function Report. The Risk Committee was regularly updated on the work performed with respect to the

## Report of the Supervisory Board continued

risks related to FEC, related operational shortcomings and the progress in addressing these. The improvements to NN Group's Risk Management function with respect to its organisation and processes as well as the outcome of the former Risk culture check ins of the business units, now called the Risk Framework Maturity Reflections, were also discussed in the Risk Committee meetings.

### Year Plans 2021 Control Functions

The NN Group Risk Plan 2021 outlines the ex-ante risk priorities for 2021, taking into account NN Group's strategic direction and risk profile, the Risk Control Framework, and external developments and regulations, and is consistent with the NN Group Business Plan 2021-2023. The Risk Management function has the ambition to keep the company safe, ensure balanced risk taking and support NN's strategy through constructive challenge and expertise. The key focus areas for 2021 to support the strategy include among others NN Group's Solvency position, strengthening capabilities and procedures of risk management in line with the strategy to increase investment risk, customers and distribution, product strategy, simplification and effectiveness of support functions, ESG strategy, and IT and digital transformation.

The Compliance Operational Plan 2021 includes the planned activities supporting NN Group in reaching its overall objectives. These activities are also derived from the NN Group SIRA 2021, which forms the basis for the Compliance Operational Plan.

The Compliance Operational Plan safeguards an integrated oversight approach through close collaboration with Risk and Legal functions to promote multidisciplinary thinking and interaction, to enable better alignment at Group level with clear communication to business units, to ensure efficient use of resources and capacity, and to enable further cooperation under the Risk Control Framework. The main risks and attention areas addressed in the Compliance Operational Plan are based on the SIRAs of NN Bank, Netherlands Life and Netherlands Non-life, as well as on the Non-Financial Risk Assessments of NN Group's international business units, and include FEC risks, product customer value risk, product and client information risk, risk of conflict of interest and risk of dealing with confidential information, among others.

The Group Legal Operational Plan 2021 takes into account industry developments, is aligned with the NN Group strategy and priorities and reflects the Integrated Oversight approach as agreed upon by Risk, Group Compliance and Group Legal. Group Legal is focused on supporting management in managing legal risks, supporting the execution of the strategic agenda and preserving the legal integrity of the NN Group holding operations. The priorities identified for 2021 are to support transformation and business development, transaction and regulatory support in NN Group's strategy execution, digitalisation and the use of data and oversight.

### Risk Control Framework

The objectives of the Risk Control Framework include ensuring that the management boards of the NN Group business units and function heads at head office:

- Ensure relevant risks are understood at all levels of their organisation/department and mitigated through effective controls.
- Have robust processes in place that demonstrate effectiveness of controls and compliance with governance, policies and standards.
- Are appropriately informed about the levels of risks and effectiveness of controls.
- Can confirm they operate within the risk appetite and, if not, are aware of the issues and necessary mitigating actions.

In 2021, NN Group and its business units continued to make progress in further embedding and improving the Risk Control Framework and in performing their control tracking and testing activities as an inextricable part of the business as usual.

### The risk management report

The quarterly risk management report of NN Group to the Supervisory Board reports risks against the risk appetite of NN Group and its affiliated businesses. It covers strategic, financial and non-financial risks.

The report included updates on the current and forward-looking risks emanating from the Covid-19 pandemic, including measures taken and planned. The impact of the Covid-19 pandemic on NN Group and its customers remained limited, which shows strong business resilience in the businesses. The report further included updates on the status of the ongoing monitoring and trend-developments, developments related to the partial internal model (PIM), developments around product suitability, and FEC-related risks throughout the Group. In addition, the report provides insight into the status of legal claims and incident reporting.

The Risk Committee periodically discussed the key strategic challenges facing the insurance, asset management and banking businesses of NN Group, NN Group strategy execution, progress in the operating capital generation (OCG) reporting, as well as the implementation of sustainability legislation by the European Union. It also addressed development of the balance sheet, the 2020 Solvency II Review, operational and IT security risks, VIVAT Non-life integration, risk assessments carried out, for example, Systematic Integrity Risk Assessments and Fraud Risk Assessments and specific measures adopted to mitigate risks, and customer suitability risk.

### Information technology and security

NN Group deems the reliability and security of IT and IT infrastructure paramount. Each quarter, the Risk Committee is therefore updated on developments, achievements and risks in the field of IT and security, which include a status update on current IT change projects, IT chain availability and the cybersecurity and risk status of NN Group. In 2021, the IT team demonstrated continued efforts and commitment. The main challenges from an IT perspective in 2021 related to execution of the IT simplification programme, improving the availability of core systems, decreasing the number of incidents and overdue issues, improving IT control maturity, improving cybersecurity capabilities such as ransomware awareness and protection, cloud security and multi factor authentication, as well as identity and access management.

## Report of the Supervisory Board continued

During 2021, progress was made in relation to the decommissioning plans to simplify NN Group's application landscape and the IT Security Programme. The scaling excellence programme was launched, which is focused on ensuring unique customer experience by investing in skills, knowledge and expertise in the front-end applications of NN Group. Work is ongoing with respect to execution of the IT simplification programme to ensure a resilient IT with future-proof IT capabilities and lower costs, with the first results starting to materialise. The Information Security Risk Mitigation Plan is close to reaching the aspired maturity levels as a result of good progress in strengthening IT controls. The IT control environment has also been further integrated into the risk management reporting.

### NN Group's partial internal model (PIM)

The PIM is used to measure, manage and report the risks within the Group. It consists of many components, and is therefore widely employed for risk management, capital management and other business decisions such as product pricing and asset allocation.

Each year an assessment of the PIM takes place in the first quarter, which covers all relevant information of the preceding calendar year. The assessment covers all risk models which are part of NN Group's PIM used for the calculation of the Basic Solvency Capital Requirement. The outcome of this assessment is presented to the Supervisory Board in May each year during which meeting the key priorities for the year going forward are also addressed.

The major model change relating to the inclusion of the risk margin in the interest rate Solvency Capital Requirement was approved by the DNB and implemented. The application for Netherlands Life's major model change related to the redesign of the longevity risk models has been submitted to the DNB for approval. The application for the major model change of Netherlands Non-life related to the inclusion of VIVAT in the PIM was also submitted to the DNB for approval. The Risk Committee was regularly apprised on the progress of these model changes as well as the outcomes of the reviews and testing performed on these controls.

The main conclusion of the 2021 report on the PIM performance is that the internal model is appropriate for its intended use and performed well even during the market turbulences caused by the Covid-19 pandemic.

### Audit Committee

The Audit Committee assists the Supervisory Board in the performance of its duties. To this end, it prepares items for discussion and decision-making by the Supervisory Board, and recommends actions in various areas, including:

- The design, operation and effectiveness of the internal risk management and control systems related to financial reporting.
- The integrity and quality of the financial reporting process.
- Periodic financial reports and any ad hoc financial information.
- The findings and outcomes of any audit work, by both the external auditor and CAS, the internal audit department of NN Group (e.g. as contained in the quarterly audit reports and yearly management letter/report).
- Establishing a procedure for the selection and recommendation of the (re)appointment by the Supervisory Board of the external auditor.

The Audit Committee works closely with the Risk Committee to avoid omissions and duplication in its activities. For this reason, the chair of the Audit Committee is also a member of the Risk Committee, and vice versa.

### Composition and attendance

The members of the Audit Committee are Mr Schoen (chair), Mr Cole, Mr Hauser, Mr Jenkins and Mr Lelieveld. The Audit Committee held six meetings during 2021 with a 96% attendance rate. All meetings up to May 2021 were virtual meetings due to the Covid-19 pandemic. As from August 2021 meetings were held in hybrid form. Mr Lelieveld was appointed as a member of the Audit Committee per 1 September 2021. Ms Reyes attended the meeting in August 2021 as an observer.

Other attendees were the Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, General Counsel, General Manager CAS, Head of Group Finance & Reporting, Head of Performance & Analytics and the external auditor (KPMG). Subject-matter specialists also regularly attended the meetings.

During 2021, the chair of the Audit Committee separately met with the Chief Financial Officer, General Manager CAS, subject-matter experts and the external auditor to discuss topical issues.

In addition to the regular Audit Committee meetings, the Audit Committee also held closed sessions, which were only attended by the Audit Committee members, the General Manager CAS and the external auditor. In all its meetings, the Audit Committee encouraged open and interactive discussion, and the sharing of critical insights and observations.

### Discussion topics

In 2021 the Audit Committee covered a variety of topics in its meetings with continued due consideration of the impact of the ongoing Covid-19 pandemic. These included recurring items that the Audit Committee deals with as a matter of course, typically in relation to the financial reports, press releases, accounting and regulatory developments, pending legal proceedings, interim dividend payment to shareholders and share buyback programme, the independence of KPMG, remuneration and evaluation of both KPMG and the General Manager CAS, specific financial transactions, Solvency II developments, IFRS and Solvency II reporting, including a second line review opinion on the Reserve Adequacy Test and on the Own Funds and the Solvency Capital Requirement (SCR) as part of the NN Group Own Funds/SCR Report, internal controls on financial reporting, and changes in financial reporting processes and systems. Moreover, NN Group's financial reporting included an analysis on OCG and work ongoing to further improve OCG reporting. The Audit Committee reflected on the decision to change NN Group's external reporting frequency to semi-annually in 2020 and agreed that this change positively impacted long-term value thinking, which supports our strategy. The quarterly internal reporting process has been maintained.

## Report of the Supervisory Board continued

With the chair of the Audit Committee in the lead, the Audit Committee initiated the process, in close cooperation with the Executive Board, to reappoint the external auditor as of 2023.

During 2021, the Audit Committee was regularly updated on the status and implementation of the IFRS 9 and 17 Programme and the key platforms and other initiatives in the 2021-2023 Finance Roadmap. The impact of Covid-19 on the Finance Roadmap has been limited and the teams and business units adapted well to the new circumstances.

Annually, the Audit Committee performs a deep dive into the present position and future developments in respect of corporate income tax and any other relevant tax regulations, NN Group's tax strategy and tax transparency developments. Group Tax updates the Audit Committee on the material tax risks and mitigating actions taken. In 2021, topics such as the Dutch Governmental Budget plan 2021, Public country-by-country reporting, and OECD Pillar Two (minimum taxation rule) were presented and discussed with the Audit Committee.

In its meetings, the Audit Committee also assessed and discussed topics including: (i) the 2021 Audit Plans of CAS and of KPMG, (ii) the quarterly reports of CAS, (iii) the quarterly reports of KPMG, (iv) information technology and cybersecurity, (v) the annual KPMG Management Letter and annual standard of internal control report of CAS, and (vi) whether there was reasonable assurance that the financial reporting did not contain any errors of material importance. These topics are addressed below in turn.

### 2021 Audit plans of CAS and of KPMG

The Audit Committee discussed the 2021 audit plans of CAS and KPMG. The main drivers behind the CAS audit priorities for 2021 were (i) coverage requirements, (ii) strategic importance and change targets, and (iii) remediation. The key focus areas based on these three drivers are centred around the key value drivers of operations and IT excellence, data and underwriting capabilities, asset re-risking and further optimising client and distribution interaction and structures. Emphasis on IFRS 9 and 17 was also increased in 2021.

The 2021 KPMG audit plan also showed continued emphasis on IFRS 9 and 17, OCG and non-financial information disclosures. Areas of focus in 2021 included (i) the Covid-19 pandemic, (ii) cybersecurity, (iii) ongoing M&A activity, (iv) IT integration and migrations, (v) assumption and model updates, and (vi) developments regarding the Partial Internal Model.

### Quarterly reports of CAS

The quarterly reports of CAS included findings and observations regarding governance, risk management and internal control, focusing on significant internal control weaknesses noted in ongoing audit activities, and follow-up by the Executive Board and Management Board on agreed actions and weaknesses.

The reports categorised the findings and observations into five areas: (i) primary processes, (ii) information technology, cyber – and physical security, (iii) financial risk management and reporting, (iv) the development of outstanding risks and their mitigation, and (v) the key internal developments of CAS. The findings of CAS are summarised annually in a Report on the NN Group Standard of Internal Control and include forward-looking considerations.

During 2021, CAS observed continued management actions in response to the Covid-19 pandemic to ensure workforce safety, business continuity, as well as continuous customer support. Throughout 2021, continued progress in control strengthening activities was observed. Several key integration milestones have been achieved throughout 2021 which enabled the realisation of efficiency targets and positively contributed to operational and IT control levels. The progress of the integration and transformation agenda remains challenging due to the large number of change initiatives.

### Quarterly reports of KPMG

As from 2020 onwards, NN Group changed to a semi-annual external financial reporting frequency but continued to prepare quarterly financial information for internal reporting purposes. KPMG continued to perform quarterly review procedures as part of the audit of the 2021 annual accounts, but did not issue a formal review opinion in 1Q21 and 3Q21.

In its quarterly reports, KPMG presented the outcome of its review of activities and findings in the areas of attention identified in its 2021 audit plan.

KPMG's assessment of the significant risks of material misstatements compared to 2020 resulted in a few changes, in particular the risks in valuation of hard-to-value assets were considered stable, and the risks in relation to the application of hedge accounting and the Delta Lloyd integration were no longer considered significant audit risks but remained on KPMG's radar. The other areas of significant audit risk which remained stable include the valuation of insurance contract liabilities and the reserve adequacy test (RAT), Solvency II capital and risk management disclosures, as well as the unit-linked exposure.

The KPMG reports addressed financial, business and operational impacts of the Covid-19 pandemic on NN Group. Observations on internal control and external developments relevant to NN Group, including the follow-up on recommendations in the KPMG Management Letter and earlier quarterly reports were provided. Once a year, the findings on internal control are summarised in the annual management letter (described below).

### Information technology and cybersecurity

Information technology and cybersecurity were extensively discussed each quarter in the Risk Committee. These meetings were attended by the General Manager CAS and the external auditor (KPMG), as well as by the chair and several other members of the Audit Committee. Subsequently, the chair of the Risk Committee reported any topics relevant for financial reporting, also on a quarterly basis, to the Audit Committee.

## Report of the Supervisory Board continued

To avoid duplication, the Audit Committee therefore focused on those elements of information technology and cybersecurity that (may) impact financial reporting and the security, reliability, integrity and availability of data and assets across NN Group and its affiliated business. This included discussing the IT and security sections of the quarterly reports of CAS and KPMG, and the link between IT developments, in particular, the IT simplification programme and the IT Control Framework, and the ongoing programmes in respect of the Finance Roadmap and the status and implementation of the IFRS 9 and 17 Programme.

### KPMG Management Letter 2021

Each year, KPMG issues a management letter which contains observations on NN Group's internal control over financial reporting. The letter is based on the audit and the quarterly review procedures. The KPMG Management Letter 2021 contains (i) improvement observations with regard to the internal control environment of NN Group and (ii) a follow-up on the KPMG Management Letter 2020. An appendix to the letter includes attention points for the year-end closing. Section (i) of the management letter contains areas where structural improvements of internal controls will help drive performance of NN Group. These relate to eight areas: Netherlands Life modelling and Solvency II analysis, IT risk and control, cybersecurity, (IT) projects/system replacements, outsourcing, quality controls at Non-life, ESG reporting and OCG. Section (ii) includes four observations from the prior year where good progress was made but further attention is needed to be fully closed. The management letter contains a number of concrete recommendations from KPMG and specific actions defined by management to address these recommendations. In its January 2022 meeting, the Audit Committee discussed the KPMG Management Letter 2021 and the Executive Board and Management Board's response and reflected extensively on the matters it covered.

### Remuneration Committee

The Remuneration Committee assists the Supervisory Board in the performance of its duties. To this end, it prepares items for discussion and decision-making by the Supervisory Board, and recommends actions in various areas, including:

- The remuneration policy for the Executive Board, as well as its implementation and evaluation
- The remuneration and concrete terms and conditions of engagement of individual Executive Board and Management Board members.
- The remuneration policy of the Supervisory Board, as well as the remuneration of the Supervisory Board members.
- The remuneration and remuneration policies with respect to Identified Staff (as defined).
- The design and implementation of any stock-based compensation programmes.
- The application of the remuneration policies within the company.
- Compliance with statutory and legal requirements and regulations.
- Performance targets for the Executive Board and Management Board.

### Composition and attendance

The members of the Remuneration Committee are Ms Vletter-van Dort (chair), Mr Lelieveld, Ms Reyes, Mr Schoen and Ms Streit. Ms Reyes was appointed as a member of the Remuneration Committee per 20 May 2021. Mr Lelieveld who was nominated for appointment as Supervisory Board member pursuant to the enhanced recommendation right of the Central Works Council, joined the Remuneration Committee as of 1 September 2021.

The Remuneration Committee met four times in 2021 and had a 100% attendance rate. All meetings up to May 2021 were virtual meetings due to the ongoing Covid-19 pandemic and as from August 2021 meetings were held in hybrid form. The Chief Executive Officer and Chief Organisation & Corporate Relations also joined the meetings of the Remuneration Committee, unless the committee determined otherwise. The Head of Reward, or a representative, also attended. The chair and members of the Remuneration Committee were in regular contact with the Chief Organisation & Corporate Relations and the Head of Reward.

In addition to the regular Remuneration Committee meetings, one combined meeting with the Nomination and Corporate Governance Committee (Combined Meeting) was held in February 2021 with a 100% attendance rate. Mr Jenkins attended this Combined Meeting as an observer.

