



# Creating and sharing value

# Adding value for customers

We keep a close eye on what is happening around us, and utilise the challenges and opportunities any developments offer to continually improve the customer experience.

## Creating value for our customers

Our customers want products that help them in realising their financial goals. From buying a home, saving or investing for their retirement, or buying a new car, to protecting their valued assets or the loss of income as the result of an illness.

This is why the demand for transparent, simple products from the financial services industry continues to grow. Customers want value for money beyond that offered by traditional products and services. This means a single-channel customer experience is no longer sufficient to foster loyalty or long-term customer relationships. To ensure new or modified products and services are transparent and serve customers' interests, they must therefore first undergo a careful product approval and review process (PARP).

Integral to PARP are our Customer Golden Rules:

- Offer fair value to customers
- Explain the risks, returns and costs of our products and services
- Regularly assess products, services and distribution practices
- Only work with professional and licensed distributors

## Further improving the customer experience

A widespread challenge facing insurers is how to reach out to customers and prospects at the right time in a personal way, and understand their needs so that we provide relevant products, content and services. For example, by providing fast and flawless claim support.

It is currently difficult for financial services companies to differentiate themselves through their product offering, so reputation and customer experience are crucial to achieving a competitive edge. To further improve the NN customer experience, we aim to be a customer-focused, data-driven company that contributes to a sustainable society while creating value for money in a personalised, relevant way.

## Objectives & 2020 targets and our performance

- Be seen as a 'You matter' company: a people-oriented service provider in the long-term financial planning industry
  - Customer recognition of NN as a 'You matter' company rose in two of our ten International Insurance markets<sup>1</sup>
- Improve relational Net Promoter Scores (NPS-r)
  - NPS-r maintained or improved in nine of 11 insurance markets<sup>1</sup>
- Increase number of products and services that help our customers address societal challenges
  - Increased awareness of customer need for value-added products and services

<sup>1</sup> Reliability interval of 4% on brand awareness and 5 points on NPS.

## CO<sub>2</sub>-neutral pension plan

BeFrank launched a sustainable pension scheme option in the Netherlands where companies can make their invested pension capital completely CO<sub>2</sub> neutral via a tree-planting scheme. BeFrank's clients can compensate the CO<sub>2</sub> footprint of their invested pension funds via reforestation projects.

BeFrank works together with Land Life Company, a Dutch company specialised in reforestation of degraded land. Reforestation not only combats climate change, it also ensures the retention of groundwater and rainwater, restores biodiversity, and improves air quality and soil conditions.

The CO<sub>2</sub> footprint of a client is calculated based on data provided by investment funds. Using this information, Land Life Company generates a model to estimate how many trees should be planted to compensate for the footprint.



## Creating and sharing value – Customers continued

### Educating and empowering customers

We empower customers to improve financial decision-making, and educate them on the importance of starting early with financial planning. For example, by raising their awareness of the changing pension landscape, and that living longer will probably require changes to their working lives and savings behaviour. Such as through the introduction by NN Life of the Human Capital Planner (HCP), an online data-driven service that has been widely adopted by employers and advisors to help them develop sustainable pension policies for employees based on our pension data insights.

An activation campaign by BeFrank won the 2019 Pensioenwegwijzer (Pension Signpost) award for helping people make smart retirement choices.

We also promote the importance of a healthy lifestyle for both physical and mental well-being. In Hungary, for example, we targeted runners. Through an effective combination of running events like NN Ultrabalaton, our Runaddict app and online campaigns, we were able to advise new customers never previously in contact with NN. In Belgium, we introduced a happiness platform that provides smart tools and tips & tricks to help people increase their sense of happiness.

Our focus is not only on pensions and healthcare. For example, in Spain we aim to be the financial coach of families, and we launched a modular savings value proposition: Contigo Futuro (The future with you).

It enables customers to be disciplined about saving and makes it easier to achieve key life goals, such as a good education for their children, starting their own business and carefree retirement. Contigo Futuro also promotes socially and environmentally sustainable investments.

### Omnichannel and ecosystems

We want to establish an omnichannel approach so we can better engage with our customers, business partners and the wider insurance ecosystem to deliver personalised, relevant, value-adding products. For example, in the Netherlands, call centre agents can switch seamlessly between different contact channels while helping callers, and are therefore able to more quickly help our customers.

As the boundaries of the insurance ecosystem continue to expand to include non-traditional partners such as retailers, car manufacturers and smart home devices, insurers will more than ever need to define their role in the value chain.

Nevertheless, despite the increasing commoditisation of insurance (in part due to the proliferation of price comparison websites), for many customers price is not the sole criterion when choosing products. Driven by the preferences of millennials, today's insurance is increasingly focused on premium service, reward and even, where appropriate, a fun experience.

### Leveraging new technologies

Wherever possible, we use new technologies to improve our products and services, and thereby the customer experience.

In the Netherlands, we will employ artificial intelligence and advanced data analytics to classify, process and automatically route some 60% of all emails.

NN Life and NN Bank are participating in several blockchain initiatives to make the pension and mortgage processes more customer-friendly and efficient. For NN Life and other pension providers it means 60% more efficient processes regarding pensions. The pilots are joint initiatives of several banks, insurers and NGOs in the Netherlands.

NN Bank has begun a transition to a modernised IT architecture based on open source development frameworks, continuous integration and delivery, cloud, and automated testing. This will improve the performance, availability and flexibility of our IT, positively impacting the customer experience.

NN Investment Partners (NN IP) uses technology, such as cloud and robotic process automation, to further improve efficiency and personalised service to customers.

### Unit-linked products in the Netherlands

In the Netherlands, unit-linked products have received negative public attention since the end of 2006. We have taken this criticism to heart, as our aim is to support our customers as best we can. The Dutch insurance subsidiaries of NN Group reached out to all individual customers who purchased unit-linked products in the past ('activeren').

The formal process for reaching out to customers initiated by the AFM for the sector was completed by the Dutch insurance subsidiaries of NN Group

on 31 December 2017. In 2019 the AFM confirmed that the Dutch insurance subsidiaries of NN Group have fulfilled their obligations towards customers pertaining to customer reach out. The Dutch insurance subsidiaries of NN Group continue to periodically reach out to groups of selected customers to encourage them to carefully assess their unit-linked products in order to enable them to address their personal situation and offer customers the option to switch to another product or make changes to their policy free of charge. Customers are also entitled to free advice.

As at 31 December 2019, the portfolios of Dutch insurance subsidiaries of NN Group comprised approximately 410,000 active policies. In a limited number of cases (less than 1,250), Dutch insurance subsidiaries of NN Group have settled disputes with individual customers. These are tailor-made solutions. A limited number of individual customers and several consumer protection organisations have initiated legal proceedings against Dutch insurance subsidiaries of NN Group. Read more on pages 118-120 of the Financial Report (Note 42).

