



Creating value for our stakeholders

Committed to creating long-term value

In the way we do business, we see customers as the starting point of everything we do. We develop and appropriately price financial products and services which meet the needs of our customers through each phase of their lives.

We aim to be where our customers want us to be, and distribute our products and services through many channels, including intermediaries, brokers, tied agents, banks and financial advisors, as well as directly online.

We receive fees, premiums and deposits from customers for the products and services provided. We invest this money prudently and responsibly. The returns earned on these investments are used to pay out pensions, claims, other benefits and interest.

The remaining capital is deployed for investments in growth initiatives, managing debt and delivering capital returns to our shareholders.

Creating value – Stakeholders

How we create value

We are committed to creating long-term value for our stakeholders. This simplified version of our business model, based on the framework developed by the Value Reporting Foundation, shows how we use the resources (shown as capitals) in our organisation to create value as a result of our activities (shown as outputs and outcome).

Our key inputs



Creating value – Stakeholders continued

The value we created in 2021

Outputs

Disciplined capital deployment

- Total dividend and interest payments to investors: **EUR 820m**
- Share buyback programme: **EUR 250m**

- Investments in acquisitions: **EUR 341m**
- Solvency II ratio: **213%**

Wages and benefits

- Total wages, benefits and pension contributions: **EUR 1.6bn**

Inclusive and inspiring working environment

- % women in senior management positions: **34%**
- Employee engagement score: **7.7**

Availability of services

- % growth of digital retail clients: **12%**

Efficient operating model

- IT expenses: **EUR 310m**

Proper functioning of controls

- Incidents of fraud, conflicts of interest and unethical behaviour: **41**

High-performing products & services

- Brand consideration: **23%**
- Net Promoter Score: **5 out of 11 business units scoring above market average**

Environmental impact from own operations

- Carbon emissions: **8 kilotonnes CO₂ – 100% compensated by carbon credits**

Environmental impact from investments

- Carbon footprint relating to proprietary investment portfolio: **55 tCO₂e/EURm invested**

Returns to customers

- Pension benefits and claims paid: **EUR 13.3bn**

Positive contribution to society

- % ESG-integrated strategies: **91%**
- Investments in sustainable and impact strategies: **EUR 37.9bn**
- Total contributions to our communities: **EUR 8m**
- People reached through NN Future Matters: **21,525**

Responsible tax

- Total tax contribution: **EUR 2,621m**

Outcome for our stakeholders

Customers

To our customers, we offer peace of mind; our products help protect them, their families, their health and their property. We also safeguard their personal data, provide mortgages and a stable source of income in retirement.

Employees

To employees, we provide wages and other benefits. We also contribute to their pensions. In addition, we offer skills training and opportunities for career development. We provide an inspiring and inclusive place to work.

Investors

To our investors, we are committed to deliver resilient and growing long-term capital generation. To do so, we maintain a strong balance sheet and create solid financial returns by using our financial strength, scale and international footprint.

Society

We contribute to the well-being of people and the planet. We take a long-term and responsible approach to investments, working to minimise their impact on the environment. We also support the economy through taxes and payments to intermediaries and other business partners.

Contributing to the Sustainable Development Goals



Creating value – Customers

Adding value for customers

Our customers are the starting point of everything we do. From students and young professionals to business owners and pensioners, we support our customers in the key moments in their lives and help them deal with expected as well as unforeseen changes. With products and services that are convenient and simple to use, anytime and anywhere, we help our customers care for what matters most to them.

Key performance indicators Customers and distribution

- Customer engagement (NPS): All insurance business units scoring above market average NPS by 2023
2021: 5 out of 11 business units
- Brand consideration¹: 28% by 2023
2021: 23%

¹ Measured by GBHM (Global Brand Health Monitor).

Improving the customer experience

We are investing in digital capabilities and data so we can identify faster and more precisely what matters most to our customers, and enable them to reach us in the ways most convenient to them. For this, we need to take into account the full customer journey across all channels, including brokers, intermediaries and agents, who remain a highly relevant channel for us.