### Discussion topics

#### Remuneration policies

The Remuneration Committee reviewed and evaluated the remuneration policies of NN Group as laid down in the NN Group Remuneration Framework, and the remuneration policy for the Executive Board. The NN Group Remuneration Framework was updated to ensure compliance with the Sustainable Finance package, as adopted by the European Commission on 21 April 2021, and the new Regulatory and Technical Standards included in the Commission Delegated Regulation 2021/923 on 25 March 2021. Further amendments related to improving clarity and consistency and reflecting changes in governance and processes where applicable to NN Group.

The Remuneration Committee discussed the Remuneration Benchmark for the Supervisory Board, Executive Board and Management Board, which was validated on the basis of an analysis performed by an external agency and concluded to be fit for purpose and in line with the principles as included in NN's remuneration policies.

Please refer to page 109 of this Annual Report for more information on the remuneration of the Executive Board and Supervisory Board members.

#### Equal Pay

The Remuneration Committee discussed and addressed the outcomes of the analysis carried out on equal pay within NN Group, which was based on equal representation, gender pay gap and equal pay gap. This analysis was a follow-up of the equal pay analysis as executed in 2020. In 2021 the involvement of the international business units were improved by (i) including all countries in scope, (ii) involving larger countries in advanced statistical analysis, and (iii) having constructive sessions with country HR Directors to explore the outcome. Please refer to page 111 for further insights of the equal pay analysis.

## Report of the Supervisory Board continued

### Board objectives

The objectives for the Executive Board and Management Board for performance year 2021 were discussed and endorsed by the Remuneration Committee in January 2021. These objectives, structured around the five strategic commitments ((i) customers and distribution, (ii) products and services, (iii) people and organisation, (iv) financial strength, and (v) society) were focused on meeting the strategic ambition and the related 2021-2023 targets as disclosed at the Capital Markets Day held on 24 June 2020.

### Other topics

The Remuneration Committee was kept informed on the collective labour agreement negotiations with the unions and the related challenges, as well as the working from home arrangements as a result of the ongoing Covid-19 pandemic and the measures implemented. As is required on an annual basis, a risk assessment was carried out on the NN Group Remuneration Framework and related processes, which focused on the processes designed to avoid excessive risk-taking by NN Group staff. No risks with a critical or high managed risk level were identified. Identified Staff-related remuneration matters were reviewed and approved in line with the NN Group Remuneration Framework and governance, including the variable remuneration proposals for Identified Staff for performance year 2020, compensation adjustment proposals for the year 2021, and the 2021 Identified Staff selection.

### Topics addressed during the Combined Meetings

The Remuneration Committee and the Nomination and Corporate Governance Committee, in a combined meeting, assessed the functioning and performance of the Executive Board members and provided input for the Management Board's performance assessment. Individual meetings with Executive Board and Management Board members formed part of the assessments. The combined committees also reviewed and endorsed the remuneration proposals for the Executive Board and Management Board.

### Nomination and Corporate Governance Committee

The Nomination and Corporate Governance Committee assists the Supervisory Board in the performance of its duties. To this end, it prepares items for discussion and decision-making by the Supervisory Board, and recommends actions concerning various areas:

- The policy of the Executive Board on the selection criteria and appointment procedures for Identified Staff.
- Drafting the selection criteria and appointment procedures for Supervisory Board members and Executive Board members.
- The composition of the Supervisory Board and Executive Board.
- The succession plan for Supervisory Board and Executive Board members.

### Composition and attendance

The members of the Nomination and Corporate Governance Committee are Mr Cole (chair), Ms Beale, Mr Hauser, Mr Lelieveld and Ms Vletter-van Dort. Ms Beale was appointed as a member of the Nomination and Corporate Governance Committee per 20 May 2021 and Mr Lelieveld per 1 September 2021.

The Nomination and Corporate Governance Committee met 11 times in 2021 and had an attendance rate of 97%. All meetings up to May 2021 were virtual meetings due to the ongoing Covid-19 pandemic and as from August 2021 meetings were held in hybrid form. The Chief Executive Officer and the Chief Organisation & Corporate Relations also joined the meetings of the Nomination and Corporate Governance Committee, unless the committee determined otherwise. The General Counsel attended the Nomination and Corporate Governance Committee meeting held on 15 February 2021.

### Discussion topics Succession planning

The Nomination and Corporate Governance Committee discussed and evaluated the succession plan for the Executive Board and Management Board members, and other key staff (including Identified Staff), and NN Group's talent management programme.

### Appointment of the Chief Financial Officer

The Nomination and Corporate Governance Committee followed an extensive process and played an active role in supporting the Supervisory Board in the process of drafting selection criteria and identifying a successor for Mr Delfin Rueda when he steps down as a member of the Executive Board and Chief Financial Officer of NN Group as of 1 July 2022, and in the subsequent appointment of Ms Annemiek van Melick. The decision to appoint Ms Van Melick was a result of having a sound succession planning process in place. Throughout the appointment process, the profile of the Executive Board and the Diversity Policy were duly observed.

### Composition of the Supervisory Board

The rotation and succession plan for the Supervisory Board was discussed, to ensure that among others sufficient business experience, transformation experience and requirements around gender diversity, and the Supervisory Board self-assessment process for 2020 was evaluated. Based on the outcome of the self-assessment evaluation, the objective for the Nomination and Corporate Governance Committee for 2021 was to continue with the Executive Board and the Supervisory Board succession planning and prioritising enhancing transformational competencies within the Supervisory Board in the succession planning.

With regards to the annual self-assessment of the Supervisory Board for the year 2021, the Nomination and Corporate Governance Committee discussed the importance to have a benchmark on the functioning of the Supervisory Board and its individual members. In light of the changed composition of the Supervisory Board it was agreed to engage an external advisor to facilitate the 2021 self-assessment and to support the Supervisory Board in strengthening its effectiveness.

The Nomination and Corporate Governance Committee followed an extensive process throughout 2020 and 2021, supported by an external advisor. Based on this process, the composition of the Supervisory Board and its committees and individual Supervisory Board competencies and skills were evaluated, discussed and recommendations were made to the Supervisory Board on the composition of the Supervisory Board and its committees.

## Report of the Supervisory Board continued

In this context, the Nomination and Corporate Governance Committee prepared the discussion for (i) the proposal to further strengthen the composition of the Supervisory Board and increase the number of members of the Supervisory Board by two, (ii) the proposal to nominate Ms Reyes as member of the Supervisory Board and designate her as a member of the Risk Committee and of the Remuneration Committee, and (iii) the proposal to meet the request of the Central Works Council to nominate Mr Lelieveld as the person recommended by the Central Works Council on its enhanced recommendation right (resulting in Mr Lelieveld becoming a member of the Remuneration Committee) and to nominate Mr Lelieveld as member of the Supervisory Board and designate him as a member of the Audit Committee and of the Nomination and Corporate Governance Committee. Based on a later and further evaluation done in the process the Nomination and Corporate Governance Committee prepared the discussion for (i) the proposal to further increase the number of members of the Supervisory Board by one, and (ii) the proposal to nominate Ms Beale as member of the Supervisory Board and designate her as member of the Risk Committee and of the Nomination and Corporate Governance Committee.

### NN Group System of Governance Review

Solvency II requires NN Group to have in place an effective System of Governance which provides for sound and prudent management of the business and which supports its strategic objectives and operations. NN Group's System of Governance incorporates the relevant requirements stemming from the Solvency II Directive, Solvency II Regulation (Delegated Acts) and the EIOPA System of Governance guidelines. The Nomination and Corporate Governance Committee was thoroughly informed on the outcome of this year's NN Group System of Governance review and provided its feedback to the Executive Board and Management Board.

### Other topics

As is required on an annual basis, the Nomination and Corporate Governance Committee reviewed and discussed compliance with the Dutch Corporate Governance Code for the financial year 2021 in February 2022. The Nomination and Corporate Governance Committee was further consulted in relation to the annual review and proposed changes in the Charters of the Executive Board, Management Board, Supervisory Board and Committees, and the NN Group N.V. Decision Structure. The Nomination and Corporate Governance Committee discussed the extensive review done by NN Group Compliance on the various outside positions (other than NN Group related positions) held by all Supervisory Board, Executive Board and Management Board members. It was concluded that all board members are compliant with the relevant rules and obligations and in light of the large number of ad hoc board meetings scheduled in the course of 2021, board members have shown flexibility beyond normal expectation in order to fulfil their obligations.

### Closing

2021 continued to be an extraordinary and challenging year, dominated by the effects of Covid-19 impacting society at large, customer behaviour and NN's own way of working. Nevertheless, NN Group showed resilience with strong commercial and financial performance during the year and a number of successful M&A transactions.

The Supervisory Board is pleased with the good progress that has been made in the strategy execution that is focused on sustainable long-term value creation for all stakeholders and aims for resilient and growing long-term capital generation for shareholders. Transformation in all aspects remains a priority for all business units and the first tangible signs of progress became evident in 2021.

During 2021 the Supervisory Board welcomed Ms Inga Beale, Mr Rob Lelieveld and Ms Cecilia Reyes to the Supervisory Board.

Together with the Executive and Management Boards, the Supervisory Board looks forward to continue building on the solid foundations of the company and achieve our ambition to be an industry leader, known for our customer engagement, talented people, and contribution to society. At NN, we help people care for what matters most to them and we are committed to continue doing business in a way that is consistent with our values: care, clear, commit.

## Corporate governance

### General

NN Group N.V. (NN Group) is a public limited company (naamloze vennootschap) incorporated under the laws of the Netherlands and has a two-tier board structure consisting of an executive board (Executive Board) and a supervisory board (Supervisory Board). NN Group also has a management board (Management Board). NN Group mandatorily applies the full large company regime.

### Executive Board

#### Duties

The Executive Board is entrusted with the management, the strategy and the operations of NN Group under supervision of the Supervisory Board. In performing its duties, the Executive Board must carefully consider and act in accordance with the interests of NN Group and the business connected with it, taking into consideration the interests of all stakeholders of NN Group. The organisation, duties and

working methods of the Executive Board are detailed in the charter of the Executive Board. This charter is available on the NN Group website.

Certain resolutions of the Executive Board require the approval of the Supervisory Board and/or general meeting of shareholders of NN Group (General Meeting). These resolutions are outlined in the articles of association of NN Group (Articles of Association), which are available on the NN Group website, and in the charter of the Executive Board.

#### Appointment, removal and suspension

Under the full large company regime that is mandatorily applied by NN Group, the members of the Executive Board are appointed by the Supervisory Board. Prior to appointing a member of the Executive Board, the Supervisory Board must notify the General Meeting of such an intended appointment. Only the Supervisory Board

may suspend or remove a member of the Executive Board. However, the Supervisory Board is only entitled to remove a member of the Executive Board after the General Meeting has been consulted on the intended removal.

#### Composition

The Executive Board must consist of two or more members, with the total number of members of the Executive Board determined by the Supervisory Board after consultation with the Executive Board. Guiding principles for the appointment of members and the composition of the Executive Board are provided in the profile of the Executive Board and Management Board, which includes the diversity policy for the composition of these boards. The profile including the diversity policy is available on the NN Group website.

As at 31 December 2021, the Executive Board consisted of the following persons:

Name	Position	Date of birth	Gender	Nationality	Appointment	Termination/ reappointment	Tenure
David Knibbe	Chair, Chief Executive Officer (CEO)	15 March 1971	Male	Dutch	1 October 2019	2023	2 years
Delfin Rueda	Vice-chair, Chief Financial Officer (CFO)	8 April 1964	Male	Spanish	1 March 2014, reappointment 31 May 2018	2022*	8 years

\* Term of appointment will end at the close of the AGM of NN Group on 19 May 2022. The Supervisory Board intends to reappoint Delfin Rueda as member of the Executive Board as from the close of the AGM up to 1 July 2022, after notification to the General Meeting of NN Group at the AGM on 19 May 2022. The Supervisory Board also has the intention to designate Delfin Rueda again as CFO and as a result as vice-chair of the Executive Board for the same term. With the reappointment of Delfin Rueda, his membership and vice-chairmanship of the Management Board of the Company also continues for the same term.

On 12 October 2021, it was announced that the Supervisory Board intends to appoint Annemiek van Melick as Delfin Rueda's successor for a term of four years. Her appointment will be effective as of 1 July 2022, after notification to the General Meeting of NN Group at the AGM on 19 May 2022. Annemiek van Melick will join NN Group as of 1 June 2022 as member of the Management Board.

**David Knibbe** was appointed to the Executive Board and designated as Chief Executive Officer of NN Group and chair of the Executive Board effective 1 October 2019. He is responsible for the business strategy, performance and day-to-day operations of NN Group. Mr Knibbe has been a member of the Management Board since 7 July 2014. On 1 September 2014, Mr Knibbe was appointed Chief Executive Officer Netherlands. In this role Mr Knibbe was responsible for NN Group's insurance and banking business in the Netherlands and leading the integration of NN and Delta Lloyd. From 2013 until 2014, he served as Chief Executive Officer of ING Insurance

International. In 2013, he became member of the NN Group Operating Committee. From 2011 to 2013, he served as Chief Executive Officer of ING Insurance Central and Rest of Europe. During 2010, Mr Knibbe was Chief Executive Officer Insurance Corporate Clients in the Netherlands. From 2007 to 2008, Mr Knibbe was General Manager of Nationale-Nederlanden Individual Life (retail life and individual pensions), which then became Intermediary Pensions and Retail Life with the addition of the SME pensions business in 2008. In 2009, Mr Knibbe became General Manager Pensions with the addition of corporate pensions and removal of retail

life from his area of responsibility. Prior to that, from 2004 to 2007, Mr Knibbe was Director Disability and Accident Insurance of Nationale-Nederlanden. From 2002 to 2004, he was Managing Director of ING's life insurance and employee benefits joint venture with Piraeus Bank in Greece. Mr Knibbe was Head of Investments of Central-Holland of ING Bank from 2000 to 2002. Mr Knibbe started his professional career in 1997 when he joined ING, serving in various positions in investment management and banking. Mr Knibbe was chair of the board of the Dutch Association of Insurers (Verbond van Verzekeraars) from 9 December 2015 until 20 June 2018.

## Corporate governance continued

From 20 July 2018 until 18 December 2019, he was vice-chair of the Dutch Association of Insurers. Mr Knibbe holds a Master's degree in monetary economics from the Erasmus University in Rotterdam (the Netherlands).

Furthermore, Mr Knibbe is member of the board and treasurer of the Confederation of Netherlands Industry and Employers (VNO-NCW), as well as member of the Federative Board VNO-NCW and MKB NL. He is also member of the board of the Johan Cruyff Foundation and member of the advisory board of JINC. On 26 April 2021, Mr Knibbe became member of the Pan European Insurance Forum. As from 1 July 2021, he is also member of the World Economic Forum's Alliance of CEO Climate Leaders and Governors meeting Financial Sector, and on 7 December 2021, he joined the supervisory board of Stichting Erasmus Trustfonds.

**Delfin Rueda** was appointed to the Executive Board as Chief Financial Officer on 1 March 2014. As from 7 July 2014, he serves as vice-chair of the Executive Board. On 31 May 2018, he was reappointed as member of the Executive Board and again designated Chief Financial Officer of NN Group and vice-chair of the Executive Board. Mr Rueda is responsible for NN Group's finance departments and investor relations. From 1 October 2013 until the legal merger between NN Group and ING Verzekeringen, which became effective on 1 March 2014, he was member of the management board and Chief Financial Officer of ING Verzekeringen. Mr Rueda served as Chief Financial Officer and as member of the management board of ING Insurance Eurasia from 1 November 2012 until 7 July 2014. Prior to joining ING in November 2012, Mr Rueda served as Chief Financial and Risk Officer and as member of the management board at Atradius from 2005 to 2012. From 2000 to 2005, Mr Rueda served as Senior Vice-president of the Financial Institutions Group, Corporate Finance, at J.P. Morgan. Prior to that, from 1993 to 2000, he was Executive Director of the Financial Institutions Group, Corporate Finance, at UBS. Mr Rueda began his career with Andersen Consulting, which later became Accenture, where he undertook different advisory assignments in information systems and strategic management services from 1987 to 1991.

Mr Rueda holds a Master's degree in economic analysis and quantitative economics from the Complutense University of Madrid (Spain) and an MBA with a finance major from the Wharton School, University of Pennsylvania (USA). Besides being member of the Executive Board, Mr Rueda is supervisory board member and chair of the audit committee of the supervisory board of Adyen N.V. and member of the Supervisory Committee of Alma Mundi Insurtech Fund. Mr Rueda also serves as chair of the CFO Forum and is non-executive director of Allfunds Group Plc and Allfunds Bank S.A.U.

### Remuneration

Information on the remuneration policy for members of the Executive Board and on their individual remuneration can be found in the Remuneration Report, on page 112.