## Creating and sharing value – Customers continued

### Dealing conscientiously with data

As digitalisation moves forward rapidly, the importance of securing the (personal) data of our customers also increases. We are conscious that we need to be responsible and handle their (personal) data with care and thereby safeguard their privacy. We do so by complying with data protection legislative requirements of which the most important is the EU General Data Protection Regulation (GDPR).

Furthermore, our NN statement of Living our Values, which is completely consistent with the GDPR, states that we use our knowledge responsibly, keep confidential what is entrusted to us, and communicate proactively and honestly.

The use of (big) data for analysing client propositions offers opportunities to strengthen interactions with customers and create more intuitive partnerships, as well as to create better, tailor-made product solutions. For example, we use data to assess whether customers with a mortgage product are likely to fail to comply with future payment obligations; this enables us to offer support in avoiding (serious or deteriorating) debt situations for such customers. Support that we can offer includes, for example, providing a budget coach, a job coach or offering a period without interest payments.

In everything that we do with data, we always comply with relevant legislation and handling data with care is a top priority for us. We are developing our own ethics framework for the application of data science and artificial intelligence, setting even stricter requirements in line with our NN values. We are very aware that we need to strike a proper balance between individual choices, privacy and solidarity.

Besides the focus on the data that we manage and protect, we also provide our customers with services regarding data and cyber security. The consequences of cyber insecurity can be wide-ranging for individuals and companies.

### Financial economic crime

NN cautiously guards against money laundering, funding of terrorism, tax evasion and other forms of financial economic crime (FEC), as these can harm confidence in NN as a financial service provider. Digitalisation and dependency on digital systems has significantly increased the potential impact of FEC. NN actively takes preventative measures and we do not tolerate any deviation from relevant FEC laws and regulations.

### Supporting specific groups in society

We are very aware that people can face financial and social challenges in life, which is why we try to anticipate needs and circumstances.

In Poland, we launched a campaign about fatherhood, focusing on security and insurance tailored to these changing family circumstances.

In Spain, we introduced Contigo Familia as an insurance protection solution for families. Customers can choose the protection mix that suits their lifestyle and life stage, and access health services via an app that lets them chat real-time 24/7 with specialists.

### Financial inclusion

Through our membership of the Dutch Association of Insurers, NN is involved with the Foundation for Sustainable Micro-pensions in Developing Countries (SDMO). SDMO has helped to develop a defined contribution scheme in India, with administration and investment management arranged by a local life insurance provider. Since its foundation in 2011, SDMO has contributed to the pension arrangements of over 40,000 people in India.

## Supporting all runners

NN Group aims to connect with people on topics that matter to them, such as family, work, art, music and sports. Sponsorships are an important part of our marketing activities, and an opportunity to increase the number of contact moments with our audience.

NN has been active in the sport of running since 2015; a natural fit with our role as insurer as running contributes to the health and well-being of many. In Europe, there are approximately 50 million active runners. Through our sponsorship activities we can support all types of runners, from beginners to professional athletes.

We organise activations to contribute to the experience of running, such as the Running Supporter. Through a recorded video message from a loved one, runners are encouraged through the final kilometres of a marathon.

With Smart Medal, we have innovated the traditional medal received after completing a race. Runners scan their medal with the Smart Medal app to gain access to their personal Running Story: a flashback to the event with pictures and statistics that is shareable on social media.

We believe running is a team sport and since 2017 we have been the title sponsor of the NN Running team, the first professional running team in the world. The team brings together young talents and world-class marathoners like Eliud Kipchoge to train alongside each other.



## Creating and sharing value – Customers continued

### How customers view our products and services

Customer feedback tells us about their preferences and views, helping us modify our services to meet their needs. We believe the best insights are achieved not through the quantity but quality of our research, and we therefore focus on what we see as key metrics.

#### Methods

We conduct four types of research:

- Traditional online interviews: short, structured questionnaires sent out to the general public
- In-depth interviews: one-on-one open-question interviews with a select number of customers
- Anonymised customer data: analysed by specialist data analysts to identify behavioural customer trends
- Neuroscience marketing research: testing, for example, marketing campaigns by observing the facial expressions of a small target group of customers

### Net Promoter Score

To measure how customers value our products and services, we use the internationally recognised Net Promoter Score (NPS) system. In 2019, the weighted aggregated NPS for NN was +4 compared to -1 in 2018, this implies a small improvement of five points<sup>1</sup> across the entire Group.

Four of our insurance businesses had a better relationship NPS (NPS-r) than the market average. Within International Insurance, there were some significant changes, with a huge NPS-r increase in Hungary and Romania achieving an all-time record score.

We measure NPS-r to estimate the strength of our relationship with customers and to get a high-level understanding of customer satisfaction levels for our products and services over the long term. Though we monitor scores closely, we are also cautious not to infer too much from an NPS-r score increase or decrease over just one year.

We also measure the transactional NPS at a local level for specific events to measure how a recent interaction affects customer satisfaction. Such insights help us improve the customer journey.

### Net Promoter Score<sup>2</sup>

	NN 4Q19	NN 4Q18	Change 4Q19-4Q18	Market average 4Q19	Difference NN-MA
Belgium	-1	-4	+3	0	-1
Bulgaria	20	29	-9	16	4
Czech	9	17	-8	18	-9
Greece	30	30	+0	22	8
Hungary	51	24	+27	44	7
Netherlands	-13	-22	+9	-9	-4
Poland	36	37	-1	27	9
Romania	66	58	+8	64	2
Slovakia	4	7	-3	11	-7
Spain	34	25	+9	31	3
Turkey	64	59	+5	56	8

NN Group measures NPS-r scores in all its markets for banking, life insurance and pensions business lines. NPS-r and customer satisfaction measurements for asset management are carried out amongst institutional clients once a year.

1 Weight of the three pillars that make up the NN Group Net Promoter Score are:

- a International Insurance (11 markets): 26%
- b NN Investment Partners: 13%
- c NN Netherlands (Nationale-Nederlanden): 61%

2 Japan changed research methodology from online interviewing into pen and paper approach and is not included in this table.

### Global Brand Health Monitor

Brand awareness can influence consumers' perceived risk assessment and their confidence in the purchase decision, due to familiarity with the brand and its characteristics. To track how our brand is perceived externally, and get insights into brand performance and development,

we use the NN Global Brand Health Monitor (GBHM). At least twice a year, we measure key brand indicators, such as brand awareness and brand preference. Our brand awareness increased significantly (>4%) in the Netherlands, Poland, Slovakia and Spain, and either increased or remained stable in all other countries.

### Brand awareness (in %)

BU	Result Q42019	Result Q42018	Change
Belgium	14	13	1
Bulgaria	32	32	0
Czech Republic	47	46	1
Greece*	68	66	2
Hungary*	61	58	3
Japan*	32	35	-3
Netherlands	79	72	7
Poland*	78	71	7
Romania	75	73	2
Slovakia	58	47	11
Spain	46	41	5
Turkey	31	31	0

\* Life business only.