To achieve this, our entire product and services portfolio must also be supported by robust, futureproof technology and systems. This will require simplifying our processes and systems. And streamlining our portfolio by phasing out old products and legacy systems to focus on products and services that are easy to use and understand.

We also invest in creating more cost-efficient processes through digitalisation and robotisation, and to improve our digital capabilities in areas such as process automation and data analytics, so we can develop innovative new ways with which to interact with our customers.

Optical character reading

We introduced optical character reading (OCR) on claim handling for an OHRA Pet Insurance product. This led to significant improvements in both customer satisfaction metrics and operational costs. In Japan, we piloted OCR/AI education to automatically find and read key medical data from paper-based health check reports used in medical documents. We aim to introduce the system in the first quarter of 2022.

Being there where our customers are: our platforms

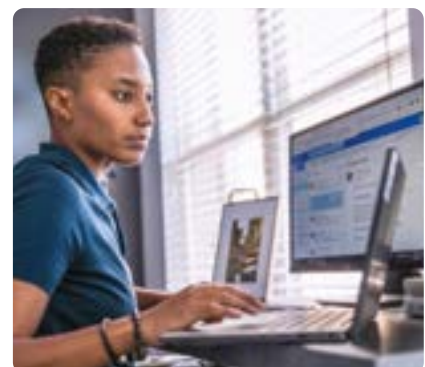
Customer engagement means putting our customers first and being where they want us to be. This includes going beyond our day-to-day interactions to find new ways of engaging with customers, either by building our own platforms or participating in other ones.

Combining digital and physical interactions

Several of our markets are combining digital and physical interactions to establish richer customer experiences. In Hungary, Poland, Romania and Spain, we simplified and streamlined how customers can reach us via a variety of channels, hassle-free and within minutes. They can, for example, renew policies directly, or call, mail or chat with us if their needs have changed.

Using questions and supported by data analytics and AI, the customer service employee can advise the customer on their options, which the customer can if they wish then discuss with their personal advisor.

When the customer receives their new proposal, they can 'sign' it via their phone using face or fingerprint ID. They are insured immediately and in many cases everything is arranged within one day.



Creating value – Customers continued

Being there, in good times and bad times

Being there for customers means providing solutions that create long-term value, and developing products and services that meet their real needs through each phase of their lives.



For young adults

Leaving home for the first time

- Travel insurance

Living on your own

- Home insurance (furniture)
- Personal loan



Young professionals

Starting a career

- Term life insurance
- Property and casualty insurance

First home

- Savings solutions
- Mortgage



Middle age

Daily life

- Car insurance
- Home insurance (building)

Thinking about the future

- Term life insurance
- Retail investment



Retirement

Daily life

- Health care insurance
- Legal insurance

Pension

- Immediate (bank) annuities
- Term deposits

Through digital platforms, we can meet our customers where they are, and tailor their experience. We see platforms as an opportunity to engage directly with our customers, building stronger relationships and offering innovative solutions – ours and partners’ – that closely meet customers needs and requirements.

To achieve this, we broadly use platforms in two ways:

Platform orchestration

This is where we own the customer interface, such as our e-health proposition Veerkracht and Carefree Retirement platform WYZ. WYZ is a one-stop shop for customers preparing for retirement or recently retired. Our other Carefree Retirement-related propositions Kwlek and Zorggenoot are also accessible through WYZ.

Platform participation

Through our presence on existing customer engagement platforms, we can access new customer groups. For example, we sell NN insurance through e-bike dealers, manufacturers and brokers such as Cowboy, and peer-to-peer platform Indie Campers. Such embedded financial products also have a distribution advantage as customers can purchase them where they are, through brands they trust. This enables our products to become part of an existing transaction rather than something bought separately.

Helping customers address societal and environmental challenges

We want our products and services to contribute positively to the well-being of our customers and the communities in which we operate. A few examples from 2021:

Netherlands Life online platform the Human Capital Planner (HCP) provides employers and pension advisors with relevant insights and tools. In 2021, we added insights on the sustainability impact of invested premiums. The HCP also provides customers with a dashboard showing them the impact of their life cycle investments in terms of CO₂ reduction, water savings and waste reduction.