### Management Board

#### Role and duties

The Management Board is entrusted with the day-to-day management and the overall strategic direction of NN Group. In performing its duties, the Management Board must carefully consider and act in accordance with the interests of NN Group and the business connected with it, taking into consideration the interests of all stakeholders of NN Group. The authority to manage NN Group is vested in the Executive Board as a whole, notwithstanding that each of the members of the Management Board is responsible and accountable to the Executive Board and within the Management Board for the specific tasks as assigned. Being comprised of the Executive Board members as well as key leaders with a divisional or functional responsibility, the Management Board allows for integral and holistic decision-making at the highest level of NN Group with functions, the businesses and Executive Board members represented. Besides providing balanced, effective and timely decision-making, NN Group having a Management Board also provides for flexibility in terms of composition, allocation of tasks and responsibilities and required knowledge. In supervising the functioning of NN Group's corporate governance structure, including its checks and balances, the Supervisory Board pays specific attention to the dynamics and relationship between the Executive Board and the Management Board as well as the manner

in which the Management Board operates. The Supervisory Board will be provided with all the information necessary for the proper performance of this duty. In principle, members of the Management Board are present at meetings with the Supervisory Board where topics are discussed that relate to their area of responsibility. Next to that, the Supervisory Board regularly meets with the full Management Board. The organisation, role, duties and working methods of the Management Board are detailed in the charter of the Management Board, which is available on the NN Group website.

### Composition, appointment and removal

The Management Board consists of the members of the Executive Board and other such members as appointed by the Executive Board after consultation with the Supervisory Board. The number of members of the Management Board is determined by the Executive Board. Guiding principles for the appointment of members and the composition of the Management Board are provided in the profile of the Executive Board and Management Board which includes the diversity policy for the composition of these boards. The profile including the diversity policy is available on the NN Group website.

The members of the Management Board may be suspended and removed by the Executive Board after consultation with the Supervisory Board.

Information about the members of the Management Board who are also members of the Executive Board, David Knibbe and Delfin Rueda, can be found under 'Executive Board – Composition', on page 97.

## Corporate governance continued

As at 31 December 2021, the Management Board consisted of the following persons:

Name	Position	Date of birth	Gender	Nationality	Appointment	Tenure
David Knibbe	Chair, Chief Executive Officer (CEO) (as of 1 October 2019)	15 March 1971	Male	Dutch	7 July 2014	7 years
Delfin Rueda	Vice-chair, Chief Financial Officer (CFO)	8 April 1964	Male	Spanish	7 July 2014	7 years
Tjeerd Bosklopper	CEO Netherlands Non-life, Banking & Technology (as of 1 June 2020)	3 March 1975	Male	Dutch	1 September 2018	3 years
Bernhard Kaufmann	Chief Risk Officer (CRO)	19 April 1969	Male	German	1 June 2020	1 year
Dailah Nihot	Chief Organisation & Corporate Relations	12 June 1973	Female	Dutch	1 September 2018	3 years
Leon van Riet	CEO Netherlands Life & Pensions	2 September 1964	Male	Dutch	1 June 2020	1 year
Fabian Rupprecht	CEO International Insurance	22 December 1969	Male	German and Swiss	1 September 2018	3 years
Janet Stuijt	General Counsel	26 September 1969	Female	Dutch	1 September 2018	3 years

**Satish Bapat** was appointed to the Management Board as CEO NN Investment Partners on 1 April 2017 and stepped down on 19 August 2021.

**Tjeerd Bosklopper** was appointed CEO Netherlands Non-life, Banking & Technology as of 1 June 2020. In this role he is responsible for the Dutch Non-life and Banking business segments, Customer & Commerce, the Strategic Transformation Office and IT. Mr Bosklopper was CEO Netherlands ad interim from 17 December 2019 until 1 June 2020. Mr Bosklopper was appointed to the Management Board as Chief Transformation Officer on 1 September 2018. In 2018, Mr Bosklopper was Head of Integration of Nationale-Nederlanden Netherlands and Belgium. From 2015 to 2018, Mr Bosklopper was Head of Individual Life at NN Group in the Netherlands. From 2012 to 2015, Mr Bosklopper was Chief Executive Officer at Nationale-Nederlanden Life & Pensions in Poland. From 2010 to 2012, he was Chief Information & Transformation Officer at Nationale-Nederlanden Netherlands. From 2006 to 2010, he was Director Product Management at Nationale-Nederlanden Non-life Netherlands. From 2004 to 2006, Mr Bosklopper was Executive Vice-president and Chief Marketing Officer at ING Life South Korea. From 2003 to 2004, he was Project Manager at ING Aetna Life Indonesia. From 2001 to 2003, he was Regional e-business Manager at ING Group's regional office in Hong Kong.

From 1999 to 2001, he participated in the Global Management Programme (GMP) at ING Group. Mr Bosklopper holds a Master of Science in Business Information Technology from the University of Twente (the Netherlands). Besides being member of the Management Board, Mr Bosklopper is chair of the board of the Dutch Association of Insurers (Verbond van Verzekeraars) and member of the Steering Committee of SchuldenlabNL.

**Bernhard Kaufmann** was appointed Chief Risk Officer and member of the Management Board of NN Group as of 1 June 2020. In this role he is responsible for the overall risk framework with direct responsibility for the risk management departments. He is also responsible for the Actuarial function, reinsurance and procurement globally. From 2014 to 2020, Mr Kaufmann was Group Chief Risk Officer and Chief Risk Officer Reinsurance at Munich Re Group. From 2008 to 2013, he was Chief Risk Officer at ERGO Insurance Group. From 2000 to 2008, Mr Kaufmann worked at Munich Re Group holding various roles. From 2007 to 2008, he was Head of Treasury, from 2004 to 2007, he was Head of Asset Liability Management and from 2000 to 2004, he was Senior Consultant Financial Projects and Credit Risk Manager. From 1999 to 2000, Mr Kaufmann was Credit Risk Manager at HypoVereinsbank (UniCredit). From 1995 to 1999, he worked as a researcher in the Physics Department at the Technical University of Munich

(Germany). Mr Kaufmann holds a PhD (Dr. rer. nat.) in theoretical physics, from the Technical University of Munich (Germany), an intermediate diploma in economics from the University of Hagen (Germany), and a diploma in theoretical physics from the Technical University of Munich (Germany). Besides being member of the Management Board, Mr Kaufmann is member of the CRO Forum and member of the Supervisory Committee of Alma Mundi Insurtech Fund. As from 26 January 2022, he participates in the CRO Roundtable of the European Central Bank.

**Dailah Nihot** was appointed Chief Organisation & Corporate Relations and member of the Management Board as of 1 September 2018. Ms Nihot is responsible for human resources, corporate communications, sustainability and corporate citizenship, branding and sponsorship, public and government affairs, and facility management. From 2013 to 2018, she was Managing Director of Corporate Relations for NN Group. Prior to this, from 2006 to 2013, she was Global Head of Sustainability, and Director of the former ING for Something Better Foundation at ING Group, which focused on ING Group's global ethical, social and environmental strategy and performance. Ms Nihot started her professional career in the external communications department of ING Group, and was a corporate spokesperson and strategic communications advisor from 2001 to 2006. Ms Nihot serves as management

## Corporate governance continued

representative in the Central Works Council of NN Group (Central Works Council). She holds a Master's degree in European Studies from the University of Amsterdam (the Netherlands) and an Executive Master in Corporate Communication from the RSM Erasmus University in Rotterdam (the Netherlands).

**Leon van Riet** was appointed CEO Netherlands Life & Pensions and member of the Management Board of NN Group as of 1 June 2020. In this role, he is responsible for the Life and Pension businesses in the Netherlands. Mr Van Riet was CEO of Nationale-Nederlanden Non-life in the Netherlands from 2017 to May 2020. From 2016 to 2017, he was a member of the Board of Directors of Delta Lloyd, responsible for Delta Lloyd Life Insurance, BeFrank N.V., Information Technology & Services, Concern Relations, Delta Lloyd Asset Management, KMD (Digital) and Delta Lloyd Life Belgium. From 2010 to 2016, he was Chief Executive Officer Delta Lloyd Life in the Netherlands. From 2007 to 2010, he was Chief Information Officer and Chief Information Technology at Delta Lloyd Group. From 1999 to 2007, Mr Van Riet was Chief Information Officer, Chief of Information Communications Technology and E-Business at Delta Lloyd Insurance. From 1997 to 1999, he was Director of Information Technology and Chain Logistics for Brocacef. From 1994 to 1997, he was a senior manager at KPMG Management Consulting. From 1993 to 1994, he was a project manager and consultant at Encompass Europe NV. From 1986 to 1993, he was a Senior Organisation Advisor at KPMG Management Consulting. Mr Van Riet holds a degree in electrical engineering from Delft University of Technology (TU Delft, the Netherlands).

**Fabian Rupprecht** was appointed as CEO International Insurance and member of the Management Board as of 1 September 2018. Mr Rupprecht is responsible for NN Group's insurance businesses outside the Netherlands: Insurance Europe, Japan Life and Japan Closed Block VA businesses. From 1996 to 2018, Mr Rupprecht worked for AXA. From 2016 to 2018, he was Chief Executive Officer Middle East & Africa, and Regional Chief Financial Officer and member of the regional executive committee at AXA Emerging Markets (CEE, MEA, LATAM). From 2013 to 2016, he was Regional Chief Financial Officer at AXA Mediterranean Holding, and member of the regional executive committee. From 2010 to 2013, he was Head of AXA Global Life, and member of the Global Life & Health board. From 2008 to 2010, he was Head of Individual Life, and member of the executive board of AXA-Winterthur. From 2001 to 2007, he was Head of Life & Annuity Offer at AXA Germany. From 1998 to 2000, Mr Rupprecht was Head of EquiVest Product Management at The Equitable Life Assurance (AXA) USA. From 1996 to 1998, he served as Head of Accounting for Health & Life Insurance at Colonia Konzern AG (AXA/UAP). From 1994 to 1996, he was assistant to the executive board at Colonia Konzern AG (UAP). Mr Rupprecht holds a Diploma in Business Administration, with majors in finance and controlling, from the WHU Otto Beisheim School of Management (Koblenz, Germany).

**Janet Stuijt** was appointed to the Management Board as General Counsel as of 1 September 2018. Ms Stuijt is responsible for NN Group's legal function and compliance function and holds the position of Company Secretary. Ms Stuijt joined ING Verzekeringen in 2011 in that same capacity. From 2008 to 2010, she was General Counsel Commercial Banking at ING Group. From 1998 to 2008, Ms Stuijt held various senior (global) management positions within ABN AMRO's legal department, primarily relating to ABN AMRO's corporate strategic and investment banking activities. In 1998, she was Regional Legal Counsel at ABN AMRO's regional office in Singapore. From 1993 to 1997, Ms Stuijt practised law as an associate at Loeff Claeys Verbeke/Allen Overy, Singapore office (1997) and De Brauw Blackstone Westbroek (1993–1997). Ms Stuijt holds a Master's in

Civil law, from the University of Leiden (the Netherlands). Since 2016, she has been member of the supervisory board of N.V. Nederlandse Spoorwegen and member of its risk & audit committee and chair of its nomination & remuneration committee.

### Supervisory Board

#### Duties

The Supervisory Board is responsible for supervising the management of the Executive Board and the general course of affairs of NN Group and its businesses. The Supervisory Board may, on its own initiative, provide the Executive Board with advice and may request any information from the Executive Board that it deems appropriate. In performing its duties, the Supervisory Board must carefully consider and act in accordance with the interests of NN Group and the business connected with it, taking into consideration the relevant interests of all stakeholders of NN Group. The organisation, duties and working methods of the Supervisory Board are detailed in the charter of the Supervisory Board. The charter is available on the NN Group website.

#### Appointment, removal and suspension

The members of the Supervisory Board are appointed by the General Meeting upon nomination of the Supervisory Board. The General Meeting and the Central Works Council may recommend candidates for nomination to the Supervisory Board. The Supervisory Board must simultaneously inform the General Meeting and the Central Works Council of the nomination. The nomination must state the reasons on which it is based. The Supervisory Board is required to nominate one-third of the Supervisory Board members on the enhanced recommendation (*versterkt aanbevelingsrecht*) of the Central Works Council, unless the Supervisory Board objects to the recommendation on the grounds that the recommended candidate is not suitable to fulfil the duties of a member of the Supervisory Board or that the Supervisory Board will not be properly composed if the nominated candidate is appointed.

## Corporate governance continued

The General Meeting may reject the nomination of a Supervisory Board member by an absolute majority of the votes cast by shareholders representing at least one-third of NN Group's issued share capital. If the General Meeting resolves to reject the nomination by an absolute majority of the votes cast, but this majority does not represent at least one-third of NN Group's issued share capital, a new meeting can be convened in which the nomination can be rejected by an absolute majority of the votes cast, irrespective of the part of NN Group's issued share capital represented. If the General Meeting resolves to reject the recommendation, the Supervisory Board will then prepare a new nomination. If the General Meeting does not appoint the person nominated by the Supervisory Board and does not resolve to reject the nomination, the Supervisory Board will appoint the person nominated.

A member of the Supervisory Board is appointed for a maximum period of four years. A Supervisory Board member can be reappointed once for a term of four years. A Supervisory Board member can subsequently be reappointed again for a

period of two years, which appointment can be extended by at most two years. In the event of a reappointment after an eight-year period, such reappointment shall be adequately motivated in the Supervisory Board Report. The members of the Supervisory Board retire periodically in accordance with a rotation schedule drawn up by the Supervisory Board. The rotation schedule is available on the NN Group website.

The Supervisory Board may suspend a member of the Supervisory Board. The suspension will lapse by law if NN Group has not submitted a petition to remove the suspended member of the Supervisory Board to the Enterprise Chamber of the Amsterdam Court of Appeal (Ondernemingskamer van het Gerechtshof te Amsterdam) within one month after commencement of the suspension. The General Meeting can, by an absolute majority of votes cast, representing at least one-third of the issued share capital, resolve to abandon its trust (het vertrouwen opzeggen) in the entire Supervisory Board. A resolution to remove the Supervisory Board for lack of confidence cannot be

adopted until the Executive Board has notified the Central Works Council of the proposal for the resolution and the reasons therefore.

If the General Meeting removes the Supervisory Board members for lack of confidence, the Executive Board must request the Commercial Division of the Amsterdam Court of Appeal to temporarily appoint one or more Supervisory Board members.

### Composition

The Supervisory Board must consist of three or more members, with the total number of members of the Supervisory Board determined by the Supervisory Board. As at 31 December 2021, the Supervisory Board consisted of nine members, who are all independent within the meaning of best practice provision 2.1.8. of the Dutch Corporate Governance Code.

The profile of the Supervisory Board is available on the NN Group website.

As at 31 December 2021, the Supervisory Board consisted of the following persons:

Name	Position	Date of birth	Gender	Nationality	Appointment	Termination/ reappointment	Tenure
Inga Beale	Member	15 May 1963	Female	British	20 May 2021	2025	less than 1 year
David Cole	Chair (as of the close of the AGM on 29 May 2019)	2 October 1961	Male	Dutch and American	1 January 2019	2022	3 years
Heijo Hauser	Member	23 June 1955	Male	German	7 July 2014, reappointment 31 May 2018	2022	7 years
Robert Jenkins	Member	17 January 1951	Male	American	2 February 2016, reappointment 28 May 2020	2024	6 years
Rob Lelieveld	Member (recommended by Central Works Council)	29 September 1962	Male	Dutch	1 September 2021	2025	less than 1 year
Cecilia Reyes	Member	3 February 1959	Female	Filipino and Swiss	20 May 2021	2025	less than 1 year
Hans Schoen	Member (recommended by Central Works Council)	2 August 1954	Male	Dutch	7 July 2014, reappointment 31 May 2018	2022	7 years
Clara Streit	Member	18 December 1968	Female	German and American	1 June 2017, reappointment 28 May 2020	2024	4 years
Hélène Vletter-van Dort	Vice-chair (as of the close of the AGM on 28 May 2020) (recommended by Central Works Council)	15 October 1964	Female	Dutch	6 October 2015, reappointment 29 May 2019	2023	6 years

## Corporate governance continued

**Inga Beale** was appointed to the Supervisory Board on 20 May 2021. From 2014 until 2018, Ms Beale served as chief executive officer of Lloyd's of London. From 2012 until 2013, she worked for Canopus Group Ltd as group chief executive officer. Other previous positions include member of group management of Zurich Insurance Group Ltd, chief executive officer of (former) Converium Holding AG and chief executive officer of continental Europe at GE Insurance Solutions. Ms Beale also served as chair of the UK HIV commission, as an advisor for NTT data UK Ltd and as non-executive deputy chair of London First. In addition to being member of the Supervisory Board, Ms Beale is non-executive chair of the board at Mediclinic International plc and non-executive director of Crawford & Company. As from January 2022, she is also member of the Board of Willis Towers Watson.

**David Cole** was appointed to the Supervisory Board on 31 May 2018, which became effective on 1 January 2019. As of the close of the AGM on 29 May 2019, he serves as chair of the Supervisory Board. Mr Cole was chief financial officer and chief risk officer of Swiss Re Ltd., chief financial officer and chief risk officer of (former) ABN AMRO Holding (Bank) N.V., member of the board of directors of FWD Group Management Holdings Ltd and member of the board of directors of Swiss Re Corporate Solutions Brazil. Besides being member of the Supervisory Board, Mr Cole's positions include member of the board of directors of Vontobel Holding AG (Zürich), member of the board of directors of Swiss Re Asia Pte. Ltd (Singapore) and chair of the supervisory board of IMC B.V.

**Heijo Hauser** was appointed to the Supervisory Board as of 7 July 2014. He was reappointed on 31 May 2018. From January 1991 until June 2011, Mr Hauser was managing director of Towers Watson in Germany. He specialised in providing consulting services to insurance companies in areas such as strategy, distribution, product and risk management. He also managed Towers Watson's businesses in the German-speaking, Nordic and Central European countries. From September 1987 until December 1990, Mr Hauser was managing director of the travel and financial services subsidiaries of Metro in Germany.