# Supporting our people in times of change

We aim to be an employer of choice by creating a ‘You matter’ culture. We want to provide our colleagues a stimulating, diverse work environment, and give them the opportunities they need to develop their skills and fulfil their potential. Our human resources strategy focuses on the moments that matter in the careers of our employees, before, during and after employment at NN.

## Attracting and retaining talent

Our employees are vital for us in ensuring the success of our business. The current economic environment creates challenges for NN Group to attract and retain talent, as we compete with players both within and outside our industry. To maintain our performance now and in the future, we must continue to attract professionals with the right mindset and relevant (digital) skills.

Our commitment to playing a positive role in society is key to attracting young talents. They value companies that place an emphasis on sustainability and have a social mission, as they care about the societal impact of their work and of their employer’s products and services.

To retain talent, NN Group proactively invests in the personal and professional development of our people throughout their careers, including through providing competitive compensation.

## Our digital transformation

The digitalisation of society impacts how we do business and interact with customers, and our digital transformation provides opportunities for employees in the fields of artificial intelligence and big data. Although the financial sector is behind the technology sector in using data, our long history and extensive data holdings make us an interesting employer in the field of data analytics.

Throughout NN we are implementing working in a more agile way, giving more responsibility to teams and individual employees. Within the field of innovation, we work with small groups that encourage innovation, offer more freedom, and work on impactful projects. In 2019, we introduced the NN Innovation Method, through which we can empower employees across our businesses to work in a more innovative way.

## Objectives & 2020 targets and our performance

- Stimulate our talents and strengthen our talent pipeline
  - EUR 19 million spent on training and development
- At least 30% women in senior management positions
  - 36% women in senior management positions – up three percentage points
- Continue to strengthen employee engagement
  - Employee engagement up from 7.1 to 7.4

## Attracting freelance workers



In 2019, NN hosted four NN Experience Events. These are designed to allow freelancers working in IT, marketing and risk to experience NN as an employer, build good relationships and accelerate the hiring of these key professionals. The fourth session, held in June for risk professionals, was the first broadcast online to attract an international audience.

In December, Nationale-Nederlanden, signed a new work code designed to prevent unacceptable differences in the Dutch labour market between fixed and flex contracts. The code should contribute to a more fair and balanced labour market in the future. The code covers equal treatment of permanent staff and freelance employees, providing access to disability and pension provisions, and personal development instruments.

## Creating and sharing value – Employees continued

### Investing in development

In a continuously transforming world, everyone needs to learn and adapt constantly. We want to support our employees to enable lifelong learning. To help them build valuable networks, we offer long- and short-term internal assignments, within other departments or business units. Job rotation schemes provide additional opportunities to explore new career paths.

We also support our leaders, as our strategic priorities require that management embraces new ways of working, becomes more aware of their impact as leaders, and drives results without resorting to traditional top-down leadership. In 2019, we amended our leadership profile to determine the desired profile for our leaders. The changes reflect that our leaders should drive change, engage in constructive conversations, give and seek feedback, and lead with a close eye on what customers and society expect from us.

### Reskilling opportunities

In 2019, NN Group invested EUR 19 million in training and development (2018: EUR 21.5 million), through which we aim to support the sustainable employability and mobility of our employees. This figure decreased due to a number of factors, such as a higher spend in 2018 due to redundancies following the Delta Lloyd integration and a adjusted policy for (executive) education in 2019.

Where possible, NN participates in initiatives to broaden the opportunities available to employees. For example, we held information sessions for employees on two projects:

- The Dutch government’s initiative to offer Dutch-speaking employees the opportunity to retrain as teachers
- The Make IT Work programme, run in collaboration with the Hogeschool of Amsterdam, which helps employees retrain as software engineers

In light of strong competition in financial markets and the ongoing Delta Lloyd integration, redundancies are sometimes unavoidable. We aim to take our responsibility when it comes to being a good employer. For example, the new social plan in the Netherlands, introduced as part of the collective labour agreement, focuses on helping people from work to work, with guidance on finding a new job and supporting internal mobility.

### Competitive compensation

To ensure suitable and competitive compensation packages, we conduct an annual pay review on senior leadership positions, comparing remuneration with internal and external benchmarks. For a number of (senior) functions that could have a material impact on the risk profile of NN Group, we ensure their objectives are aligned with NN’s risk profile. Specifically, the objectives must not incentivise or stimulate unacceptable (risk-taking) behaviour. For other staff, specific labour arrangements are in place, dependent on country practices.

In 2019, we reached a new collective labour agreement (CLA) for our employees in the Netherlands. The new CLA was an important milestone in the integration of Delta Lloyd, as it harmonised employment conditions. At the same time, it provided the opportunity to introduce important new elements, such as more parental leave and a diversity day. The new CLA also established a consistent remuneration framework that was applied to the group-wide job family framework.

As part of the CLA, we introduced frequent performance dialogues to encourage open and frank conversations between employees and managers. These performance dialogues focus less on the past and more on future priorities and development. Annual performance reviews are measured against employee objectives, and also take into account behavioural components. We plan to implement the new performance review approach in all business units over the next two years.

### Diversity and inclusion

All employees should feel respected and valued for who they are, regardless of gender, age or background. NN measures its diversity in areas such as age and gender, and we are developing an NN group-wide diversity policy that will also include diversity of thinking. In the beginning of 2020, employees in the Netherlands launched the first NN LGBT+ network, in order to help further promote diversity at NN.



**7.4**

Employee engagement score, up from 7.1



**650**

NN colleagues participated in the Fit by Nationale-Nederlanden pilot



**36%**

Percentage of senior management that are women

## Creating and sharing value – Employees continued

Although we have a higher number of women in senior positions than ever before, we are not yet where we want to be. Our targets of at least 50% female candidates when recruiting for management roles and 30% women in senior leadership positions will help us achieve leadership teams that reflect the gender diversity of the group being managed. In 2019, 36% of senior management were women, up three percentage points on 2018 and exceeding our overall target.

Equal pay continues to be a recurring topic on the agenda of the Management Board and Supervisory Board, with developments in this area regularly monitored. The global pay review process for senior leaders also includes checks to monitor if equal pay principles are adhered to.

### Employee representation

Our works councils facilitate employee consultation in many NN countries in Europe. In the Netherlands, all works councils held elections in October, with those elected taking up their roles in January 2020.

An overview of the Central Works Council members and European Works Council members of NN Group can be found on page 38 of the Financial Report.

### Transformation HR function

We want our HR processes to be more centralised around the employee perspective. We have therefore begun an HR transformation programme. Multidisciplinary teams are working to shape a new employee journey that is focused on the moments that matter in an employee's career at NN, supporting them in their personal and professional growth.