This year we introduced ESG pension funds in Spain and Slovakia. The Respect Fund in Slovakia evaluates your savings in the second pension pillar against environmental, social and corporate governance criteria.

Also in Slovakia, we offer a premium health benefits programme for all our insurance and pension customers, and in Hungary we introduced a similar health assistance programme.

We develop products centred around the theme of Carefree Retirement to help solve challenges faced by people over 55. In the Netherlands, we launched WYZ, a one-stop shop for customers preparing for retirement or recently retired. While the Doorwerkregeling (‘Continued work scheme’) is a service that allows employers to keep employees on after they retire.

NN Bank label Woonnu, a mortgage provider that aims to help consumers make their homes more sustainable, originated EUR 1.4 billion of mortgages in 2021 and entered the top 20 mortgage originators in the Dutch market.

Netherlands Non-life initiated a sustainable car repair network for customers. It uses electric service cars and circular repair materials and aims to keep the negative environmental impact of any repairs to a minimum.

Supporting specific groups in society

Life can be challenging and adversity can happen to anyone. However, not everybody has the same access to tools, advice or support. This is why we also develop products designed to support a more inclusive society. A few recent examples:

In the Czech Republic, in 2021 we introduced long-term care that helps support families look after elderly or disabled relatives. Enabling people stay in their home surroundings helps them to enjoy active, higher quality lives, and supports cross-generational bonding.

In Greece, in collaboration with the South Aegean Region, we provide a free health service, called Dr Online, to over 20,000 inhabitants on 15 islands in Dodecanese and 18 islands in Cyclades, including the smallest and most remote ones. The Dr Online teleconference application allows users to receive medical recommendations via video call or chat and to schedule doctors’ appointments.

Creating value – Customers continued

Measuring our progress

Having a strong, well-known brand gives our customers additional reassurance about the quality of our offering and enhances our credibility. As we invest in our brand, we aim to build recognition, loyalty and competitiveness. Moreover, customers are known to engage with companies they like, know and trust.

How customers view our products and services

Through customer feedback we learn about their preferences and views, helping us improve and modify our services. We focus on several key metrics, which are combined in what we refer to as the Global Brand Health Monitor (GBHM). The GBHM is used to track how our brand is perceived externally, and gain insights into brand performance and development over time.

Net Promoter Score

One of the key metrics in the GBHM is the internationally recognised Net Promoter Score (NPS) system, which measures how likely it is that our customers recommend our 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 the relationship with customers and gain understanding of customer satisfaction over time. We use NPS-r to compare each NN business unit with market averages at the end of the year (see table). For the Netherlands, the NPS score refers to retail customers of Nationale-Nederlanden in Life and Non-life insurance. Japan was included for the first time in 2021; scores are therefore not available for 2020.

In 2021, NPS-r scores show some improvement compared to 2020, driven by various initiatives along with the sharing of best practices on NPS-r across business units.

In 2021, five of our insurance businesses scored above market average – Greece, Hungary, Poland, Romania and Turkey – compared with only four business units in 2020. In 2021, Japan, Slovakia and Spain scored on par with market average. In Poland and Romania, where we have a large presence in the pensions market, we scored above market average in both Life products and pensions.

NPS

Business unit ¹	2021 Result	2020 Result	2021 Market average	2020 Market average
Belgium	-18	-27	10	5
Czech Republic	1	5	14	13
Greece	17	15	9	17
Hungary	47	37	26	31
Japan	-42	n.a.	-41	n.a.
Netherlands	-22	-30	-12	-16
Poland	28	35	17	13
Romania	55	54	45	29
Slovakia ²	1	1	1	-2
Spain	9	14	6	20
Turkey	73	70	53	50

- 1 In July 2021 the sale of our Bulgarian business unit was completed. As a result, the Bulgarian scores are no longer included in this report.
- 2 For the measurement of the number of business units scoring above market average, a reliability margin of 5 points is used.