Other previous positions include sales director of Deutsche Krankenversicherung and marketing actuary of Victoria Lebensversicherung. Mr Hauser holds a Master's degree in mathematics from the Ruhr University of Bochum (Germany). Besides being member of the Supervisory Board, Mr Hauser is chair of the board of Freundeskreis Elisabeth-Hospiz e.V.

**Robert Jenkins** was appointed to the Supervisory Board on 6 October 2015, which became effective on 2 February 2016. He was reappointed on 28 May 2020. Since 2009, he is adjunct professor of finance at London Business School where he teaches investment management. He is also member of the CFA Institute's the Future of Finance Advisory Council. From 2014 to 2016, he was founding chair of the AQR Asset Management Institute at LBS. From September 2013 through September 2019, Mr Jenkins was member of the board of governors of CFA Institute. During his tenure he served as chairman of the board, chair of the audit and risk committee, chair of the remuneration committee and chair of the nominations committee. From 2009 until 2014, Mr Jenkins was a senior advisor to CVC Capital Partners and from 2011 until 2013, he was an external independent member of the interim Financial Policy Committee of the Bank of England. Mr Jenkins has served as chair of the Investment Management Association, UK, chair of the board of F&C Asset Management, plc (non-executive) and chief executive officer of the F&C Group. Other former positions include chief operating officer of Credit Suisse Asset Management Holding, UK, chief investment officer and head of asset management at Credit Suisse, Japan, and senior vice-president at Citigroup with executive assignments in the Middle East, Switzerland, United States and Japan. He was senior fellow at Better Markets, Washington, D.C. and strategic advisor to Carbon Cap Mgt LLP.

**Rob Lelieveld** was appointed to the Supervisory Board on 20 May 2021, effective 1 September 2021. He was appointed pursuant to the enhanced recommendation right of the Central Works Council. From September 1980, Mr Lelieveld worked at EY, becoming partner in 1996. He served as external auditor for many corporates across different sectors, with a primary focus on the insurance industry. Until 30 June 2021, Mr Lelieveld chaired the managing board of EY Accountants in the Netherlands and was member of the board of directors of EY in the Netherlands. Mr Lelieveld holds a degree in accountancy but deregistered as a chartered accountant from the register of accountants held by the Koninklijke Nederlandse Beroepsorganisatie van Accountants (NBA) when he left EY in June 2021. From 1996 to 2004, Mr Lelieveld was member of supervisory board of the Richard Krajicek Foundation. In addition to being member of the Supervisory Board, Mr Lelieveld is supervisory board member and chair of the audit committee of the supervisory board of the Mauritshuis (The Hague).

**Cecilia Reyes** was appointed to the Supervisory Board as of 20 May 2021. From January 2001 until February 2018, Ms Reyes worked at Zurich Insurance Group Ltd. where she served as group chief investment officer and more recently as group chief risk officer. In both roles, Ms Reyes was member of the group executive committee from April 2010 until her retirement from the company in February 2018. From 1997 to 2000, Ms Reyes held several risk positions at ING Groep N.V. From August 1995 to 1996, she worked as a consultant in financial engineering and risk. From April 1990 to July 1995, Ms Reyes worked for Credit Suisse in a variety of roles in asset management, global treasury and securities trading. Ms Reyes holds a bachelor of science in Industrial Engineering from the University of Manila, an MBA in Finance from the University of Hawaii, and a PhD in finance from London Business School. In addition to being member of the Supervisory Board, Ms Reyes is non-executive director and member of the risk and capital committee and the remuneration committee at Standard Life Aberdeen plc. She also serves as managing director of PIONEER Management Services GmbH.

## Corporate governance continued

**Hans Schoen** was appointed to the Supervisory Board as of 7 July 2014. He was reappointed on 31 May 2018. He is considered as appointed pursuant to the enhanced recommendation right of the Central Works Council as of 12 April 2020. From September 1977 until October 2008, Mr Schoen worked at KPMG Accountants and was a partner as of January 1989. He specialised in providing audit and advisory services to domestic and foreign insurance companies. Other former significant positions of Mr Schoen include member and chair of several insurance industry committees of the NIVRA and the Dutch Accounting Standards Board, member of the governmental advice committee Traas in respect of the financial and prudential reporting obligations of Dutch insurance companies, member of several advisory committees of the IASC/IASB on insurance company financial reporting requirements and member and part-time acting director of research of the Technical Expert Group of EFRAG in Brussels (Belgium). Until 27 April 2016, Mr Schoen served as chair of the EFRAG Insurance Accounting Working Group. Mr Schoen holds a degree in economics and a postdoctoral degree in accountancy from the University of Amsterdam (the Netherlands). In September 2015, he received a PhD from the Vrije Universiteit (VU) Amsterdam (the Netherlands).

**Clara Streit** was appointed to the Supervisory Board on 1 June 2017. She was reappointed on 28 May 2020. Mr Streit is former member of the supervisory board of Delta Lloyd N.V. She was senior partner at McKinsey & Company Inc. in Munich and Frankfurt. Until 12 April 2018, she was member of the board of directors of Unicredit S.p.A (Milan). Positions currently held by Ms Streit include membership of the board of directors of Vontobel Holding AG (Zürich) and membership of the supervisory board of Vonovia SE (Düsseldorf). Ms Streit is also a member of the board of directors of Jerónimo Martins SGPS S.A. (Lisbon), member of the supervisory board of Deutsche Börse AG (Frankfurt).

**Hélène Vletter-van Dort** was appointed to the Supervisory Board on 6 October 2015 pursuant to the enhanced recommendation right of the Central Works Council. She was reappointed on 29 May 2019. As of the close of the AGM on 28 May 2020, Ms Vletter-van Dort serves as vice-chair of the Supervisory Board. In addition to being member of the Supervisory Board, Ms Vletter-van Dort's positions include professor of financial law & governance at the Erasmus School of Law, chair of the supervisory board of Intertrust N.V., chair of the board of Stichting Luchtman and member of the supervisory board of the Netherlands Public Broadcasting (NPO). As from 21 April 2021, Vletter-van Dort also serves as supervisory board member of Anthos Fund & Asset Management B.V. Ms Vletter-van Dort is a former non-executive board member of Barclays Bank plc. Ms Vletter-van Dort also served as member of the supervisory board of the Dutch Central Bank (DNB) and chair of its committee on supervisory policy. Other previous positions include visiting research professor at New York University, professor of securities law at the University of Groningen, judge at the Enterprise Chamber of the Amsterdam Court of Appeal, lawyer at Clifford Chance in Amsterdam, member of the supervisory board of Fortis Bank Nederland (Holding) N.V. and Fortis Bank (Nederland) N.V., chair of the Appeal Panel of the Single Resolution Board and member of the Monitoring Committee Corporate Governance Code.

More information on the composition of the Supervisory Board can be found in the Report of the Supervisory Board, on page 85.

### Remuneration

Information on the remuneration of the members of the Supervisory Board can be found in the Remuneration Report, on page 122.

### Committees of the Supervisory Board

The Supervisory Board has established four committees: the Audit Committee, the Risk Committee, the Remuneration Committee, and the Nomination and Corporate Governance Committee.

The organisation, duties and working methods of the Supervisory Board committees are detailed in a separate charter for each committee. These charters are available on the NN Group website. Information on the duties and responsibilities of the respective committees and their composition can also be found in the Report of the Supervisory Board on pages 90-96.

### Sustainability governance

The Executive Board's responsibilities include the formulation and execution of the company's strategy in line with its view on long-term value creation. In 2020/2021 NN has further disclosed more detailed strategic commitments and financial and non-financial targets as part of the overall strategy (see Our strategy and performance) that also include environmental, social and governance (ESG) matters.

The strategy pursued by the Executive Board is supervised by the Supervisory Board. Each Supervisory Board Committee covers the sustainability matters that fall within its responsibilities and area of expertise, which is included in the reporting of the main points of discussion and resulting recommendations to the Supervisory Board. In this way an integrated approach with regards to sustainability matters at Supervisory Board level is safeguarded.

The Management Board's responsibility for NN Group's day-to-day management and overall strategic direction includes the setting and achievement of NN Group's objectives, and the ESG aspects that are relevant to NN Group. Within the Management Board, the Chief Organisation & Corporate Relations (COCR), who reports to the CEO, has Corporate Citizenship, including sustainability, in her portfolio. The COCR is the sponsor for any sustainability, climate or responsible investment related topics that are discussed in the Management Board. The Chief Risk Officer (CRO), also a member of the Management Board and reporting to the CEO, is entrusted with the day-to-day responsibility for NN Group's risk management function. The CRO is tasked to ensure both the Management Board and the Supervisory Board are at all times informed of and understand the material risks to which NN is exposed. This includes risks related to sustainability matters, including climate change.

## Corporate governance continued

He is the sponsor of the NN Group annual Own Risk & Solvency Assessment (ORSA), in which outcomes of scenario analyses including climate change are evaluated. In addition to this, each of the other Management Board members are responsible for promoting and integrating sustainability into their respective businesses or functions where relevant. In order to ensure that NN Group adheres to regulation in the field of ESG, the Risk and Compliance functions are tasked to oversee proper implementation and monitor ongoing compliance.

To advise the Management Board on the implementation of the overall sustainability approach, NN Group employs a dedicated Corporate Citizenship team. This team works closely together with the different businesses and functions to steer and advise on the embedding of ESG aspects as part of the implementation of the overall strategy.

NN Group also has a Purpose Council, consisting of several Management Board members, heads of relevant staff departments and business representatives, which is chaired by the COCR, and sponsored by the CEO. The Purpose Council supports the Management Board in steering, measuring and reporting on non-financial issues. The performance on the non-financial KPIs, including those related to our strategic commitments on Customers and distribution, People and organisation and Society, is reported via a Strategy dashboard which is discussed in the Purpose Council and subsequently in the Strategy and Transformation meetings of the Management Board on a quarterly basis. The Purpose Council performs an advisory, consultative and preparatory role with regard to purpose-related areas such as sustainability and ESG matters.

As a large international financial services company, NN Group believes that it can make a real contribution to the transition to a sustainable economy through investing its assets responsibly. The company's approach to integrate ESG factors in its investment process is described in NN Group's Responsible Investment Framework policy. For a description of the Responsible Investment governance structure, reference is made to the TCFD report on page 66.

### Diversity and inclusion

NN Group aims to have an adequate and balanced composition of its Executive Board, Management Board and Supervisory Board. In order to ensure such composition at all times, several relevant selection criteria are balanced and (re)appointments to these boards are made on the basis of harmonised policies and visions of the various corporate bodies of NN Group and in accordance with legal and regulatory requirements. Both the profile of the Executive Board and Management Board and the profile of the Supervisory Board include a diversity policy. The guiding principles included in the profiles are taken into account when (re)appointing board members.

NN Group aims to have a gender balance of at least 40% women and 40% men for its Executive Board. Given the fact that this board consists of only two members, this target requires an Executive Board consisting of one female and one male. In 2021, the Executive Board consisted of two male members. However, with the intended succession of Delfin Rueda as Executive Board member and CFO of NN Group by Annemiek van Melick, the composition of the Executive Board will be 50% female and 50% male, effective as from 1 July 2022.

For the Management Board, NN Group aims to have a gender balance of at least 40% of both women and men. Since 19 August 2021, the composition of the Management Board is 25% female and 75% male. As from 1 July 2022, this composition will be 37.5% female and 62.5% male.

In 2021, the composition of the Supervisory Board already met the statutory diversity quota of at least one-third for both women and men on supervisory boards of listed companies, which is effective as from 1 January 2022. As from 1 September 2021, the composition of the Supervisory Board is 44% female and 56% male.

In future appointments of board members, NN Group will continue to take into account all applicable laws and regulations and relevant selection criteria including but not limited to executive experience, experience in corporate governance of large stock-exchange listed companies, and experience

in the political and social environment in which such companies operate. In the selection of the members of the Executive Board and the Management Board, whether or not considered as a whole, and in the selection of the members of the Supervisory Board, there will be a balance in terms of nationality, gender, age, experience, education and work background. In addition, there will be a balance in the affinity with the nature and culture of the business of the company and its subsidiaries.

NN Group has also set a target to have at least 40% women in senior management positions by 2023. In 2021, these positions included the Management Board and managerial positions reporting directly to a Management Board member. In 2022 we will extend the scope of the target group by including more positions in the Dutch and Insurance International business units to further improve and strengthen the impact of our gender diversity ambition. The target group will therefore be extended to include all managerial positions reporting directly to the business unit CEOs.

Talent management, succession planning and the NN Group Statement on Diversity and Inclusion are key instruments in our approach and are part of the Human Capital Development processes of NN Group.

We believe our company is strongest when we embrace the full spectrum of humanity. Regardless of what we look like, where we come from, or who we love. That is why NN Group takes a stand for diversity, inclusion and equal opportunities for all. When people inside of our company represent the people outside our company, we can be more responsive to what they expect, want and need, also in changing circumstances. After all, change is a constant factor in our lives, also in the financial sector. Apart from a diverse composition of our Executive, Management and Supervisory boards, the members of these boards attended a Diversity & Inclusion training as part of the 2021 NN Group Permanent Education Programme, in order to be able to knowledgeably contribute to the company's diversity and inclusion efforts.

More information can be found in the Diversity and inclusion section on page 38 of the 2021 Annual Report.

## Corporate governance continued

### Conflicts of interest

No transactions were entered into in 2021 in which there were conflicts of interest with Executive Board members and/or Supervisory Board members that are of material significance to NN Group and/or to the relevant board members.

### General meeting

#### Frequency, notice and agenda

Each year, no later than the month of June, NN Group holds its annual general meeting. Its general purpose is to discuss the Report of the management board, advise on the Remuneration Report, adopt the annual accounts, release the members of the Executive Board and the members of the Supervisory Board from liability for their respective duties, appoint and reappoint members of the Supervisory Board, decide on the dividend to be declared, if applicable, and decide on other items that require shareholder approval under Dutch law. Extraordinary general meetings are held whenever the Supervisory Board or the Executive Board deems such to be necessary. In addition, one or more shareholders who jointly represent at least 10% of the issued share capital of NN Group may, on application, be authorised by the court in interlocutory proceedings of the district court to convene a general meeting.

General meetings are convened by a public notice via the NN Group website no later than on the 42nd day before the day of the general meeting. The notice includes the place and time of the meeting and the agenda items. Shareholders who, alone or jointly, represent at least 3% of the issued share capital of NN Group may request to place items on the agenda, provided that the reasons for the request are stated therein and the request is received by the chair of the Executive Board or the chair of the Supervisory Board in writing at least 60 days before the date of the general meeting.

#### Admission to the general meeting

Each holder of shares in the share capital of NN Group entitled to vote, and each other person entitled to attend and address the general meeting, is authorised to attend the general meeting, to address the general meeting and to exercise voting rights. For each general meeting, a statutory record date will, in accordance with Dutch law,

be set on the 28th day prior to the date of the general meeting, in order to determine whose voting rights and rights to attend and address the general meeting are vested. Those entitled to attend and address a general meeting may be represented at a general meeting by a proxy holder authorised in writing.

In view of the Covid-19 pandemic and pursuant to the Temporary Act COVID-19 Justice and Security (Tijdelijke Wet COVID-19 Justitie en Veiligheid), the 2021 AGM of NN Group was held virtually. Shareholders were able to follow the meeting via a live webcast. Questions could be submitted in advance as well as during the meeting via a video connection. Voting rights could be exercised during the meeting by electronic means or by providing an electronic proxy with voting instructions in advance.

#### Voting and resolutions

Each share in the share capital of NN Group confers the right on the holder to cast one vote. At a general meeting all resolutions must be adopted by an absolute majority of the votes cast, except in those cases in which the law or the Articles of Association require a greater majority. If there is a tie in voting, the proposal concerned will be rejected.

#### Powers of the General Meeting

The most important powers of the General Meeting are to:

- Appoint members of the Supervisory Board upon nomination of the Supervisory Board
- Recommend persons to the Supervisory Board for nomination as a member of that board
- Abandon its trust in the Supervisory Board
- Release the members of the Executive Board and the members of the Supervisory Board from liability for their respective duties
- Advise on the Remuneration Report
- Adopt the remuneration policy for the members of the Executive Board and the remuneration policy for the members of the Supervisory Board, including the remuneration for the Supervisory Board members, upon a proposal of the Supervisory Board

- Adopt the annual accounts
- Appoint the external auditor
- Approve resolutions of the Executive Board regarding important changes in the identity or character of NN Group or its business
- Issue shares, restrict or exclude pre-emptive rights of shareholders and delegate these powers to the Executive Board, upon a proposal of the Executive Board which has been approved by the Supervisory Board
- Authorise the Executive Board to repurchase shares
- Reduce the issued share capital, upon a proposal of the Executive Board which has been approved by the Supervisory Board
- Dispose the profit remaining after the payment of dividend on any outstanding preference shares and after a decision has been taken on the addition of all or part of the profits to the reserves, upon a proposal of the Executive Board which has been approved by the Supervisory Board
- Amend the Articles of Association, upon a proposal of the Executive Board which has been approved by the Supervisory Board.

### Shares and share capital

#### Classes of shares and NN Group Continuity Foundation

The authorised share capital of NN Group consists of ordinary shares and preference shares. Depositary receipts for shares are not issued with the cooperation of NN Group.