### Employee engagement

Engagement of employees is monitored and evaluated through the annual global employee engagement survey. Insights from the survey help us to better understand our priorities and strengths, to improve our service to our customers, and to create an engaging work environment. Given our efforts in this area, we are satisfied with the results of the 2019 survey. 85% of employees participated in the survey and our overall engagement score increased to 7.4 (2018: 7.1). Particularly in the areas of performance alignment and meaningful work the scores were high. Further improvement is needed around efficient processes, better explaining our strategy to our employees, and better connecting how our employees relate to our mission.

### Top Employer

Being considered an attractive employer strengthens our position in a competitive labour market. To do this, we need to have the culture, practices and processes in place to provide the best opportunities for our employees. We are encouraged by being named as a Top Employer in all our markets outside the Netherlands in 2019 by the Top Employer Institute. NN Life Japan was recognised for the first time for its working conditions and corporate culture, while some countries were named as Top Employer for the third consecutive year. The Top Employers Institute recognises leading employers around the world as those that provide excellent employee conditions, nurture and develop talent at all levels of the organisation, and strive to continuously optimise employment practices.

## Vitality



We support healthy lifestyles, as they lead to improved well-being and reduced absenteeism. That vitality is an important topic for our colleagues is shown in our annual global engagement survey. We will continue to implement initiatives in this area in all our countries.

In the Netherlands, for example, we offer workshops on vitality and provide fitness facilities in The Hague and Arnhem; NN Bank and NN Life piloted a programme on team energy and team collaboration. The Fit by Nationale-Nederlanden pilot ended in 2019. Close to 650 employees participated in over 30 types of challenges, and the concept received a high score.

In 2020, the programme will be replaced with a new vitality platform at our main office locations in the Netherlands.

In Spain, the wellness programme includes a Running and Nordic Walking club, an in-office physiotherapist and a yearly health check. In 2019, additional actions included nutrition sessions, in-office dental checks, a campaign for flu vaccinations and corporate travel safety. Nationale-Nederlanden Spain also created a so-called psychosocial risk committee that monitors actions that were initiated after a survey and interviews with employees in 2018.

# Creating value for investors

We aim to be transparent by providing investors with high-quality, clear, accurate and timely information to enable them to make informed investment decisions.

The authorised share capital of NN Group N.V. consists of ordinary shares and preference shares. Currently, only ordinary shares are issued, while a call option to acquire preference shares has been granted to the NN Group Continuity Foundation (Stichting Continuïteit NN Group). Read more on page 28 of the Financial Report.

### Major shareholders

According to the AFM register as at 9 March 2020, the following shareholders have an interest of 3% or more in NN Group on the notification date: Blackrock, Inc. 4.80% (21 February 2020), P.E. Singer 3.04% (17 February 2020), Norges Bank 3.03% (12 April 2019), APG Asset Management N.V. 3.00% (2 August 2017), RRJ Capital II Ltd. 9.60% (23 May 2017).

### Our guidance

- For 2019, we aimed to pay an ordinary dividend in line with our medium-term financial performance and envisage a sustainable ordinary dividend per share and a pay-out ratio of 40-50% of the net operating result
  - NN Group has proposed a total dividend for 2019 of EUR 2.16 per ordinary share, which is equivalent to a dividend pay-out ratio of 50% of NN Group's 2019 full-year net operating result
- We intend to maintain financial leverage and fixed-cost cover ratio consistent with a Single 'A' financial strength rating
  - Latest financial strength ratings awarded by Fitch ('A+') and Standard & Poor's ('A') in line with guidance

### Listing

NN Group ordinary shares are listed and traded on Euronext Amsterdam under the symbol NN.



### Authorised and issued capital

in EUR million	Year-end 2019	Year-end 2018	Year-end 2017
Ordinary shares			
– authorised	84	84	84
– issued	41	41	41
Preference shares			
– authorised	84	84	84
– issued	0	0	0

### Number of shares in issue and shares outstanding in the market

	Year-end 2019	Year-end 2018	Year-end 2017
Authorised share capital	700,000,000	700,000,000	700,000,000
Issued share capital	343,556,121	341,059,071	340,750,342
Own ordinary shares held by NN Group	21,485,285	6,554,128	6,609,781
Outstanding ordinary shares	322,070,836	334,504,943	334,140,561

## Creating and sharing value – Investors continued

### Dividend policy

For the financial year 2019, NN Group aimed to pay an ordinary dividend in line with its medium-term financial performance and envisages an ordinary dividend pay-out ratio of 40-50% of the net operating result. NN Group intends to pay interim dividends calculated at approximately 40% of the prior year's full-year dividend. Barring unforeseen circumstances, NN Group intends to declare an interim dividend with the disclosure of the first half-year results and to propose a final dividend at the annual general meeting (AGM) of shareholders. When proposing a dividend, NN Group takes into account, amongst other things, the capital position, the leverage and liquidity position, regulatory requirements and strategic considerations, as well as any expected developments in these areas.

Dividends are paid either in cash after deduction of withholding tax if applicable, or in ordinary shares from the share premium reserve, as elected by the shareholder. We intend to neutralise the dilutive effect of the stock dividend through repurchase of ordinary shares. NN Group is committed to distributing excess capital in the form that is most appropriate and efficient for shareholders at that specific time, such as special dividends or share buybacks.

At the AGM on 28 May 2020, a final dividend for 2019 will be proposed of EUR 1.40 per ordinary share. Together with the 2019 interim dividend of EUR 0.76 per ordinary share paid in September 2019, NN Group's total dividend for 2019 will be EUR 2.16 per ordinary share, which is equivalent to a dividend pay-out ratio of 50% of NN Group's full-year 2019 net operating result.

NN Group announced an update of its dividend policy on 13 February 2020. Going forward, NN Group intends to pay

a progressive ordinary dividend per share and intends to execute a recurring annual share buyback of at least EUR 250 million. Additional excess capital is to be returned to shareholders unless it can be used for value creating opportunities.

### Disciplined capital allocation

Through disciplined capital management and a focus on generating capital, we ensure our cash capital position and Solvency II ratio remain strong. Excess capital will be returned to shareholders unless it can be used for value-creating opportunities, for example the expected acquisition of VIVAT Non-life, which further strengthens our Non-life platform in the Netherlands.

 **Read more:** <https://www.nn-group.com/Investors/Share-information-1/Dividend-policy-and-dividend-history.htm>

### Share buyback and share capital

On 14 February 2019, NN Group announced an open market share buyback programme for an amount of up to EUR 500 million over 12 months, commencing 1 March 2019. This share buyback programme was completed on 28 February 2020.

On 29 March 2019, 5,850,000 NN Group treasury shares that had been repurchased under the share buy-back programme completed in December 2018 were cancelled.

On 25 June 2019, NN Group issued 4,807,859 ordinary shares as stock dividend for payment of the 2018 final dividend, representing an aggregate value of EUR 169 million. For payment of the 2019 interim dividend, 3,539,191 ordinary shares were issued as stock dividend on 11 September 2019, reflecting an aggregate value of EUR 106 million.

To neutralise the dilutive effect of the stock dividend, NN Group repurchased ordinary shares for EUR 275 million in 2019, related to the 2018 final and 2019 interim dividends.