Brand consideration

Business unit ¹	2021 Result	2020 Result
Belgium	3%	3%
Czech Republic	17%	13%
Greece	25%	21%
Hungary	23%	23%
Japan	11%	13%
Netherlands	23%	20%
Poland	26%	29%
Romania	51%	67%
Slovakia	18%	19%
Spain	14%	9%
Turkey	14%	11%

- 1 In July 2021 the sale of our Bulgarian business unit was completed. As a result, the Bulgarian scores are no longer included in this report.

Our aim is for all insurance business units to score above market average by 2023. To that end, we conduct additional research in local markets to get a better understanding of what drives the NPS-r scores. We expect the implementation of shared best practices to have an effect on our service offerings and customer engagement.

Brand consideration

At least twice a year, we measure key brand indicators, such as brand consideration and brand preference. Brand consideration is measured to monitor the preferences of our customers. The overall brand consideration for NN Group is based on the total score of our insurance business units. The weighting of each business unit is based on its strategic relevance.

In 2021, the overall brand consideration improved from 21% to 23%, mainly driven by an increase of brand consideration for the Netherlands. Whilst we saw a significant decrease in Romania, this was offset by an increased brand consideration in several markets for Insurance International.

In 2021, several activities and marketing communication plans had to be adjusted or postponed due to the cancellation of (live) events because of Covid-19. Marketing communication plans and activities will be evaluated for all business units in 2022, with the aim of further increasing our brand consideration.

Creating value – Our people

Empowering our people to be their best

At NN, we empower our colleagues to be their best. Together, we create a culture that supports an open mindset, aligned with our values and purpose. We believe that working together, opportunities for development and diversity of thinking lead to better results and help position NN as we continue to transform our company. Through these times of change, attracting, developing and retaining talented people is pivotal in building engaged and vibrant teams with the right skills and capabilities.

Key performance indicators People and organisation

- Employee engagement ≥ 7.8 by 2023
2021: 7.7
- 40% women in senior management positions by 2023
2021: 34%

NN culture

Our culture is aligned with our purpose, values and ambition. We consider all colleagues to be talents and work to create an environment in which our people can be their best.

Employee value proposition

In 2020, we launched our employee value proposition (EVP) to position NN as an employer of choice in a competitive labour market, and to make the NN brand accessible to new employees. Our EVP is based on three pillars, i) NN's promise to employees, ii) what our people value most, and iii) what sets us apart from competitors. We measure the effectiveness of our employee branding through employee rankings. For 2021, our Brandchart Imago Research ranking increased (35th place; 2020: 42nd), as did our Potential Park ranking (10th place; 2020: 68th).

Covid-19 pandemic

Due to the Covid-19 pandemic, the majority of our employees have been working from home since March 2020. We monitor their experience through regular surveys. In the Netherlands, between February and October 2021, all scores increased, showing that our people value the flexible way of working, believe they have the right tools to work successfully and feel supported by NN. When restrictions in the Netherlands were lessened in September, 70% of the survey respondents indicated they made use of the opportunity to work from the office one day a week. Once it is possible for employees to return to the office more frequently, we will start implementing a hybrid way of working, called the NN way of working.

NN way of working

Flexible working is the cornerstone of the NN way of working. In this hybrid working model, employees choose together with their manager and team when and where to work. The International Insurance business units have formed a working group and are co-creating the joint vision on hybrid working. They align on best practices, key behaviours and principles, with each unit implementing a tailored approach. For example, NN in Slovakia has a fully flexible approach as part of its four-day work week, while colleagues in Greece, Turkey and Spain work in the office two days a week. The working group will evaluate local experiences in the first quarter of 2022.

In the Netherlands, the new health and vitality intranet page provides tips and advice to support the physical and mental health of our employees when working from home. As part of the NN Way of Working policy, we introduced a monthly allowance for setting up a workplace at home and covering the costs of using the internet. To receive the allowance, and additional advice, employees complete the annual Arbo (Health & Safety) workplace checklist. Through the checklist, employees become aware of what is important for the home workplace and the Health & Safety team can give advice and advise on health risks.