Currently, only ordinary shares are issued, while a call option to acquire preference shares is granted to the foundation Stichting Continuïteit NN Group (NN Group Continuity Foundation). The objectives of NN Group Continuity Foundation are to protect the interests of NN Group, the business maintained by NN Group and the entities with which NN Group forms a group and all persons involved therein, in such a way that the interests of NN Group and those businesses and all persons involved therein are protected to the best of its abilities, and by making every effort to prevent anything which may affect the independence and/or the continuity and/or the identity of NN Group and of those businesses in violation of the interests referred above. NN Group Continuity Foundation shall pursue its objectives, inter alia, by acquiring and holding preference shares in the share capital

## Corporate governance continued

of NN Group and by enforcing the rights, in particular the voting rights, attached to those preference shares. To this end, NN Group Continuity Foundation has been granted a call option by NN Group. According to the call option agreement concluded between NN Group and NN Group Continuity Foundation, NN Group Continuity Foundation has the right to subscribe for preference shares in the share capital of NN Group, consisting of the right to subscribe for such preference shares repeatedly. This may happen each time up to a maximum corresponding with 100% of the issued share capital of NN Group in the form of ordinary shares, as outstanding immediately prior to the exercise of the subscribed rights, less one share (which equals a maximum of 50% less one share after dilution), from which maximum shall be deducted any preference shares already placed with NN Group Continuity Foundation at the time of the exercise of the subscribed rights. NN Group Continuity Foundation qualifies as a legal entity independent from NN Group, within the meaning of section 5:71, paragraph 1, subparagraph c of the Dutch Financial Supervision Act.

As at 31 December 2021, the board of NN Continuity Foundation consisted of three members who are independent from NN Group: Marc van Gelder (chair), Hessel Lindenbergh (treasurer) and Steven Perrick (secretary).

### Issuance of shares and pre-emptive rights

The General Meeting may resolve to issue shares in the share capital of NN Group, or grant rights to subscribe for such shares, upon a proposal of the Executive Board which has been approved by the Supervisory Board. The Articles of Association provide that the General Meeting may delegate the authority to issue shares, or grant rights to subscribe for shares, to the Executive Board, upon a proposal of the Executive Board which has been approved by the Supervisory Board. If the Executive Board has been designated as the body authorised to resolve upon an issue of shares in the share capital of NN Group, the number of shares of each class concerned must be specified in such designation. Upon such designation, the duration of the designation shall be set, which shall not exceed five years. A resolution of the Executive Board to issue shares requires the approval of the Supervisory Board.

Upon the issue of new ordinary shares (or the granting of rights to subscribe for ordinary shares), each holder of ordinary shares in the share capital of NN Group has a pre-emptive right in proportion to the aggregate nominal value of his or her shareholding of ordinary shares. Holders of ordinary shares have no pre-emptive right upon (a) the issue of new ordinary shares (or the granting of rights to subscribe for ordinary shares): (i) against a payment in kind, (ii) to employees of NN Group or of a group company, or (iii) to persons exercising a previously granted right to subscribe for ordinary shares, and (b) the issue of preference shares.

Upon a proposal of the Executive Board which has been approved by the Supervisory Board, the General Meeting may resolve to limit or exclude the pre-emptive rights. According to the Articles of Association, the General Meeting may designate the Executive Board as the competent body to do so upon a proposal of the Executive Board which has been approved by the Supervisory Board. Both resolutions require a majority of at least two-thirds of the votes cast, if less than one-half of the issued share capital is represented at the general meeting. The designation to the Executive Board to resolve to limit or exclude the pre-emptive rights may be granted for a specified period of time of not more than five years and only if the Executive Board has also been designated or is simultaneously designated the authority to resolve to issue shares. A resolution of the Executive Board to limit or exclude the pre-emptive rights requires the approval of the Supervisory Board.

### Designation of the Executive Board at the 2019 and 2021 AGMs

#### Share issuance in the context of issuing Contingent Convertible Securities

On 29 May 2019, the General Meeting designated the Executive Board for a term of five years, from 29 May 2019 up to and including 28 May 2024, as the competent body to resolve, subject to the approval of the Supervisory Board, on the issuance of ordinary shares in the share capital of NN Group (including the granting of rights to subscribe for ordinary shares) upon conversion of any Contingent Convertible Securities (CCS) instruments in accordance with its terms and conditions during the term of the CCS instruments.

This authority of the Executive Board is limited to a maximum of 30% of the issued share capital of NN Group as at 29 May 2019. This designation enables the Executive Board to issue CCS instruments and to set the terms and conditions for any CCS instrument, including the limitation or exclusion of pre-emptive rights, the mechanism for the conversion and the conversion price.

#### Share issuance and limitation of pre-emptive rights

On 20 May 2021, the General Meeting designated the Executive Board for a term of 18 months, from 20 May 2021 up to and including 19 November 2022, as the competent body to resolve, subject to the approval of the Supervisory Board, on the issuance of ordinary shares in the share capital of NN Group and on the granting of rights to subscribe for such shares; and to limit or exclude the pre-emptive rights of existing shareholders with respect to such issue of ordinary shares in the share capital of NN Group and such granting of rights to subscribe for ordinary shares.

The authority of the Executive Board is limited to a maximum of 10% of the issued share capital of NN Group as at 20 May 2021.

## Corporate governance continued

### Rights issue

On 20 May 2021, the General Meeting designated the Executive Board for a term of 18 months, from 20 May 2021 up to and including 19 November 2022, as the competent body to resolve, subject to the approval of the Supervisory Board, on the issuance of ordinary shares in the share capital of NN Group and on the granting of rights to subscribe for ordinary shares by way of a rights issue. This authority of the Executive Board is limited to a maximum of 20% of the issued share capital of NN Group as at 20 May 2021. This authority to issue shares may be used for any purpose, including but not limited to safeguarding or conserving the capital position of NN Group and mergers or acquisitions.

### Acquisition of own shares

NN Group may acquire fully paid-up shares in its own share capital for no consideration (om niet) or if: (a) NN Group's shareholder's equity less the payment required to make the acquisition does not fall below the sum of called-up and paid-in share capital and any statutory reserves, and (b) the nominal value of the shares which NN Group acquires, holds or holds as pledge, or which are held by a subsidiary, does not exceed half of the issued share capital. The acquisition of its own shares by NN Group for consideration requires authorisation by the General Meeting. The authorisation is not required for the acquisition of shares for employees of NN Group or of a group company under a scheme applicable to such employees. The Executive Board may resolve, subject to the approval of the Supervisory Board, to alienate the shares acquired by NN Group in its own share capital. The resolution of the Executive Board to acquire shares in its own share capital for consideration requires the prior approval of the Supervisory Board. No voting rights may be exercised in the general meeting with respect to any share or depositary receipt for such share held by NN Group or by a subsidiary, and no payments will be made on shares which NN Group holds in its own share capital. On 20 May 2021, the General Meeting authorised the Executive Board for a term of 18 months, from 20 May 2021 up to and including 19 November 2022, to acquire in the name of NN Group, subject to the approval of the Supervisory Board, fully paid-up ordinary shares in the share capital of NN Group.

This authorisation is subject to the condition that following such acquisition the par value of the ordinary shares in the share capital of NN Group which are held by NN Group or for which NN Group holds a right of pledge, or which are held by its subsidiaries for their own account, shall not exceed 10% of the issued share capital of NN Group as at 20 May 2021. Shares may be acquired on the stock exchange or otherwise, at a price not less than the par value of the ordinary shares in the share capital of NN Group and not higher than 110% of the highest market price of the shares on Euronext Amsterdam on the date of the acquisition or on the preceding day of stock market trading.

### Cancellation of own shares

On 20 May 2021, the General Meeting adopted the proposal to reduce the issued share capital of NN Group by cancellation of ordinary shares held by NN Group in its own share capital up to a maximum of 20% of the issued share capital of NN Group as at 20 May 2021. The cancellation may be executed in one or more tranches. The number of ordinary shares to be cancelled shall be determined by the Executive Board. Capital reduction shall take place with due observance of the applicable statutory provisions and the articles of association of NN Group.

### Transfer of shares and transfer restrictions

The transfer of ordinary shares in the share capital of NN Group included in the Statutory Giro System must take place in accordance with the provisions of the Dutch Securities Giro Act (Wet giraal effectenverkeer). The transfer of shares in the share capital of NN Group not included in the Statutory Giro System requires an instrument intended for that purpose. To become effective, NN Group has to acknowledge the transfer, unless NN Group itself is a party to the transfer. The Articles of Association do not restrict the transfer of ordinary shares in the share capital of NN Group, while the transfer of preference shares in the share capital of NN Group requires the prior approval of the Executive Board. NN Group is not aware of the existence of any agreement pursuant to which the transfer of ordinary shares in the share capital of NN Group is restricted.

### Significant shareholdings

#### Substantial shareholdings, gross and net short positions

Under the Dutch Financial Supervision Act each legal and natural person having a substantial holding or gross short position in relation to the issued share capital and/or voting rights of NN Group that reaches, exceeds or falls below any one of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%, must immediately give written notice to the Dutch Authority for Financial Markets. These notifications will be made public via the Register substantial holdings and gross short positions (Register substantiële deelnemingen en bruto short posities) of the Dutch Authority for Financial Markets.

Pursuant to EU regulation No 236/2012, each legal and natural person holding a net short position representing 0.2% of the issued share capital of NN Group must report this position and any subsequent increase by 0.1% to the Dutch Authority for Financial Markets. Each net short position equal to 0.5% of the issued share capital of NN Group and any subsequent increase of that position by 0.1% will be made public via the short selling register of the Dutch Authority for Financial Markets.

In 2021, no legal or natural person held at least 10% of the shares in NN Group, therefore NN Group did not enter into any transaction with any such person.

Information on shareholders with an (indirect) holding and/or gross short position of 3% or more can be found in the Annual Report on page 43 and is deemed to be incorporated by reference herein.

## Corporate governance continued

### Dutch Corporate Governance Code

NN Group is subject to the Dutch Corporate Governance Code (Code). The application of the Code by NN Group during the financial year 2021 is described in the publication Application of the Dutch Corporate Governance Code by NN Group, dated 9 March 2022, which is available on the website of NN Group. This publication is to be read in conjunction with this chapter and is deemed to be incorporated by reference herein. The Code is available on the website of the Dutch Corporate Governance Code Monitoring Committee ([www.commissiecorporategovernance.nl](http://www.commissiecorporategovernance.nl)).

### Articles of Association

The General Meeting may pass a resolution to amend the Articles of Association with an absolute majority of the votes cast, but only on a proposal of the Executive Board, which has been approved by the Supervisory Board. NN Group's Articles of Association were last amended on 28 May 2020.

### Change of Control

NN Group is not party to any material agreement that takes effect, alters or terminates upon a change of control of NN Group following a takeover bid as referred to in article 5:70 of the Dutch Financial Supervision Act, other than a revolving credit facility agreement entered into with a syndicate of lenders. The revolving credit facility agreement includes a change of control provision which entitles the lenders to cancel the commitment under the facility and declare any outstanding amounts under the facility immediately due and payable.

The assignment contracts with the members of the Executive Board provide for severance payments, which are to become due in case of termination of the contract in connection with a public bid as defined in article 5:70 of the Dutch Financial Supervision Act. Severance payments to the members of the Executive Board are limited to a maximum of one year's fixed salary, in line with the Code and the Dutch Financial Supervision Act.

### External auditor

The external auditor is appointed by the General Meeting upon nomination of the Supervisory Board, after recommendation by the Audit Committee. On 28 May 2015, the General Meeting appointed KPMG Accountants N.V. (KPMG) as the external auditor of NN Group for the financial years 2016 through 2019. On 29 May 2019, KPMG was reappointed as the external auditor of NN Group for the financial years 2020 through 2022. It is intended to propose to the general meeting to reappoint KPMG as external auditor of NN Group with the instruction to audit the annual accounts for the financial years 2023 through 2025 at the 2022 AGM.

The external auditor may be questioned at the annual general meeting in relation to its audit opinion on the annual accounts. The external auditor will therefore attend and be entitled to address this meeting. In 2021, the external auditor attended the annual general meeting and during this meeting, he answered questions from shareholders. The external auditor also attended the meetings of the Audit Committee and the Risk Committee of the Supervisory Board in 2021, as well as the part of the meeting of the Supervisory Board in which the 2020 Annual Accounts were approved.

More information on NN Group's policy on external auditor independence is available on the website of NN Group (NN Group – Auditor information ([nn-group.com](http://nn-group.com))).

### Risk management and control systems

A description of the main characteristics of the risk management and control systems of NN Group and its group companies can be found in Note 52 'Risk management' to the Consolidated annual accounts, which is deemed to be incorporated by reference herein.

The Executive Board is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the annual accounts in accordance with generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets.
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of the annual accounts in accordance with generally accepted accounting principles (International Financial Reporting Standards as endorsed by the European Union and Part 9 of Book 2 of the Dutch Civil Code).
- Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of assets that could have a material effect on the annual accounts.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Corporate Governance Statement

This chapter, including parts of this Annual Report incorporated by reference, together with the separate publication 'Application of the Dutch Corporate Governance Code by NN Group', dated 9 March 2022, which is available on the NN Group website, also serves as the corporate governance statement referred to in section 2a of the Decree contents of the management report (Besluit inhoud bestuursverslag).

## Remuneration report

### Introduction by the chair of the Remuneration Committee

As chair of the Remuneration Committee, I am pleased to present NN Group's 2021 Remuneration report. The year 2021 was another eventful year, in which the Remuneration Committee addressed a wide range of relevant topics. In this opening statement, you will be provided with information on topics that highlighted the year and that are relevant to underline, given the importance for NN Group and its stakeholders.

### Societal and business context

During 2021 good progress has been made in executing the strategy. The year was also marked by various acquisitions and divestments. The Supervisory Board has been closely involved in these strategic initiatives. Remuneration and social aspects have been addressed appropriately, with a clear intention to always carefully consider the interests of employees, and to ensure smooth and orderly transition processes. Remuneration decisions have been taken in the context of the Covid-19 pandemic, taking into account societal aspects and relevant regulatory guidance as applicable to NN Group and its subsidiaries.

### Leadership changes

During the course of 2021, several leadership changes took place. Inga Beale, Rob Lelieveld and Cecilia Reyes were appointed as Supervisory Board members of NN Group. By appointing Rob Lelieveld and Cecilia Reyes as members of the Remuneration Committee, its composition was further strengthened.

On 12 October 2021, the Supervisory Board announced its intention to appoint Annemiek van Melick as Chief Financial Officer (CFO) and vice-chair of the Executive Board of NN Group for a term of four years after notification to the General Meeting of NN Group at the annual general meeting, to be held on 19 May 2022. Annemiek van Melick will succeed Delfin Rueda, who will leave NN Group as of 1 July 2022 after being CFO and vice-chair of the Executive Board of NN Group since 2014. We are pleased to have found a strong successor for Delfin Rueda. Annemiek van Melick joins NN Group with extensive executive experience in the financial industry, and is well-placed to help drive our strategy in the years to come. At the same time, we are extremely grateful for Delfin's commitment to NN Group over many years. The Remuneration Committee has been closely involved in the process leading up to this Executive Board leadership change.

### Important observations resulting from stakeholder consultation sessions

We were pleased with the General Meeting's positive advice on the 2020 Remuneration report at the 2021 annual general meeting. The proposal was adopted with 96.53% of the votes granted in favour. The Remuneration Committee engages in regular dialogue with our shareholders and other stakeholders with the aim to continuously improve NN Group's Remuneration Report.

On behalf of the Remuneration Committee, I have engaged in an extensive stakeholder consultation to understand their perspectives and views. Input was obtained from investors, a proxy advisor, a shareholder representative body, our Central Works Council and representatives of Dutch trade unions. During the consultation sessions, a wide range of topics were addressed. The Remuneration Committee is committed to continuing these stakeholder consultation sessions on a recurring basis.

### Linking the NN Group strategy to performance objectives and remuneration

High on the agenda for many stakeholders is a clear link between the financial and non-financial ambitions underpinning the company's strategy, the performance objectives of the Executive Board members and their remuneration awards. The Remuneration Committee has a strong belief that the objectives and remuneration of Executive Board members should be linked to the overall long-term strategy of NN Group, and our strategic commitments in the area of our customers and distribution, products and services, our people, society, and the aim to remain financially strong and seek solid long-term value creation for shareholders. As outlined in the remainder of this Remuneration Report, we have developed a clear framework which demonstrates the way we translated the strategy into objectives that underpin our annual variable remuneration awards.

### Increased focus on Environmental, Societal and Governance aspects, including climate ambitions

Embedding Environmental, Societal and Governance (ESG) aspects throughout the organisation and governance is key to achieving our ambition. During the stakeholder consultation sessions, we also observed increased focus on ESG objectives, and the belief that these should be incorporated in the objective setting and linked to variable remuneration. Related to this, stakeholders indicated that they would like to see more explicit climate-related objectives, given that the urgency for such objectives has increased in line with the public debate. ESG targets have formed part of the objectives of our Executive Board members, and were linked to their variable remuneration for many years. In 2021, environmental targets were more prominently represented and explicitly linked to the Executive Board's variable remuneration. These targets related to the contribution to the transition to a low-carbon economy and the reduction of our direct environmental footprint. Careful consideration has been given by the Remuneration Committee to ensure that we continue to deliver on our responsible investing ambitions, also in light of the announced sale of NN Investment Partners to Goldman Sachs.