On 13 February 2020, NN Group announced a new share buyback programme of EUR 250 million, commencing on 2 March 2020 and to be completed within 12 months.

NN Group reports on the progress of the share buyback programmes on its corporate website (<https://www.nn-group.com/Investors.htm>) on a weekly basis.

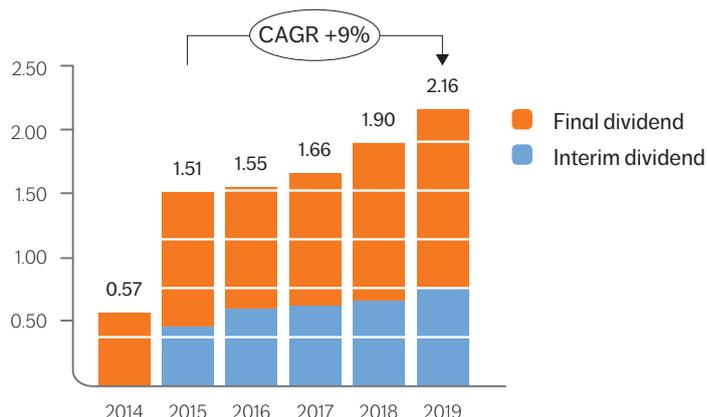
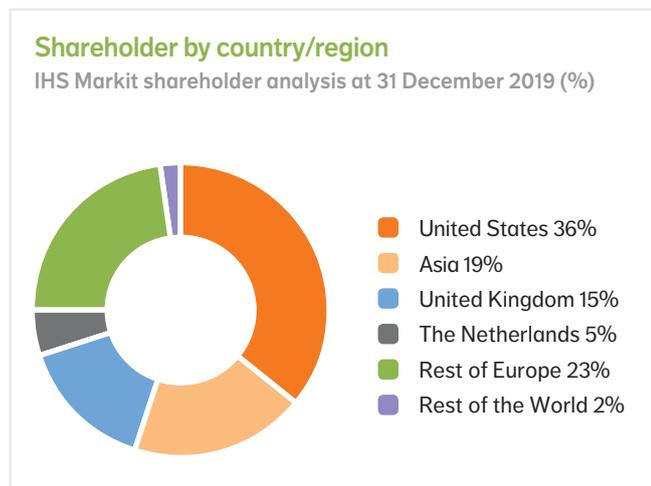
NN Group has decided to cancel 23,289,558 treasury shares representing shares repurchased as part of the share buyback programmes. This cancellation is subject to a two-month creditor opposition period which will end on 11 May 2020. Assuming no opposition is made the cancellation of shares will take effect on 12 May 2020.

### Credit ratings

On 18 September 2019, Standard & Poor's published a report confirming NN Group's 'A' financial strength rating and a 'BBB+' credit rating with a stable outlook. On 10 March 2020, Fitch confirmed NN Group's 'A+' financial strength rating and 'A' credit rating, and upgraded the outlook from stable to positive.

### ESG ratings

In the area of sustainability, we are rated by specialised research agencies and included in indices such as the Dow Jones Sustainability Indices. Read more on page 60. We proactively inform the market about our sustainability approach and performance by publishing and regularly updating an environmental, social and governance (ESG) presentation on our website and during one-on-one investor meetings.



# Creating a positive impact on society

We want to create a positive impact on society, by investing our assets responsibly, being a fair taxpayer, managing our direct environmental footprint, and through our activities in the communities where we operate.

## Objectives & 2020 targets and our performance

- Further develop our Responsible Investment Framework policy
  - Development and publication of a Statement on Coal
- Continue to increase our Assets under Management (AuM) in sustainable and impact strategies
  - Increase (+37%) in our AuM in sustainable and impact strategies to EUR 22.7 billion
- Reduce direct CO<sub>2</sub> emissions (tonnes) by 3% per FTE per year
  - CO<sub>2</sub> emissions per FTE decreased by 14%
- Reach out to at least 100,000 young people through NN Future Matters programme; help 11,625 households out of poverty and debt
  - 25,421 young people reached through NN Future Matters in 2019 and 138,358 to date. We have exceeded our 2020 target and strive for a growing number of impacted youth going forward

## Responsible investment

NN Group's Responsible Investment (RI) Framework policy sets out our vision and approach in this area: we integrate environmental, social and governance (ESG) factors into our investment process and active ownership practices. We prefer inclusion backed by engagement to exclusion, but we also uphold restrictions; and our asset manager offers clients a range of ESG-integrated, sustainable and impact investment strategies.

## Supporting ESG integration

Our RI Framework policy includes norms-based criteria reflecting our investment beliefs and values, relevant laws, and internationally recognised norms and standards. These criteria guide the investment process across NN Group and NN Investment Partners (NN IP).

In 2019, NN Group further developed its RI Framework policy by adopting a Statement on Coal, including a phase-out strategy for our proprietary assets. This means that NN will reduce its investments in thermal coal mining and coal power to close to zero (defined as between 0 and 5%) by 2030. For the assets that we manage on behalf of our clients, NN IP developed an engagement programme focused on utilities that derive an important part of their installed power generation capacity from coal, as well as globally diversified mining companies that have a large absolute thermal coal production volume. Through dialogue, we seek to encourage companies to develop transition plans consistent with the goals of the Paris Agreement, including timelines and commitments to the reduction of thermal coal mining and/or coal use for power. Furthermore, investment restrictions are applied to companies that derive more than 30% of their revenues from thermal coal mining (extraction).

These companies are placed on NN's restricted list, which applies to all investments. We believe this restriction will contribute to de-risking our portfolios in terms of our carbon footprint, which is in line with our responsible investment ambition, and contribute to the overall energy transition. To create consistency throughout our business, we will implement an insurance underwriting policy that is aligned with the approach for investments. We feel the various elements of this policy statement reinforce each other.

NN IP has strengthened its approach by including a stringent definition of ESG integration that sharpens our focus. For each individual investment analysis, the integration of ESG factors needs to be demonstrated and documented in a consistent way. At year-end 2019, ESG criteria were consistently integrated for roughly two-thirds (68%) of NN IP's AuM, amounting to EUR 189 billion. This includes those assets managed under the sustainable and impact strategies. NN IP is committed to further increasing the number of assets where we integrate ESG factors into the investment process where relevant.

We apply an engagement-led divestment approach. This means restriction is proposed only when we feel engagement cannot change a company's conduct or involvement in specific activities. Responsibility for assessing whether an issuer fails to meet our norms-based criteria lies with the ESG Committee of NN IP, who are advised by the NN IP Controversy & Engagement Council. In 2019, this council met seven times and discussed 120 individual cases.

Creating and sharing value – Society and communities continued



**2,752**

Number of shareholder meetings at which we voted



**662**

Dialogues with issuers on ESG factors



Additional policies that NN IP revised or published in 2019 were an Engagement policy, a Client Voting policy and a Viewpoint policy on (potentially) less sustainable areas. The latter is important to demonstrate our adherence to the Belgian quality standard for sustainable and impact funds.