Workforce transformation

There is increasing competition for talent and a strong demand for digital capabilities. Across NN Group, we are working to upskill our workforce to deliver on our strategy and support our employees in a changing environment. Within International Insurance, we invest in creating better products and services for customers and agents, supported by technology. To do so, we aim to recruit tech specialists in a collaborative project across our international business units. A taskforce made up of both IT colleagues and HR professionals will define what is needed to better recruit and retain tech talent.

Also as part of our transformation, NN introduced specific 'guilds' around core capabilities such as Data Science, Customer Research and User Experience. These newly created guilds aim to bring together colleagues working in the same field to support their professional growth, share knowledge and develop shared standards. If successful, we aim to grow this concept and expand the guilds to additional areas of expertise.

Creating value – Our people continued



“
As the world of work is changing,
we are accelerating our efforts
to attract, train and develop
our talented people

Dailah Nihot

Chief Organisation and Corporate Relations

Investing in skills and capabilities

We invest in skills as part of our workforce transformation, and we strengthened the focus on behaviour and development in the annual performance management cycle. Skills, attitudes and behaviours that are important for our strategy and captured in our i-LEAD profile are translated into a set of tangible competencies that became part of the cycle in 2021. Employees can, together with their manager, identify their goals, competencies and development areas. The i-LEAD profile and NN competencies are included in our key HR processes, such as recruitment, our EVP, our talent management approach and leadership development programmes.

Offering our people opportunities to (re)train supports them in preparing for changing circumstances in the labour market. In 2021, NN invested EUR 14.7 million in training and development (2020: EUR 12.9 million).

Increasing the data literacy of our employees is an important step in becoming an innovative, data-driven organisation. To date, more than 1,000 employees have completed our data and artificial intelligence (AI) e-learning course. We expanded our data and AI training programme for managers to include International Insurance (Netherlands: 109 registrations, International: 79 registrations).

Diversity and inclusion

Together we strive to build an environment in which people feel welcome, valued and respected. A company where our colleagues can bring their whole selves to work, where an inclusive customer experience is the status quo, and where we contribute to the well-being of our communities. We published our NN Statement on Diversity and Inclusion (D&I) in 2020, and in 2021 took action to further embed and strengthen our D&I efforts within NN.

In 2021, we appointed a dedicated recruiter in the Netherlands to hire new colleagues who are neuro- or physically diverse. In the Netherlands, we signed the Dutch Diversity Charter as part of European Diversity Month in May, and in Slovakia we became an ambassador of the Slovakian Diversity Charter in February. Nationale-Nederlanden Spain has been an ambassador of the local Diversity Charter since 2019.

Our efforts are being recognised, with NN once again being included in the Equileap rankings and Bloomberg Gender Equality Index.

Equal leave for every family

Our approach to diversity and inclusion (D&I) is about embracing everyone. At NN we believe that all caretakers have the right to time to bond and connect with their children, irrespective of their family structure. To support all families, we launched our Equal leave for all families policy in 2021, for NN employees in the Netherlands. With this update, our parental leave structure offers all families the same minimum leave. NN also has a more lenient leave structure for adoption and birth leave than regulated by Dutch labour law.

The increasing diversity in families in society is also represented within NN. We want our company to be a reflection of the societies in which we live and work. By updating our leave structure to align with our D&I vision, we ensure that all families welcoming a child, including same-sex couples, have time to bond and celebrate together, however the child is welcomed into the family.



Creating value – Our people continued

D&I: a globally consistent, locally relevant approach

We held D&I workshops in all our markets with employees from different levels of seniority, and conducted several assessments with internal and external stakeholders. Within International Insurance, this resulted in a maturity gap analysis report per country, followed by a thorough analysis and action plan for each business unit. We aim to use these plans to further improve our performance on D&I.