## Remuneration report continued

In line with our commitment towards sustainable long-term value creation, NN Group aims to further raise the bar by introducing clear and measurable targets for the Executive Board members related to ESG, with an emphasis on climate. To support the Paris Climate Agreement, we have set a clear ambition to support the global transition towards net-zero greenhouse gas (GHG) emissions by 2050, in line with efforts to limit global warming to 1.5°C. In 2022, we will further develop the strategy to transition the proprietary portfolio to achieve net-zero GHG emissions by 2050. This will be underpinned by targets set in 2021 to decarbonise our corporate investment portfolio where we aim to reduce emissions by 25% by 2025 and 45% by 2030, compared with 2019 levels, and to increase investments in Climate Solutions by at least EUR 6 billion by 2030. We aim to further integrate ESG criteria in underwriting with focus on (acceptance) policies, product approval processes, and risk management for ESG-related risks. In addition, we are developing action plans to align insurance activities, policies and target setting with commitment and timelines of the Net-Zero Insurance Alliance, which NN Group joined in 2021. Furthermore, objectives will be in place in relation to reducing the carbon emissions of our facilities/offices and business travel by at least 35% in 2025 and at least 70% in 2030 (versus 2019), and to further embed sustainability aspects in our operations (e.g. procurement, facility management) and products and services with a focus to address societal and environmental challenges.

### Quality of disclosures on performance objectives

Stakeholders indicate that they find it increasingly important to understand the logic and measurements in relation to determined performance objectives, and encourage transparency thereof in the Remuneration Report. We have made further steps this year to provide clear and useful information in relation to the performance of the members of our Executive Board against 2021 financial and non-financial objectives and this will remain a focus area in the coming years.

### Importance of the internal pay ratio

Another important topic addressed during the stakeholder consultation sessions is the consideration of the internal pay ratio developments when deciding on executive remuneration. Further reference has been made to acknowledging the wage progression for other groups of employees, including those covered under the Dutch Labour Agreement that is subject to negotiations with the Dutch Trade Unions. The Supervisory Board is committed to closely monitoring the development of the pay ratio, and it is one of the factors taken into account while deciding on the remuneration of the members of the Executive Board, along with a wider range of other relevant factors such as the external market perspective and interests of various stakeholders. Furthermore, the pay ratio, and its historic development is provided for in this Remuneration Report.

On behalf of the Remuneration Committee, I would like to thank all stakeholders who were willing to openly share their views, provide valuable recommendations, fuel our thinking, and help shape the steps to take.

*Hélène M. Vletter-van Dort*

**H.M. (Hélène) Vletter-van Dort**

Chair of the Remuneration Committee

## Remuneration report continued

### Introduction

This remuneration report describes NN Group's remuneration policy and methodology. Furthermore, details are provided on the remuneration of the Supervisory Board and the Executive Board. This Report is divided into the following subsections:

- I Remuneration in general
- II Remuneration of the Executive Board
- III Remuneration of the Supervisory Board

Reference is made to Note 49 'Key management personnel compensation' in the Consolidated annual accounts for more information on the remuneration of the Executive Board, Management Board and Supervisory Board, including loans and advances provided to the members of these Boards. This remuneration report serves as the report referred to in article 2:135b of the Dutch Civil Code and Best Practice Provision 3.4.1 of the Dutch Corporate Governance Code. The information provided in this remuneration report is based on the current applicable remuneration policies of NN Group, applicable in 2021.

### I Remuneration in general

NN Group has an overall remuneration policy, as described in the NN Group Remuneration Framework, which sets out guidelines and principles for all country and business unit remuneration policies within NN Group. NN Group aims to apply a clear and transparent remuneration policy that is adequate to attract and retain expert leaders, senior staff and other highly qualified employees. The NN Group strategy sets out our goals and how we will achieve them through our shared purpose, our ambition and our five strategic commitments. These strategic commitments are embedded in the remuneration policies within NN Group. The remuneration policy is also designed to support NN Group's employees to act with integrity and to carefully balance the interests of our stakeholders. It supports doing business with the future in mind, and aims to focus on creating long-term value for all stakeholders. At the same time, NN Group is conscious about its role in society, which is considered and embedded in the remuneration policies and practices as applicable to NN Group

employees. These policies promote robust and effective risk management, including risk management of sustainability risks (such as environment, society, governance and employee related matters) in the integration thereof in the risk management system and procedures. This will, amongst others be supported by performance objective setting processes.

NN Group's remuneration policy for executives and senior staff is based on a total compensation approach, and is benchmarked on a regular basis with relevant national and international peers, both within the financial sector and outside the financial sector. Clear financial and non-financial performance objectives are set which are aligned with the overall strategy of NN Group, both in the short term and the long term, to ensure that remuneration is properly linked to individual, team and NN Group performance. The remuneration policy supports a focus on the company's long-term interests and the interests of its customers and various stakeholders by ensuring that there is careful management of risk and that staff are not encouraged, via remuneration, to take excessive risk. In addition, the remuneration policy ensures that NN Group complies with all the relevant (inter)national regulations on remuneration, such as the Act on the Remuneration Policies of Financial Undertakings (Wet belongingsbeleid financiële ondernemingen), as relevant to our business.

Gender equality contributes to an inclusive working environment by ensuring equal opportunities, working conditions and equal pay for equal work. NN Group constantly strives to promote and achieve equal pay for equal work, or work of equal value, for all employees, as this is a key component of supporting equal opportunities for all genders. To this end, NN Group has implemented remuneration policies that do not differentiate for gender. This means that, in principle, all aspects of NN Group's remuneration policies and processes are aimed to be gender neutral, such as the determination of salary levels for our employees and the process in relation to

setting the award and pay-out levels for variable remuneration. In this respect, we are proud to be included in the Bloomberg Gender Equality Index for the fourth time in a row, given that equal pay and gender pay parity are topics that are taken into account in the Bloomberg assessment.

NN Group's pay is analysed annually with a focus on gender equality. When comparing similar compensation grades and job profiles, it can be concluded that we offer equal pay for equal work. Our equal pay analyses are conducted on an annual basis, each year across more countries. More information on our actions and efforts in relation to gender diversity, and the key findings resulting from our latest equal pay analysis can be found on page 39 (header: Gender diversity and equal pay). Equal pay will remain under continuous attention, as we believe equal pay is a key component of supporting equal opportunities for everyone. Together, we will continue on our path of building and fostering a diverse, inclusive, healthy, and safe workplace for all colleagues.

With respect to performance in 2021, the total number of staff of NN Group eligible for variable remuneration is 5,984. The total approved variable remuneration budget is EUR 93.8 million, which will be paid in March or April 2022. In 2021, six persons employed within NN Group and NN Investment Partners received a total remuneration of more than EUR 1 million. For this calculation, the individual base salary, awarded variable remuneration and, where applicable, life course savings schemes, individual saving allowances and pension contributions were included.

## Remuneration report continued

### II Remuneration of the Executive Board

The Executive Board members have an assignment contract (in Dutch: *overeenkomst van opdracht*) with NN Group N.V. David Knibbe was appointed as member and chair of the Executive Board and CEO of NN Group by the Supervisory Board on 1 October 2019, after notification to the General Meeting of NN Group at an extraordinary general meeting (EGM) on 26 September 2019. The term of appointment of David Knibbe will end at the close of the annual general meeting to be held in 2023. Delfin Rueda was appointed to the Executive Board as Chief Financial Officer (CFO) and vice-chair on 1 March 2014 and as vice-chair of the Management Board on 7 July 2014. He was reappointed as member of the Executive Board and again designated as CFO of NN Group and as vice-chair of the Executive Board

on 31 May 2018 for a term of four years. His term of appointment will end at the close of the annual general meeting to be held on 19 May 2022. Subject to notification to the General Meeting of NN Group at the annual general meeting to be held on 19 May 2022, NN Group's Supervisory Board intends to reappoint Delfin Rueda until 1 July 2022, and as per that date to appoint Annemiek van Melick as vice-chair of the Executive Board and CFO of NN Group for a term of four years. Executive Board members can be reappointed by the Supervisory Board for consecutive periods of up to four years after notification to the General Meeting of NN Group. The remuneration policy for the Executive Board members was adopted by the General Meeting on 28 May 2020, effective as from 1 January 2020. The data presented in this report relates to remuneration awarded to the Executive Board members in respect of the

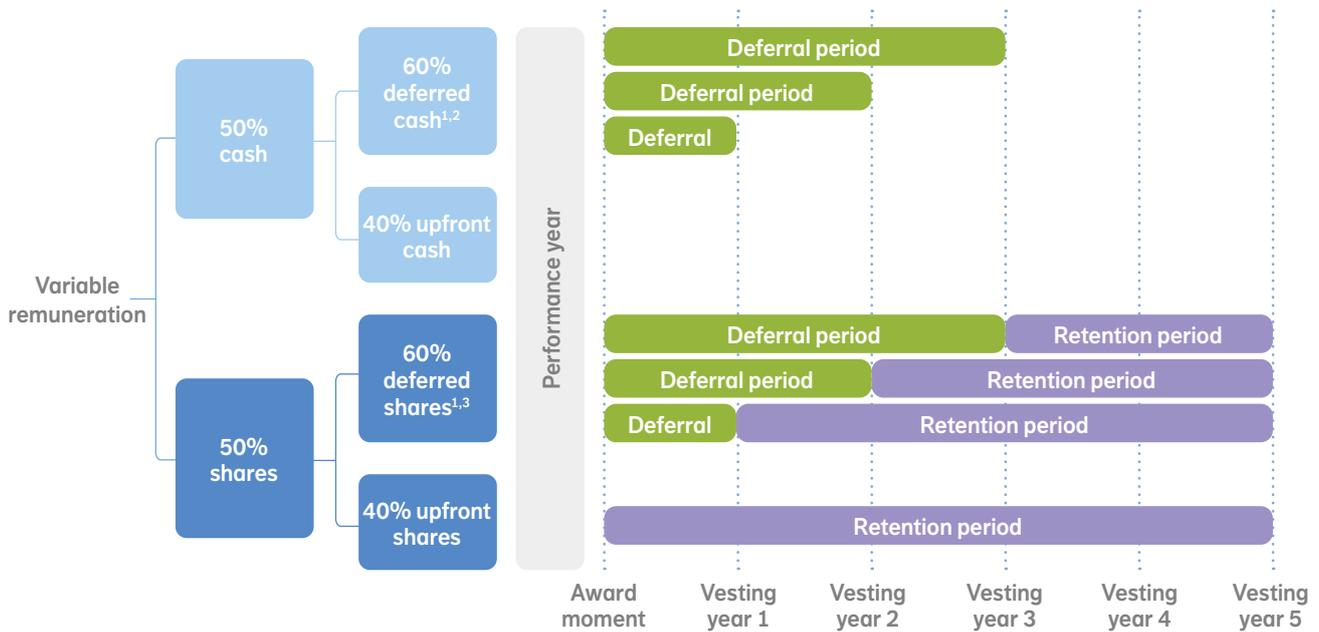
whole of 2021. The 2021 total remuneration as provided to the members of the Executive Board is in line with the applicable remuneration policy. The Supervisory Board has not applied any deviation or derogation from the remuneration policy of the Executive Board.

The remuneration of the Executive Board members consists of a combination of fixed remuneration ('base salary'; of which 80% is paid in cash and 20% in shares) and base salary allowances, variable remuneration (of which 50% is paid in cash and 50% in shares), pension arrangements and other emoluments as described below. To support the long-term value creation, a retention period of five years starting from the date of award is applicable to all share awards. The detailed composition of the Executive Board remuneration is illustrated below.

#### Composition EB remuneration

Remuneration elements	Portion	Split	Awarded	Retention period	
Base salary in cash	80%				
Base salary in shares	20%			5 years	
<b>Total base salary</b>	<b>100%</b>				
Variable remuneration	Min	0%	50% in cash	60% deferred	
	Target	16%		40% upfront	
	Max	20%	50% in shares	60% deferred	5 years
				40% upfront	5 years
<b>Total direct remuneration</b>	<b>Min</b>	<b>100%</b>			
	<b>Target</b>	<b>116%</b>			
	<b>Max</b>	<b>120%</b>			

Remuneration report continued



1 One-third of the deferred cash and deferred shares awards vest each year.  
 2 Subject to 'Hold-Back and Claw-Back' clauses and leaver provisions during the deferral period up to the third anniversary award moment.  
 3 Subject to 'Hold-Back and Claw-Back' clauses and leaver provisions during the deferral period. Subsequently, the retention period applies until the 5th anniversary award moment.

The total compensation of the Executive Board members is benchmarked on a regular basis against market data that includes peers both inside and outside the financial sector in the Netherlands and abroad. The peers are selected with reference to asset base, market capitalisation, revenue and number of employees. For 2021, the peer group consists of ABN AMRO Bank, Achmea, Aegon, Ageas, Akzo Nobel, Aviva, CNP Assurances, Koninklijke DSM, Legal & General Group, Munich Re, Rabobank, Randstad, Swiss Life Holding, Talanx and Wolters Kluwer. The Supervisory Board has determined to continue with this peer group in 2022.

In line with the remuneration policy as adopted by the General Meeting on 28 May 2020, the Supervisory Board aims to set the remuneration levels below market median. If, based on the annual benchmark, the remuneration level is not in line with the approved policy, appropriate measures will be considered. The Supervisory Board also takes into account all stakeholders' interests, including social context, before finalising executive pay levels.

Only in the event of an involuntary exit (e.g. a mutual agreement at NN Group's initiative where the Executive Board member has been requested to leave), Executive Board members are eligible to an exit arrangement limited to a maximum of one year base salary. Exit arrangements will in no way qualify as reward for failure (within the meaning of the applicable regulatory requirements).

**Executive Board base salary**

The Executive Board base salary is based on the remuneration policy of the Executive Board, and aims to reflect the balanced interests of stakeholders. No changes in the base salary of the Executive Board members of NN Group have been adopted throughout 2021.

**Executive Board variable remuneration**

The remuneration policy for the Executive Board members combines the short- and long-term variable components into one structure. This structure supports both long-term value creation and short-term company objectives. Performance objectives reflect NN Group's medium-term strategic priorities

and targets as communicated to the market and as such contribute to the long-term strategy of NN Group. Variable remuneration is based on both the financial and non-financial performance of the individual and the company. The Supervisory Board annually determines the performance objectives at the start of the performance year and defines the relevant 'at target' level. Following the performance year, the Supervisory Board determines the extent to which the financial performance objectives are met based on the full-year financial results. The extent to which non-financial performance objectives are met is also assessed by the Supervisory Board.

The emphasis on long-term performance indicators within the variable component of the compensation package is realised by means of deferral of 60% of the total variable remuneration. Furthermore, an annual re-evaluation by the Supervisory Board takes place with the option to hold back (i.e. prevent from ever vesting) and/or claw back vested and paid variable remuneration. The Supervisory Board has the authority to reclaim any variable remuneration allocated to an

Remuneration report continued

Executive Board member based on the clauses as included in the Executive Board Remuneration Policy as adopted by the General Meeting of NN Group on 28 May 2020, which may for example be the case in the event of specific conduct which has led to the material re-statement of NN Group’s annual accounts and/or significant (reputational) harm to NN Group or any of its subsidiaries or affiliates, and/or conduct or performance of acts which are considered malfeasance or fraud.

The maximum variable remuneration of the Executive Board members for performance year 2015 onwards has been capped at 20% of the base salary and the on target level of the annual variable remuneration has been set at 16% of the base salary. This is in line with the requirements of the Dutch regulatory regime as applicable to NN Group.

Additionally, the short-term component of variable remuneration (the so called ‘Upfront Portion’) is 40% of the total variable remuneration and is equally divided between an award in cash and an award in stock. The Deferred Portion is also equally divided between an award in deferred cash and an award in deferred stock. Both the deferred cash and the deferred stock awards are

subject to a tiered vesting on the first, second and third anniversary of the grant date (one-third per annum). Similar to the shares awarded as fixed remuneration, a retention period of five years starting from the date of award is applicable to all stock awards (both upfront and deferred), with the exception that part of the stock will be withheld at the relevant date of vesting to cover any income tax liability arising from the vested share award (withhold-to-cover). In addition to the general principles described above, more specific details on the 2021 variable remuneration of the Executive Board members are provided below.

Performance for the year 2021 was assessed based on a number of objectives, as outlined in the paragraph below. Estimated risks and capital adequacy were also taken into account when determining the award of variable remuneration.