To support our business in implementing our RI Framework policy, the NN IP Responsible Investment team was doubled from 4 to 9 FTE.

**Influencing companies to take responsibility**

Voting is one of the most powerful tools of active ownership, and we therefore vote at shareholder meetings (AGMs) on behalf of

our own and our clients' assets. To ensure proper governance, we have separate voting committees in place for the different asset types, and publish our voting record on a dedicated website. Some of the voting is outsourced to a proxy service provider, which votes by following our customised proxy voting guidelines.

We monitor these outsourced activities and always make voting decisions internally on a case-by-case basis for our own assets, companies on our engagement list and NN IP sustainable funds.

During 2019, NN IP voted at 2,752 AGMs on 31,775 agenda items. Voting activities were focused on three main issues: board elections, sustainability shareholder resolutions and the alignment of executive remuneration with company strategy.

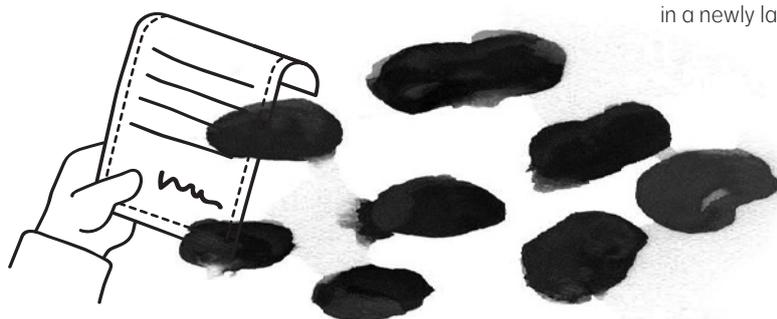
For example, in the case of board elections, we generally support resolutions regarding the (re)appointment of candidates put forward by the company. However, we rejected several board-related items due to a lack of independent board members, poor diversity or when there was no proactive and comprehensive board oversight of environmental and social risks.

**Engagement on coal policy & practices**

In developing our Statement on Coal, we engaged amongst others with Greenpeace. The outcome was well received by our stakeholders. In particular the scope, the timelines and the fact that we made a public statement was appreciated. At the same time, NN is

still being criticised for the fact that we cannot enforce the policy on the assets that are managed via client mandates or by NN OFE (our open pension fund in Poland) which is a separate legal entity and has to abide by Polish regulations. In the meantime, we continue our efforts to

support the transition towards a low-carbon economy and monitor societal developments to ensure our statement reflects expectations. NN IP engages with both local investee companies and local NGOs, and collaborated with the Warsaw Stock Exchange amongst others in promoting the incorporation of responsible investment parameters in a newly launched Polish index fund.



## Creating and sharing value – Society and communities continued

In addition, NN IP supported a large number of shareholder resolutions linked to environmental (96%) and social (80%) topics. In general, we support resolutions if they address material social and environmental issues that can have a material impact on the company and/or its stakeholders. We voted on issues such as climate change, supply chain management and human rights. An example being our support for all resolutions at the AGM of ExxonMobile to send a clear signal to the company that climate change is important to investors.

We believe in the importance of an ongoing dialogue with companies and issuers in whom we invest. Through engagement, we aim to raise their awareness of ESG issues and encourage them to improve their ESG policies and practices. Because of the active investment strategies of NN IP, our equity and fixed income analysts and portfolio managers are in frequent dialogue with investee companies. Our ESG specialists also enter into dialogue with corporate and sovereign issuers, and whenever ESG issues are a topic of discussion during company meetings, we log them in a dedicated database.

In addition to our own engagement efforts, we use the services of Sustainalytics Stewardship Services. They carry out engagements with companies on our behalf, primarily focused on compliance with internationally recognised conventions and guidelines on ESG issues.



# EUR 22.7bn

AuM in sustainable and impact strategies

The chart on the previous page shows that in total we had 662 ESG dialogues with issuers in 2019. For more examples of how we engage with companies and sectors, please refer to NN IP's Responsible Investing Report 2019 on our website.

### Making a positive impact through our investments

NN IP offers a wide range of sustainable and impact investing strategies to meet customers' growing demand for products that both have a positive impact on society and the environment, and generate solid financial returns. Total AuM in our sustainable and impact investing products grew by 37% to EUR 22.7 billion at year-end 2019.

During 2019, NN IP expanded its sustainable and impact offering with an enhanced index sustainable equity fund focused on emerging markets. We also launched an ESG index fund investing in Polish blue-chip stocks that is listed on the Warsaw Stock Exchange WIG-ESG index.

NN IP expanded its green bond funds range with the launch of a new short-duration green bond fund, which contributes to the UN Sustainable Development Goals. The total green bond strategy (funds and mandates) has seen rapid growth and reached EUR 1.8 billion at year-end 2019. NN IP measures and reports on the contributions to society, such as avoided CO<sub>2</sub> emissions.

For NN Group's own assets, too, we look for investments that have a positive impact on society while still meeting our investment criteria. For instance, we invest in green bonds, and finance infrastructure debt projects in the area of renewable energy and resource efficiency (specifically: solar and windfarms, district heating projects, and water and wastewater treatment facilities). In total, these investments amounted to EUR 821 million at year-end 2019.

We also continue to make our own private real estate portfolio more sustainable. We use the Global Real Estate Sustainability Benchmark (GRESB) as the primary measure of our progress. In 2019, the GRESB score for NN's portfolio of funds, joint ventures and directly-owned buildings rose for the fifth year running to 85 out of 100, well above the 77 of the European private real estate benchmark.

Please also note our Analysis of the carbon footprint of proprietary assets, published on the same date as this review. It contains information on the measurement of the carbon footprint of 80% of our total asset portfolio including residential mortgages. It also provides an overview of NN Group's efforts to address climate change risks in our investment process and how we aim to contribute to a low-carbon economy through our investment activities.

## Engaging with the textile sector on living wage



NN IP is an active member of the Platform Living Wage Financials (PLWF), an alliance of 13 financial institutions that encourages and monitors investee companies to address the non-payment of a living wage in global supply chains. As an investor coalition with over EUR 2.6 trillion of AuM and advice, we use our influence and leverage to engage with our investee companies in the garment and footwear, agricultural and food, and the food retail sector. In October 2019, the initiative won the PRI Active Ownership Project of the Year Award. The scale and ambition of the objectives of the project, and what the project delivers for investors and for the environment and society as a whole, were taken into consideration. Among other considerations were the degree of innovation and the success of the collaboration. For more information, refer to the NN IP Responsible Investing Report 2019.