For NN as a whole, we launched a D&I ambassadors' network, with country representatives who discuss, challenge and inspire each other on D&I-related topics. The ambassadors are responsible for making and implementing local action plans. For example, in 2021, NN Czech amended its leave policy to provide a day off for civil partnerships. In Belgium, Japan and Spain, we extended paternity leave. During Pride month, Nationale-Nederlanden Spain held an internal campaign to raise awareness of gender pronouns and invited colleagues to include their own pronouns in their email signatures. The business unit was recognised as one of 30 companies with the best D&I practices in Spain.

Gender diversity and equal pay

NN Group's pay is analysed annually with a focus on gender equality. In 2021, we extended the research to all business units and countries for the first time.

The annual equal pay analysis, which is focused on (i) equal representation, (ii) gender pay gap and (iii) equal pay gap, shows (i) women are in lower pay grades and under-represented in higher pay grades, and (ii) the NN Group-wide gender pay gap of 36% is in line with that of the 2020 analysis.

The pay gap relates to where males and females are positioned in the organisation and not about equal pay for equal work. An in-depth statistical analysis was carried out for the Netherlands, Japan, Poland, Belgium and Spain. For the Netherlands, Belgium and Spain, it was concluded that gender is not a triggering event for pay differences. The underlying drivers for the equal pay gap in Japan and Poland are being further investigated.

We are focused on talent management and succession planning activities, among others, to address this gap and to meet our target to have 40% women in senior management positions by 2023.

We raise awareness of the importance of having an inclusive environment and mindset through initiatives in our business units, such as developing unconscious bias training, organising our internal Wo{men}talk series, and supporting female empowerment networks in Slovakia, Spain, Belgium, the Netherlands, Poland and Czech Republic. NN Life Japan is introducing a ratio for 50:50 men and women when hiring recent graduates.

Engagement

We invest in an environment that supports the ongoing personal and professional development of our people. We monitor the sentiment within the company with our biannual global engagement survey. After improved scores in recent years, our overall engagement score in 2021 showed a slight decrease (2021: 7.7; 2020: 7.9) with 83% of employees participating in the survey. Given the challenging working conditions created by the pandemic, we are pleased to see the levels of engagement have remained relatively stable.

Overall, we observed strong results in the areas of Autonomy, Recognition and Room for Personal Growth. While the score for Peer Relationships remained stable at 7.7 (2020: 7.7), it is below the industry (finance) benchmark (8.3) and, like Process Efficiency (6.5; 2020: 6.6), remains a point of attention. There is also room for improvement in the area of Strategy Communication (7.4; industry benchmark 7.6), which monitors individuals' understanding of both how the strategy impacts their role and how they can contribute.

Top employer

The Top Employer Institute named NN a Top Employer in all International Insurance business units for the fourth time. NN Life Japan was 1st out of 10 companies in its market and Nationale-Nederlanden Spain was 11th out of 107 companies. All business units significantly improved their overall score, particularly in the pillars Diversity & Inclusion, Work Environment, and Learning.

The Top Employer certification recognises our efforts to empower colleagues to be their best and to nurture a culture aligned with our purpose and values.

Employee representation

Our works councils facilitate employee consultation in most NN countries in Europe. In 2021, the measures taken to respond to the Covid-19 pandemic was high on the agendas of the European, Central and local Works Councils, as was working from home and the adjusted Whistleblower Policy.

CLA

Discussions with the trade unions on a new collective labour agreement (CLA) for the Netherlands are ongoing. The parties are discussing a three-year CLA, including social plan and pension agreement. The ambition is to reach an agreement in the first quarter of 2022.

Creating value – Investors

Creating value for investors

We offer attractive financial returns for the capital that shareholders and bondholders provide to finance our activities. We actively engage with our investors and aim to be clear and transparent in how we communicate on our strategy, financial results and operating developments, so they can make informed investment decisions.