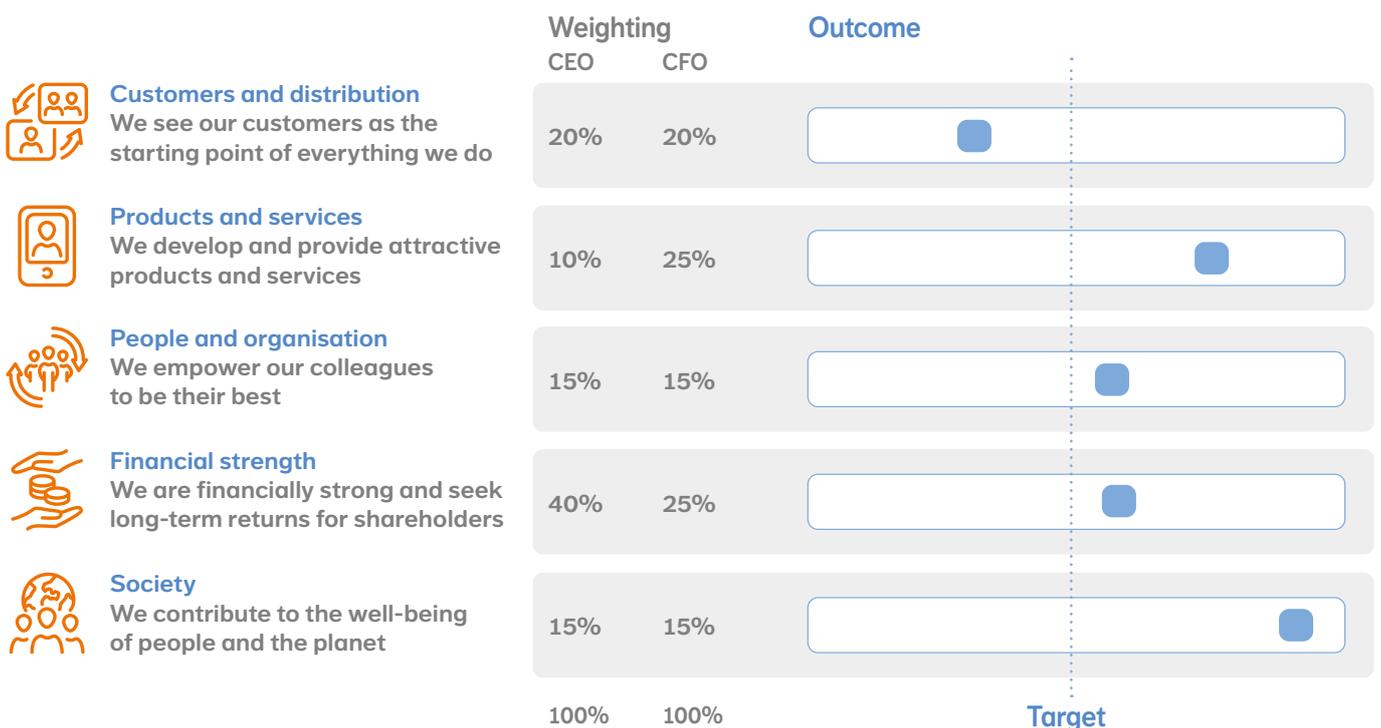
**Performance objectives of the Executive Board members**

The performance of the Executive Board members is assessed annually against their financial and non-financial objectives as set by the company’s Supervisory Board. When determining the objectives for a specific performance year, the Supervisory

Board takes into account the medium-term financial, as well as the non-financial company targets. When determining relative weighting between the financial and non-financial performance objectives, the Supervisory Board takes into account the requirements of the Dutch regulatory regime as applicable to NN Group and the Executive Board remuneration policy as in place per 2020. At the end of the year, the Supervisory Board executes a performance assessment to determine to what extent the objectives have been met. The Supervisory Board is supported by various departments, such as Finance, Corporate Development, Compliance, Corporate Relations, Risk and HR, to provide relevant input.

The ambition of our company describes what we aim to achieve in the years to come. We want to be an industry leader, known for our customer engagement, talented people, and contribution to society. All our different business entities are expected to contribute to the delivery of our ambition.

To realise this ambition, we identified the following five strategic commitments, and structured the performance objectives of the Executive Board members around these commitments:



## Remuneration report continued

More elaborate information on the outcome of the performance objectives of the Executive Board members is provided in the overview below.



### Customers and distribution

We see our customers as the starting point of everything we do

Weighting CEO

20%

Weighting CFO

20%

We engage with our customers to meet their real needs and to offer solutions that create long-term value. We use our digital capabilities and leverage our strong distribution footprint to further enhance our customer experience.

#### i. At least 6 of 11 insurance business units scoring above market average on NPS

##### NPS score of NN Investment Partners in a range between +10 and +25

One of the key metrics of our NN Global Brand Health Monitor (GBHM) is the internationally recognised NPS system to measure how likely it is that the customers recommend products and services to colleagues, friends, or family. There are different sorts of NPS. The relational NPS (NPS-r) is used to measure the strength of our relationship with customers, and to gain understanding of long-term customer satisfaction over time. In 2021, 5 (out of 11) insurance business units scored above market average on NPS-r, and 3 business units scored on par with market average (page 36). The number of insurance business units that scored above market average on NPS-r increased in comparison with 2020 (4 units), and ended slightly below target (6 units). The NPS score of NN Investment Partners was +44 in 2021. Overall the objective with regard to NPS-r scores was not met.

#### ii. Brand consideration of $\geq 22\%$ for the Netherlands, $\geq 25\%$ for Insurance International and $\geq 24\%$ for NN Group

##### Brand preference for NN Investment Partners in top 50 and social responsibility/sustainability ranking in top 10

At least twice a year, key brand indicators are measured, such as brand consideration and brand preference. Brand consideration is measured to monitor the preferences of our customers. In 2021, the overall brand consideration of NN Group improved to 23% from 21% at the end of 2020, mainly driven by an increase of brand consideration for the Netherlands (23%). While brand consideration for the Netherlands was slightly higher than the target, the brand consideration for Insurance International and for NN Group were slightly below target (page 36).

NN Investment Partners had a brand preference of 52 and continues to be recognised as a sustainable asset manager with a #15 rank of its brand on sustainable investing at the end of 2021.

Overall the objective with regard to brand consideration was not met.

Remuneration report continued**Products and services**

We develop and provide attractive products and services

Weighting CEO

10%

Weighting CFO

25%

We excel in developing and providing attractive products and services, and operate with efficiency, agility and speed. To continue to do so, we will make use of digital and data capabilities.

**i. Netherlands Life: expand DC capabilities, both in accumulation and decumulation**

The total Defined Contributions AuM of Netherlands Life increased from EUR 24.6 billion at year-end 2020 to EUR 29.9 billion at year-end 2021, driven by positive market performance and net inflows. There was a positive result on decumulation in 2021 with more retention and new business than expected. Overall the objective with regard to expanding the DC capabilities of Netherlands Life was met.

**ii. Netherlands Non-life: complete VIVAT Non-life integration and successfully implement strategic initiatives around pricing, underwriting, claims analytics, data and digital**

The integration of VIVAT Non-life has reached a final stage with the completion of the migration of 1.8 million policies to NN systems. The cost savings target of EUR 40 million has been achieved one year earlier than planned. We are working towards finalising the integration in the first half of 2022. Overall the objective with regard to the VIVAT integration and strategy implementation of Netherlands Non-life was met.

**iii NN Bank: originate high-quality mortgages and broaden retail offering**

NN Bank and Woonnu originated a total of EUR 9.9 billion of new mortgages in 2021, breaking last year's record by EUR 1.7 billion. The launch of Woonnu was successful, with EUR 1.4 billion of mortgages originated in 2021. Furthermore, NN Bank's new mid-office system went live in December and successfully processed the first mortgage applications. The first results show applications are processed automatically with a very short lead time. Overall the objective with regard to the origination of mortgages and broadening of NN Bank's retail offering was met.

**iv. Insurance Europe: continue to shift to protection products for higher customer relevancy and margins, and continue to invest in our main banking partnerships**

The Gross Written Premiums in-force protection for Insurance Europe increased which was driven by most business units and supported by the roll out of new strategic initiatives such as digitalising processes for lead generation. New products were launched, based on customer needs.

Several successful partnerships were achieved in 2021, and we continued to build reciprocal relationships with our banking partners. In Belgium and Spain we extended our strategic partnership with ING, accelerating our digital propositions in these markets. Overall the objective with regard to the continued shift to protection products and investing in our main banking partnerships of Insurance Europe was met.

**v. Japan: continued focus on COLI protection and adapt COLI Financial Solutions product offering to new tax regime**

The VNB of COLI protection products in Japan increased significantly. Income Protection Insurance was launched in June to meet our customer needs. Furthermore, we are progressing well in improving our technical capabilities in protection and advancing with strategic initiatives on data and customer engagement. Overall the objective with regard to the focus on COLI protection and adapting to the new tax regime in Japan was met.

**vi. NN Investment Partners: Top quartile investment performance for third party alpha strategies based on Assets under Management (AuM) weighted average (3Y) peer rank. Generate net inflows for third party customers**

At the end of 2021, the AuM weighted peer scores ended at the 35%-tile for the three year period, which means that on an AuM weighted basis NN Investment Partners performed better than 65% of its peers. The outperformance versus the benchmark for third party alpha strategies was 190 bps for the three year period, which is higher than the AuM weighted target outperformance. Notwithstanding the divestment process, NN Investment Partners attracted new mandates, with net third party inflows of EUR 5.2 billion in 2021. Overall the objective with regard to investment performance and net inflows for NN Investment Partners was met.

**vii. Product performance reviews executed on a quarterly basis to ensure they continue to add value to our customers; frameworks to be developed for business lines (CEO only)**

The framework for product performance reviews was finalised in the first half of 2021, providing the required data on products reviewed and adapted in favour of customers, and a qualitative update was provided by product management and reviewed by the CRO of each business unit. Overall the objective with regard to product performance reviews was met.

Remuneration report continued

## People and organisation

We empower our colleagues to be their best

Weighting CEO

15%

Weighting CFO

15%

We are committed to empower our employees to bring our values, purpose and ambition to life for our customers. We encourage diversity of thinking and invest in new capabilities and personal development. We nurture a culture aligned with our purpose, values and ambitions, which supports continuous learning, collaboration, and diversity of thinking. We consider all colleagues to be talents and invest in an inclusive and inspiring environment so we are together best equipped to take our business into the future.

### i. Employee engagement of $\geq 7.6$ for NN Group for each of the MB members. Each MB member to define and execute 3 personal actions following up the 2020 year end survey results

The most recent employee engagement survey in November 2021 resulted in an engagement score of 7.7 for NN Group. While this is 0.2 lower than year-end 2020 (7.9), it is 0.1 better than the target (7.6). The outcome of the survey shows that we can cope well with the continuous change and uncertainty of the pandemic. Colleagues feel empowered to fulfil their role, and have room for professional growth, but a point of attention is process efficiency. 83% of our colleagues gave their opinions through the survey, providing meaningful insights to make NN an even better place to work. Overall the objective with regard to employee engagement was met.

### ii. Women in senior management positions $\geq 36\%$

In December 2020, NN's Statement on Diversity and Inclusion (D&I) was launched to explain what NN Group stands for, including the move towards a more inclusive work environment. The D&I approach focuses on different dimensions, of which gender diversity is one. A D&I target was set for gender diversity, aiming to reach 40% women in senior management positions by 2023. The male/female ratio across the company is well-balanced, but less so within senior management positions. The percentage of women in senior management positions increased to 34% at the end of 2021 from 33% at the end of 2020.

There is still work to be done to reach the target of 40% by 2023, and is not an overnight target to meet. It is important to take a close look at the succession base for these positions and to set a balanced pool of successors per position if movement occurs, also from a development and/or executive search point of view. Awareness, discussion and focus regarding (gender) diversity improved, e.g. in Bi-Annual Talent Reviews, Talent Forums and Succession Sessions.

NN Group believes remaining focused on equal pay is key to driving D&I. It is therefore a recurring topic on the agenda of the Management Board and Supervisory Board. Overall the objective with regard to women in senior management positions was not met.

### iii. Succession plans in place for every MB-1 position

NN Group started working according to the key talent management process. At the end of 2021, 100% of the MB-1 managerial positions had an updated succession plan in place. The completion of succession plans also improved the quality of the succession plans. In addition, it encourages a culture of meaningful conversations and transparency (e.g. open on potential, ambition and development) and to deliver on strategic commitments (e.g. diversity) by leveraging on potential and internal mobility of talent, and decrease key man risk. Overall the objective with regard to succession plans for MB-1 positions was met.

Remuneration report continued**Financial strength**

We are financially strong and seek long-term returns for shareholders

**Weighting CEO**

40%

**Weighting CFO**

25%

We are committed to achieve a strong financial and commercial performance in our operating units, maintain a strong capital position, and deliver attractive and growing capital returns to shareholders. We are focused on maintaining a strong balance sheet and creating solid financial returns for our shareholders by using our financial strength, scale and international footprint, and by efficiently managing our customers' assets, and our own insurance portfolios.

**i. Operating capital generation**

The operation capital generation of NN Group for the full year 2021 increased to EUR 1,584 million from EUR 993 million in 2020. The increase mainly reflects higher Non-life underwriting results, positive contribution from Banking, the positive impact of higher rates and the higher investment return driven by changes in the asset portfolio and higher equity and real estate valuations. Overall the objective with regard to Operating Capital Generation was met.

**ii. Free cash flow**

The free cash flow of NN Group for the full year 2021 increased to EUR 1,472 million from EUR 1,070 million in 2020. This mainly reflects remittances from subsidiaries, including relatively modest remittances from the Non-life business which considered the expected consequence of the Dutch Central Bank (DNB) guidance related to the treatment of contract boundaries for individual disability contracts. Overall the objective with regard to free cash flow was not met.

**iii. Demonstrate through NN's risk control framework that the business operates within NN's risk appetite and where not, initiate necessary remediation measures**

The 2021 annual risk control framework cycle was materially completed, the position relative to risk appetite was made transparent, and relevant remediation actions were initiated. It was concluded that NN operates within its cash capital risk appetite. Overall the objective with regard to NN's risk appetite was met.

**iv. Department budgets for Control Functions (CFO only)**

For the CFO, additional consideration has been given to the budget discipline of the Finance department. This objective was met.

## Remuneration report continued



## Society

We contribute to the well-being of people and the planet

Weighting CEO

15%

Weighting CFO

15%

We do business with the future in mind, as it is our aim to contribute to the well-being of people and the planet, and to a world where people can thrive for many generations to come.

#### i. Contribute to the transition to a low-carbon economy

We have a clear ambition to support the global transition towards net-zero greenhouse gas (GHG) emissions by 2050. NN endorsed the Institutional Investors Group on Climate Change (IIGCC) net-zero investment framework in March 2021 and is participating in phase II of the development. NN Group and NN Investment Partners each joined new IIGCC net-zero carbon commitment platforms. With respect to our proprietary asset portfolio we made further progress with the development and implementation of Paris Alignment strategies per asset class. We now have a strategy in place for Sovereign Bonds, Corporate Investment (listed equities and corporate fixed income) and Real Estate, as well as for investments in Climate Solutions.

In 2021, we set reference targets for the reduction of Greenhouse Gas (GHG) emissions for our Corporate Investment portfolio: we aim to decrease GHG emissions by 25% by 2025 and 45% by 2030, compared with 2019 levels, and increase investments in Climate Solutions by at least EUR 6 billion by 2030. The Sustainable Finance Regulation programme was implemented to ensure adherence to current and upcoming regulations, such as the EU Taxonomy, Sustainable Finance Disclosure Regulation and Corporate Sustainability Reporting Directive.

To transparently report on our progress, we describe our performance in the Annual Report sections Our response to the TCFD (pages 66-77) and Carbon footprint proprietary assets (pages 131-134). It is critical to note that carbon footprint measurement and reporting remains an area for ongoing development. The carbon footprint, which covers 80% of the total asset portfolio, is based on the best available data and methodologies; new insights may lead to changes in the future. Additionally, a portfolio carbon footprint provides a snapshot of historical performance and does not consider future plans or goals of the underlying portfolio holdings. Institutional investors including NN are therefore looking to capture forward-looking data to assess the degree of 'Paris alignment' of their investment portfolio, but this also presents challenges around data quality and availability. Furthermore, it is still challenging to assess the credibility of net-zero plans, whereas this is critical for real-world decarbonisation impact.

Overall the objective with regard to the progress in developing strategies and targets to contribute to the transition to a low-carbon economy was met.

#### ii. Continue efforts to reduce direct environmental footprint and set science based target

In 2021, NN Group committed to reducing the CO<sub>2</sub> emissions of its own operations by at least 35% by 2025 and at least 70% by 2030, compared to 2019 levels, with the aim to become net-zero by 2040. This covers CO<sub>2</sub> emissions from our buildings, lease cars and business air travel. In 2021, our CO<sub>2</sub> emissions decreased by 15% compared to 2020, and 67% of our electricity use came from renewable sources. The fraction of renewable electricity decreased steadily due to less electricity consumed in the Netherlands (which is 100% renewable) compared to international business units with a lower fraction of renewable electricity.

Steps have been made to better measure emissions. Most reductions are likely to be achieved in the Netherlands. The biggest challenge lies with the international business units, also because most of our offices are not owned by NN. In the Netherlands, NN Group signed an agreement with the ambition to move towards a fossil free lease car fleet by 2025, and has implemented a fossil free lease car policy. Overall the objective with regard to the reduction of our direct environmental footprint was met.

#### iii. Contribute 0.4% of the operating result to our communities, including cash donations and hours of volunteering

The total contributions to our communities were EUR 8.0 million in 2021, reaching our target of 0.4% of the operating result of 2021. NN Group scaled up and started new non-profit partnerships (e.g. Research Centre for Longevity Risk with University of Amsterdam, Opportunities for all with Junior Achievement Europe, Networking with JINC and many partnerships in the area of debt relief). The volunteer initiatives (e.g. Cleanup, charity run) during the first ever 'Your community matters week' in June was successful, with 1,599 colleagues participating. The Charitable Donations policy was updated to better reflect the community investment strategic focus and bring it in line with B4SI guidelines. Overall the objective with regard to the contribution to our communities was met.