## Creating and sharing value – Society and communities continued

### Responsible tax strategy

We believe that a responsible approach to tax is an essential part of good citizenship. We manage our tax position in line with our business operations, and our position reflects our corporate strategy and takes into account relevant international guidelines, such as the OECD Guidelines for Multinational Enterprises. Being a responsible taxpayer also means that our tax planning takes long-term considerations into account and carefully weighs all stakeholder interests. We have a set of tax principles to which we adhere and communicate publicly on our website through our Tax Strategy and Principles and the NN Group Tax Charter.

Besides taxes that NN Group pays as a taxpayer, which represent a cost for our company, we are also responsible for collecting taxes on behalf of our clients, employees, and service providers, and passing them on to tax authorities. To give more insight into our tax contribution, we published our first Total Tax Contribution (TTC) Report over the year 2018 in May 2019.

We are pleased that this effort was recognised by external stakeholders, with NN the top-scoring company in the annual Tax Transparency Benchmark published by the Dutch Association of Investors for Sustainable Development (VBDO). This benchmark provides a comparative study of Dutch, stock listed companies' fiscal transparency.

Also for book-year 2019, we published a TTC Report. This report is separately published on our corporate website. Where our previous report only recognised the Netherlands as a separate country, this year's report provides insight on the taxes being borne and collected on a country-by-country basis. In addition, we explain new developments such as the signing of an Advance Pricing Agreement with the Dutch tax authorities regarding the arm's length pricing of the intragroup services towards its International business units.



**EUR 2bn**

Total tax contribution

### Financial tax disclosures

The financial disclosures on corporate income taxes paid by NN Group can be found in the 2019 Financial Report. The same information is included in the 2019 TTC Report, but this report provides more detailed explanations to help understand the disclosures. In addition, the TTC Report provides information on the other taxes collected and paid by NN Group as outcome of its operations.

NN Group's Total Tax Contribution in 2019 amounted to EUR 2,040 million, and consisted of the corporate income taxes paid by NN Group and the total of the other taxes collected and paid by NN Group as outcome of its operations (including Value Added Tax, Insurance Premium Tax, payroll taxes, and withholding tax on dividends paid by NN Group). Of this total tax contribution, we paid 85.4% to the tax authorities in the Netherlands, and 14.6% to local tax authorities on behalf of our international businesses.

### Sustainable sourcing

With an annual spend of around EUR 1 billion, our procurement activities support our business strategy. A substantial part of this investment goes towards professional services, IT, real estate and facility management, where we implement sustainable and circular solutions. Our relationship with suppliers is based on our NN values, and we aim to work together in a mutually beneficial way. We have a supplier qualification process and governance in place for managing social, environmental and financial aspects of the procurement process.

### Managing our direct environmental footprint

We manage our environmental performance through efficient use of natural resources, and identifying and implementing green alternatives. We have been carbon neutral since 2007 by purchasing voluntary carbon credits to compensate our CO<sub>2</sub> emissions. Our target is to reduce our CO<sub>2</sub> emissions from direct operations by 3% per FTE per year. In 2019, our CO<sub>2</sub> emissions decreased by 14% per FTE per year.

As a financial service provider, our direct environmental footprint consists mainly of emissions from office activities and business travel. In 2019, we formulated our #YourSustainableWorkspace ambition to contribute to a sustainable and healthy environment within our office activities. The ambition focuses on six workstreams: emissions, waste, plastic, food, circularity and being an inclusive employer. As part of the workstream 'plastic', we created the NN Plastic Pledge, an NN-wide commitment to a more sustainable and circular working environment. NN Group also became a partner of the social enterprise Plastic Whale, working with them on decreasing our plastic footprint and creating awareness around plastic soup.

In the area of mobility, too, we aim to decrease our environmental footprint. We introduced a lower threshold for emissions for our lease fleet in the Netherlands, and organised a mobility workshop to give further shape to our ambitions around mobility and sustainability.



**-14%**

CO<sub>2</sub> emissions per FTE

Creating and sharing value – Society and communities continued

**Community investment**

NN Group's overarching community investment programme is NN Future Matters. This programme aims to help improve people's financial circumstances, with a particular focus on 10- to 25-year-olds and underserved groups. In 2019, we supported 25,421 young people, while 87% of our total EUR 3.2 million charitable donations went to NN Future Matters-related target areas.

NN Future Matters targets three interrelated areas: financial empowerment, economic opportunities and financial distress. All three areas align with both our purpose as a company and the knowledge and expertise we have in-house. More importantly, this focus has had a demonstrable, positive impact on communities. We involve both international and local partners so that the programme is globally consistent while remaining relevant to local needs and issues.

**Promoting financial empowerment**

Sound financial knowledge helps people achieve a more secure financial future. Our initiatives focus on the young, as responsible financial behaviour is often best developed at an early age. During the 2019 Money Week in the Netherlands, NN colleagues gave 274 lectures in primary schools to more than 6,696 children on money and financial risk.

In Bulgaria, with local partners we developed a personal finance textbook, reaching over 600 students and lecturers across five universities. Together with the Financial Literacy Foundation, we launched a financial education website to share useful financial information with the wider public. A national tour of the play 'Money Carousel' to four regional cities was also organised, using theatre to educate children about financial well-being.

**Creating economic opportunities**

Helping young people develop useful skills increases their labour market opportunities. In collaboration with Dutch not-for-profit organisation JINC, NN colleagues provide job training to young people who may lack specific role models or supportive networks.

In Greece, the digital career orientation programme My Career was launched to help young people make an informed career study choice that suits their personality and links opportunities in the employers' market with their personal interests. Making the tool available online ensures that young people in both urban and rural areas are reached.

In Poland, we supported the first edition of University of Success, a programme supporting 18-year-old girls leaving orphanages and wanting to have a career in the IT and digital media sectors.

In Spain, we are an Aldeas Infantiles Future Builder, helping teenagers aged between 16 and 19 in risk of social exclusion with their social skills, personal development, academic qualifications and employability. The programme aims to promote social and labour inclusion in the hospitality business.

The NN Future Matters scholarship programme, a collaboration between NN and EP-Nuffic, gives first-generation higher education students the opportunity to complete a master's degree in the Netherlands. Students are matched with an NN mentor, who supports them during the year. In 2019, we welcomed 40 students from 10 countries.

We also strive to create economic opportunities by encouraging entrepreneurship. In 2019, 13,253 students in 11 countries took part in the Social Innovation Relay. This flagship of the partnership between NN Group and Junior Achievement Europe is a global competition for secondary school students to develop an innovative business concept that addresses a real societal need.

**Alleviating financial distress**

Even in the world's more prosperous societies, formal social services do not reach all the community's disadvantaged and underserved. NN therefore tries to support families with children in financially challenging circumstances through fundraising and partnerships with local charities.

**From Debt to Opportunities**

The From Debt to Opportunities Foundation has been part of NN Group's Future Matters programme since 2018. Alongside 30 local not-for-profit partners, the foundation supports the 20% of Dutch households who face structural debt problems, helping them acquire the financial skills to escape poverty and debt, and achieve sustainable financial security.