#### iv. Increased % of ESG-integrated NN Investment Partners AuM, in line with the 80% target by 2023 (CEO only)

The ESG-integrated AuM of NN Investment Partners increased significantly to 91% at the end of 2021 from 74% at the end of 2020. The increase was mainly driven by the inclusion of the mortgage portfolios and the qualification of other portfolios of Alternative Credit as ESG-integrated. Net inflows and positive market performance also contributed to the growth of ESG integrated funds and sustainable and impact strategies. Overall the objective with regard to the increase of ESG-integrated NN Investment Partners AuM in line with the 80% target by 2023 was met.

#### v. Further steps taken to integrate ESG risks and opportunities in insurance underwriting (CFO only)

In October 2021, we extended our net-zero ambition to our insurance activities, committing to also develop an approach for the underwriting business to set targets and help facilitate the transition to global net-zero emissions. NN Group joined forces with other large insurers in the UN-convened Net-Zero Insurance Alliance (NZIA) to start developing a framework for strategies and target-setting for the insurance industry. A Sustainability task force was started at NN Non-life and adopted a roadmap to integrate risk and opportunities in underwriting. Overall the objective on further steps taken to integrate ESG risks and opportunities in insurance underwriting was met.

## Remuneration report continued

### 2021 Variable Remuneration award

The Supervisory Board concluded that the Executive Board delivered a strong performance throughout the year 2021. The overall outcome on the objectives related to the Financial strength commitment was above target. The overall outcome on the objectives related to the Financial strength commitment was above target. The overall outcome in relation to the non-financial objectives is also positive, with the overall score of the objectives related to the Customers and distribution commitment being slightly below target, while the other nonfinancial objectives related to the Products and services, People and organisation and Society commitments being above target. This is all achieved in the context of an eventful year, in which the Executive Board members showed strong leadership. They navigated the organisation through a year that was marked by, among others, acquisitions, divestments and the ongoing Covid-19 pandemic.

On the basis of the overall assessment, the Supervisory Board concluded to award the CEO a variable remuneration of 115% of target, which is EUR 326,600 and the CFO a variable remuneration of 115% of target, which is EUR 261,426. In 2021, there was no hold back applied to unvested deferred variable remuneration nor was claw back applied to paid or vested variable remuneration for any of the Executive Board members.

### Executive Board pension arrangements

The pension arrangement for the Executive Board members is the same as the pension arrangement that is applicable to all staff of NN Group in the Netherlands and comprises a collective defined contribution (CDC) plan up to the annual tax limit (EUR 112,189 as from 1 January 2021) and a taxable individual savings allowance on pensionable fixed remuneration exceeding the tax limit.

The table to follow provides details on the amount of contribution that was paid by NN Group to the pension arrangement of the Executive Board members.

### Executive Board other emoluments

The Executive Board members were eligible for a range of other emoluments, such as health care insurance, life cycle saving scheme, transportation, external tax advice and expat allowances (CFO only). The Executive Board members were also able to obtain banking and insurance services from NN Group in the ordinary course of business and on terms that apply to all employees of NN Group in the Netherlands. As at 31 December 2021, the Executive Board members did not have loans outstanding with NN Group regulated entities. No guarantees or advanced payments were granted to the Executive Board members. The table below provides details on the amount of emoluments that was paid by NN Group to the benefit of the Executive Board members.

### Remuneration of the Executive Board members (in EUR 1,000 and gross)

	David Knibbe		Delfin Rueda	
	2021	2020	2021	2020
Base salary in cash	1,420	1,420	1,137	1,137
Base salary in shares	355	355	284	284
<b>Total base salary</b>	<b>1,775</b>	<b>1,775</b>	<b>1,421</b>	<b>1,421</b>
Variable remuneration	327	284	261	248
<b>Total direct remuneration</b>	<b>2,102</b>	<b>2,059</b>	<b>1,682</b>	<b>1,669</b>
Employer contribution to pension fund	24	24	24	24
Individual savings allowance <sup>1</sup>	387	388	305	305
Other emoluments	122	146	228	221
Employer cost social security <sup>2</sup>	72	72	59	59
Relative proportion base salary versus variable remuneration	84.5% / 15.5%	86.2% / 13.8%	84.5% / 15.5%	85.1% / 14.9%

<sup>1</sup> The individual saving allowance scheme is applicable for both the Executive Board and staff of NN Group in the Netherlands.

<sup>2</sup> The employer social security contributions do not impact the overall remuneration received by Executive Board members.

The total remuneration as disclosed in the table above (for 2021: EUR 5.0 million) includes all variable remuneration related to the performance year 2021. Under IFRS-EU, certain components of variable remuneration are not recognised in the profit and loss account directly, but are allocated over the vesting period of the award. The comparable amount recognised in staff expenses in 2021 and therefore included in 'Total expenses' in 2021, relating to the fixed expenses of 2021 and the vesting of variable remuneration of 2021 and earlier performance years, is EUR 5.1 million.

## Remuneration report continued

## 2021 Variable remuneration of the Executive Board members (in EUR 1,000 and gross)

	Upfront cash paid	Deferred cash granted	Upfront shares granted	Deferred shares granted	Total
David Knibbe	65	98	65	98	327
Delfin Rueda	52	78	52	78	261

## Long-term incentives awarded in previous years and in 2021 to the Executive Board members

The Executive Board members receive deferred cash and upfront and deferred share awards under NN Group's Aligned Remuneration Plan (ARP). The table below provides a summary of the number of NN Group shares awarded and vested for the Executive Board members during 2021 under the ARP.

## Overview of number of NN Group shares awarded and vested for the Executive Board members during 2021

	Plan	Award Date	Outstanding and unvested per 1 January 2021	Awarded during 2021	Vested during 2021	Outstanding and unvested per 31 December 2021	Vesting Price in euros
David Knibbe	Deferred Shares Plan	15 March 2018	1,058		1,058	-	40.55
	Deferred Shares Plan	18 March 2019	2,473		1,236	1,237	40.12
	Deferred shares plan	16 March 2020	3,439		1,146	2,293	40.32
	Deferred Shares Plan	15 March 2021		2,352		2,352	
	Upfront Shares Plan	15 March 2021		1,568	1,568	-	40.55
Delfin Rueda	Deferred Shares Plan	15 March 2018	608		608	-	40.55
	Deferred Shares Plan	18 March 2019	1,416		707	709	40.12
	Deferred Shares Plan	16 March 2020	2,379		793	1,586	40.32
	Deferred Shares Plan	15 March 2021		2,052		2,052	
	Upfront Shares Plan	15 March 2021		1,368	1,368	-	40.55

The table below shows a summary of the (vested) NN Group shares held by the Executive Board members on 31 December 2021 (including the shares vested during 2021) and 31 December 2020.

## NN Group shares held by the Executive Board members

	2021	2020
David Knibbe	39,340	31,920
Delfin Rueda	56,641	50,988

NN Group is dedicated to align the interests of the members of the Executive Board with those of the company and its shareholders. This is realised through various ways, including awarding 50% of the variable remuneration in NN Group shares and applying a five-year retention period as from the award date, during which period the shares cannot be sold. Furthermore, 20% of the base salary of the Executive Board members is delivered in the form of NN Group shares, again with a mandatory retention period of five years as from the award date. This way, the Executive Board members build up a substantial interest in NN Group shares, without introducing formalised share ownership guidelines. As at 31 December 2021, the total value of the shares, based on the year-end share price, held by the Chief Executive Officer, equals 13 months of his gross base salary.

Remuneration report *continued***Remuneration of the Executive Board members, company performance and average employee remuneration  
(amounts in EUR 1,000 and gross)**

	2021	2020	2019	2018	2017
<b>Executive Board remuneration</b>					
Total direct remuneration David Knibbe	2,102	2,059	515		
Total direct remuneration Lard Friese <sup>1</sup>			1,061	1,970	1,713
Total direct remuneration Delfin Rueda	1,682	1,669	1,705	1,586	1,292
<b>Company performance</b>					
Operating capital generation	1,584	993	1,349		
Operating result	2,036	1,889	1,794	1,626	1,586
Solvency II ratio	213%	210%	224%	230%	199%
<b>Average remuneration</b>					
Average employee remuneration	95.5	96.6	94.6	91.4	91.4
Pay ratio	31:1	30:1	25:1	29:1	29:1

1 Lard Friese stepped down as member and chair of the Executive Board and CEO of NN Group as of 12 August 2019. His remuneration in the capacity of CEO of NN Group is shown in the table above.

**Pay ratio**

The pay ratio compares the total CEO compensation and the remuneration of all staff ('Pay ratio') as stated in the Dutch Corporate Governance Code. For the CEO, the total remuneration used in the pay ratio is the total remuneration as disclosed in the Remuneration report. For the staff members, the total remuneration used in the pay ratio is the total remuneration as disclosed in the Consolidated annual accounts Note 28 'Staff expenses', combined with the staff expenses paid to employees of NN Investment Partners BV. In order to provide a meaningful comparison, the total remuneration of the staff population excludes the remuneration of the CEO of NN Group. NN Group aims to align with the pay ratio calculation method as prescribed by the Dutch Monitoring Commission Corporate Governance. This has led to an adjusted pay ratio calculation method. Compared with previous years, the new pay ratio calculation includes external staff costs for Dutch hourly workers. This method has been applied for all previous years to create a comparable basis. The Supervisory Board considers trends in the pay ratio in its assessment of the compensation of the members of the Executive Board, while Human Resources closely monitors the pay ratio.

**III Remuneration of the Supervisory Board**

The Supervisory Board was comprised of the following members in 2021: Mr Cole, Ms Beale, Mr Hauser, Mr Jenkins, Mr Lelieveld, Ms Reyes, Mr Schoen, Ms Streit and Ms Vletter-van Dort. More information on the composition of the Supervisory Board and its Committees can be found in the Report of the Supervisory Board, on pages 83-96. The 2021 total remuneration as paid to each of the members of the Supervisory Board is in line with the Supervisory Board Remuneration Policy.

NN Group does not grant variable remuneration, shares or options to the Supervisory Board members. This ensures the independence of the Supervisory Board, contributes to NN Group's long-term performance and is in line with the Dutch Corporate Governance Code. Supervisory Board members may obtain banking and insurance services from NN Group in the ordinary course of business and on terms that are customary in the sector. As at 31 December 2021, the Supervisory Board members did not have loans outstanding with NN Group regulated entities. No guarantees or advanced payments were granted to Supervisory Board members.

In line with market practice, a distinction is made between chair, vice-chair and other Supervisory Board members. A fixed annual expense allowance is payable to cover all out-of-pocket expenses. Travel and lodging expenses in relation to meetings are paid by NN Group.

## Remuneration report continued

## The remuneration for the members of the Supervisory Board (in EUR)

	Chair	Vice-chair	Member
Fixed Annual fee Supervisory Board	110,000	72,500	65,000
Fixed annual fee for position in Committee	17,000	n/a <sup>1</sup>	13,500
Fixed annual expense allowance to cover out of pocket expenses (travel and lodging will be paid)	9,000	9,000	9,000

<sup>1</sup> There are no Vice-chair positions in Supervisory Board Committees.

Fees and allowances of Supervisory Board members<sup>1</sup>

In EUR and gross	Fixed annual fees		Total fixed gross expense allowance		2021 <sup>2</sup>	VAT		Total (including VAT)	
	2021	2020	2021	2020		2020	2021	2020	
D.A. (David) Cole (Chair) <sup>3</sup>	140,500	147,794	9,000	9,000	7,849	32,927	149,500	189,721	
H.M. (Hélène) Vletter-van Dort (Vice-chair)	103,000	107,133	9,000	9,000	5,880	24,388	112,000	140,521	
I.K. (Inga) Beale <sup>4</sup>	56,615	n/a	5,538	n/a	n/a	n/a	62,153	n/a	
D.H. (Dick) Harryvan <sup>5</sup>		47,083		3,750		10,675		61,508	
H.J.G. (Heijo) Hauser	109,000	101,778	9,000	9,000	6,195	23,263	118,000	134,041	
R.W. (Robert) Jenkins	92,000	92,036	9,000	9,000	5,303	21,218	101,000	122,254	
R.J.W. (Rob) Lelieveld <sup>6</sup>	38,542	n/a	3,000	n/a	n/a	n/a	41,542	n/a	
C.G. (Cecilia) Reyes <sup>3, 7</sup>	56,615	n/a	5,538	n/a	n/a	n/a	62,153	n/a	
R.A. (Robert) Ruijter <sup>8</sup>		26,067		2,550		6,010		34,627	
J.W. (Hans) Schoen	109,000	105,175	9,000	9,000	6,195	23,977	118,000	138,152	
C.C.F.T. (Clara) Streit	92,000	92,036	9,000	9,000	5,303	21,218	101,000	122,254	

<sup>1</sup> This table shows the fixed fees and expense allowances for the members of the Supervisory Board of NN Group for 2021 and 2020. In addition, Mr Hauser was appointed as Supervisory Board member of Nationale-Nederlanden Schadeverzekering Maatschappij N.V., NN Non-life Insurance N.V., as from 21 January 2020 and NN Re Netherlands N.V. as from 1 March 2020 and Mr Schoen was appointed as Supervisory Board member of Nationale-Nederlanden Levensverzekering Maatschappij N.V. as from 21 January 2020 and Nationale-Nederlanden ABN AMRO Verzekeringen Holding B.V., ABN AMRO Levensverzekering N.V. and ABN AMRO Schadeverzekering N.V. as from 15 September 2021. The total fees (including VAT) for these roles were EUR 92,614.

<sup>2</sup> The Dutch State secretary has issued a new VAT policy stating that a Supervisory Board member does not qualify as a VAT-taxable person. This confirms the decision by the European Court of Justice of 13 June 2019. During 2021, VAT is no longer invoiced from the Supervisory Board members to NN regulated entities.

<sup>3</sup> Mandatory Swiss social security and occupational disability contributions in relation to the NN Group Supervisory Board fees are due for Mr Cole and for Ms Reyes on the basis of specific local requirements as applicable to the Supervisory Board members. The compulsory employer contributions in relation to 2021 that are made to relevant Swiss local institutions amount to EUR 18,986 for Mr Cole and EUR 4,776 for Ms Reyes. The relevant employee contributions are fully borne by Mr Cole and Ms Reyes themselves, and the Supervisory Board members are not compensated for that in any way. Comparable contributions have been applicable for Mr Cole for the years 2020 and 2019, where the mandatory employer contributions have ranged between 12% and 12.5% of the Annual NN Group SB fees as disclosed in the respective Remuneration Reports. Given the appointment of Ms Reyes during the course of 2021, this was the first year where the mandatory contributions were applicable. In the process of calculating the local mandatory contributions, and to ensure that all appropriate administrative procedures are fulfilled in accordance with all applicable Swiss requirements and standards, NN Group is supported by our trusted external tax advisor (PwC).

<sup>4</sup> Ms Beale was appointed as member of the Supervisory Board as per 20 May 2021.

<sup>5</sup> The term of appointment of Mr Harryvan ended at the close of the annual general meeting on 28 May 2020.

<sup>6</sup> Mr Lelieveld was appointed as member of the Supervisory Board on 20 May 2021, effective 1 September 2021.

<sup>7</sup> Ms Reyes was appointed as member of the Supervisory Board as per 20 May 2021.

<sup>8</sup> The term of appointment of Mr Ruijter ended on 12 April 2020.

## Statements Dutch Financial Supervision Act and Dutch Corporate Governance Code

The Executive Board is required to prepare the annual accounts and the Report of the management board (bestuursverslag) of NN Group N.V. for each financial year in accordance with applicable Dutch law and the International Financial Reporting Standards (IFRS) as endorsed by the European Union.

As required by section 5:25c paragraph 2(c) of the Dutch Financial Supervision Act, each of the signatories hereby confirms that to the best of his knowledge:

- The NN Group N.V. 2021 annual accounts, as referred to in section 2:361 of the Dutch Civil Code including the relevant additional information as referred to in section 2:392 paragraph 1 of the Dutch Civil Code, give a true and fair view of the assets, liabilities, financial position and profit or loss of NN Group N.V. and the enterprises included in the consolidation taken as a whole.
- The NN Group N.V. 2021 Report of the management board (bestuursverslag), as referred to in section 2:391 of the Dutch Civil Code, gives a true and fair view of the position at the balance sheet date, and the development and performance of the business during the 2021 financial year of NN Group N.V. and the enterprises included in the consolidation taken as a whole, together with a description of the principal risks NN Group N.V. is confronted with.

With reference to best practice provision 1.4.3(i), (iii) and (iv) of the Dutch Corporate Governance Code, the Executive Board hereby confirms that, to the best of its knowledge:

- The NN Group N.V.'s description of its risk management organisation and framework as described in the Report of the management board (bestuursverslag) including Note 52 'Risk management' to the Consolidated annual accounts provides sufficient insights into any material failings in the effectiveness of the internal risk management and control systems,
- Based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis, and
- The NN Group N.V. 2021 Report of the management board (bestuursverslag) includes those material risks and uncertainties that are relevant to the expectation of NN Group N.V.'s continuity for the period of 12 months after the preparation of the report.

The Executive Board of NN Group N.V. assessed the effectiveness of the internal control over financial reporting during 2021. Based on the Executive Board's assessment, with reference to best practice provision 1.4.3(ii) of the Dutch Corporate Governance Code, the Executive Board of NN Group N.V. concluded that the risk management and control systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies.

The Hague, 9 March 2022

### David Knibbe

CEO, Chair of the Executive Board

### Delfin Rueda

CFO, Vice-chair of the Executive Board