The Amsterdam University of Applied Sciences researches the programme's impact. It found that 26% of respondents remain debt-free over the long term and after the programme, this group also had more money available for unexpected one-off expenses, such as replacing costly but essential household whitegoods. In 2019, 2,983 households were supported.

In addition to financial support, 171 NN employees volunteered 3,518 hours of their time and expertise to projects that further the foundation's goals.

 **Read more in Dutch: <https://www.vanschuldennaarkansen.nl>**

In 2019, for example, we organised several fundraising initiatives with colleagues in partnership with the LINDA.foundation, which helps Dutch families in financial distress. To celebrate NN Future Matters' fifth anniversary, and to help NN countries strengthen their partnerships with relevant local charities, we made additional donations of EUR 80,000 to local charities in eight NN markets.

 **Read more: <https://www.nn-group.com/In-society/Positive-change-in-communities.htm>**



**EUR 3.2m**

Donations to charitable organisations



**12,481**

Employee volunteer hours in NN Future Matters focus areas



**25,421**

Young people reached through NN Future Matters

# Contributing to the SDGs

The Sustainable Development Goals (SDGs) address the world’s largest societal challenges, such as poverty, climate change, health care and education. At NN, we believe the public and private sector should work together to help achieve these goals. In 2019, we took steps to further link the SDGs to the themes in our strategic agenda: healthy and safe living, a sustainable planet and an inclusive economy.

### NN Group’s SDG journey

Three years ago, we identified our impact areas through dialogue with both internal and external stakeholders. Our primary focus is on SDG 8 (Decent work and economic growth) and SDG 12 (Responsible consumption and production). Our business can contribute to these goals through both our direct operations and our value chain. In addition, our impact investment activities and various investment instruments address, for example, SDG 3 (Good health and well-being) and SDG 7 (Affordable and clean energy). While through our community investment activities, we strive to contribute to SDG 1 (No poverty).

During 2018, we provided the Dutch Central Bank (DNB) with input via a survey and expert session, thus contributing to a DNB report on sustainability risks and goals in the Dutch financial sector. During NN’s

International Leadership Conference, our senior leaders reconfirmed our impact areas and discussed how NN can further contribute to the SDGs and further align our target-setting. Through our membership of the UN Global Compact Network Netherlands, we contributed to the development of an SDG Game that was launched at the UN Global Compact Leaders Summit in New York in September 2019, and which helps companies raise awareness about the SDGs and engage their employees in creating a sustainable company.

In 2019, we took steps to further link the SDGs to the areas of our strategic agenda: healthy and safe living, a sustainable planet and an inclusive economy. We made a positive contribution to SDG 8, as employer to 15,194 employees worldwide, and to SDG 12 through our investment activities.

However, some of our activities have a negative impact on the SDGs. For example, we are still involved in activities that generate carbon emissions. In future, we want to better define our impact, by measuring not just our positive but also our negative impact on the SDGs we have identified.

### Impact investing and the SDGs

Immediately following the introduction of the SDGs, NN Investment Partners (NN IP) introduced several impact strategies primarily designed for investors who want to make a clear, positive impact on one or more of the SDGs, while still achieving an attractive financial return. Our strategies invest in industries, companies and projects that offer a societal solution, and have a clear and measurable positive impact on people, planet and/or prosperity.



### Decent Work and Economic Growth



#### NN Network Neurodiversity

In 2019, the NN Network Neurodiversity was founded, with the aim to contribute to a working environment in which neurodiversity, for example autism, can be discussed and accepted. This is done by offering a listening ear and by sharing knowledge. The network also makes a connection to the Participation Act, by offering people that are currently unemployed a job within NN.



### Responsible Consumption and Production



#### #Yoursustainableworkspace

To contribute to a sustainable and circular office environment, we formulated the #Yoursustainableworkspace ambition for 2020. It relates to different parts of the office experience, including refurbishments, energy use, catering, waste, plastic and being an inclusive employer. We work together with social entrepreneurs to raise awareness among employees and suppliers.

## Creating and sharing value – Sustainable Development Goals continued

These high-quality investments have attractive growth potential, as their products and services offer solutions benefiting from the tailwind of rising capital spend on the SDGs. Environmental, social and governance (ESG) factors are integrated throughout the investment process, and we engage with all portfolio holdings to ensure the investment

case is attractive and the solutions make a positive contribution to a cleaner environment and better world.

Our range of impact strategies, which includes listed equity, fixed income and direct loan funds, currently holds EUR 3.5 billion AuM. This includes our

Global Equity Impact Opportunities Fund, Green Bond Fund and FMO Emerging Markets Loan Fund. In December 2019, NN IP also introduced three thematic listed equity impact funds: Health and Well-Being, Climate and Environment, and Smart Connectivity.

### Measuring business impact

SDG	Impact and opportunity	Performance in 2019	Theme
	Impact through job creation, procurement activities and community investment	<ul style="list-style-type: none"> <li>Employee engagement 7.4 (up 0.3 from 7.1 in 2018)</li> <li>25,421 young people reached through NN Future Matters</li> <li>40 scholarships provided to students from 10 countries</li> </ul>	Inclusive economy
	Impact and opportunities through reduction of our direct carbon footprint and integration of ESG factors into investments	<ul style="list-style-type: none"> <li>Reducing our CO<sub>2</sub> emissions per FTE by 14% and purchasing 72% electricity from renewable resources</li> <li>Integrating ESG factors in investment process for 68% of our total AuM</li> <li>EUR 22.7bn Assets under Management in sustainable and impact investment strategies</li> </ul>	Sustainable planet
	Impact through our community investment activities	<ul style="list-style-type: none"> <li>EUR 3.2m donations to charitable organisations</li> <li>2,983 households reached by Foundation From Debt to Opportunities</li> </ul>	Inclusive economy
	Impact through our insurance products	<ul style="list-style-type: none"> <li>Seven countries providing products and services with social added value that promote good health and well-being for customers</li> </ul>	Healthy and safe living
	Impact through our investments in renewable energy	<ul style="list-style-type: none"> <li>EUR 628m investments of own assets in direct renewable infrastructure projects and green bonds used for renewable energy</li> </ul>	Sustainable planet



### Affordable and Clean Energy



#### Green bond fund

NN Investment Partners (NN IP) has launched a short-duration green bond fund. The fund adds to the existing green bonds range but has a shorter duration of two years. Green bonds are instruments where the proceeds are applied to financing new or existing projects that have a measurable positive impact on the environment. NN IP is the largest market participant in terms of open-ended green bond funds. The total green bond strategy has reached EUR 1.8 billion at year-end.



### Good Health and Well-being



#### Health insurance in Romania

In Romania, NN offers protection and health products that address the population protection gap. We launched a series of products that have add-on coverages that can be selected by customers depending on their needs. They offer protection for critical illness, and work incapacity due to permanent disability or accident recovery. These were specifically designed for the healthcare needs of Romanians, enabling them to secure their financial futures in case of unexpected medical situations.