Our proposition to investors

Resilient balance sheet



- Priority is a strong capital position and balance sheet
- Disciplined capital allocation

Strong and growing capital generation in the Netherlands



- Accelerating management actions
 - Shift to higher-yielding assets
 - Balance sheet optimisation
 - Optimise Non-life business
 - Focus on efficiency

Profitable growth in attractive markets



- Leading market positions in Central and Eastern Europe and in the COLI market in Japan¹
- Shift to protection and leveraging on strong distribution network

Our commitment

Resilient and growing long-term capital generation for shareholders

Financial targets

Operating capital generation (OCG)²:
Free cash flow (FCF):

**EUR 1.5bn in 2023
over time, in a range around OCG**

Non-financial targets

- Excellent customer experience
- Engaged employees
- Positive contribution to society

Dividend policy

Progressive dividend per share, annual share buyback of at least EUR 250m and additional excess capital to be returned to shareholders unless used for value-creating opportunities

¹ COLI: Corporate-owned life insurance market in Japan.

² Operating capital generation (OCG): see 'Glossary' for a definition.

Creating value – Investors continued

Resilient balance sheet

Having a strong balance sheet has always been our priority. We combine a strong solvency position with a conservative investment portfolio and low economic interest rate exposure. Our Solvency II ratio was 213% at the end of 2021, compared with 210% at year-end 2020. This mainly reflects the operating capital generation and favourable market impacts, partly offset by the deduction of the proposed 2021 final dividend and the 2021 share buyback programme.

Our balance sheet creates opportunities for further investments in higher-yielding assets. In 2021, we primarily invested in mortgages, loans and real estate, while selling government bonds. The solidity and stability of our balance sheet, even in volatile market conditions, demonstrates NN's robust and resilient profile. The cash capital position at the holding company increased to EUR 1,998 million from EUR 1,170 million at year-end 2020, mainly due to free cash flow to the holding and proceeds from the issuance of senior debt, partly offset by capital flows to shareholders and amounts paid for acquisitions.

Strong and growing capital generation in the Netherlands

In the Netherlands, we have leading market positions and the businesses are delivering strong remittances to the holding, but we are also taking additional steps to grow capital generation and free cash flow.

At Netherlands Life, the profitable in-force book provides stable capital generation, while we see growth opportunities in the pensions business. The upcoming Dutch pension reforms are expected to support the Defined Contribution (DC) pension business and accelerate the pension buyout market. Higher investment returns are also expected from the ongoing shift to higher-yielding assets.

Netherlands Non-life is market leader in the Dutch non-life market. We are in a unique position to benefit from our scale in terms of both efficiency and underwriting. This is supported by the integration of VIVAT Non-life, which was completed in 2021, as well as by investing in digital and data capabilities.

NN Bank originates high volumes of mortgages, of which more than half are sold on to the Group's insurance companies for their investment portfolios. Our focus is on originating high-quality mortgages at good margins. Assuming the Dutch mortgage market remains attractive in a similar way to the past few years, we expect capital generation at NN Bank to continue to support our growth profile.

Profitable growth in attractive markets

Outside the Netherlands, we are a leading player in attractive, growing markets in Europe and Japan.

Our European businesses are focused on innovative protection products, which are distributed through diverse channels, including bank partnerships, brokers and tied agents. Growth is further supported by the low life insurance penetration rates in Central and Eastern Europe, as well as an increasing awareness of the need for protection. We are investing to leverage and build our customer base, while also aiming to be the preferred partner for third-party distributors.

In Japan, NN is a strong player with a market share around 10% in the sizable COLI segment. Active in this market since 1986, we have built unique capabilities and are known as a leading SME insurer with a focus on agent education, innovative products and the ability to adapt quickly.

For NN Group, the international businesses provide an attractive way to invest capital in organic growth. The European and Japanese businesses generate virtually all VNB growth, which is the main driver of capital generation for these businesses.

The strong VNB growth trend in the international markets is expected to continue, driven by macro trends, evolving customer needs and a tailored customer-focused strategy.

Financial targets

During 2021, NN reconfirmed the Group's OCG target, as the capital generation lost on the disposal of the asset manager is expected to be offset by the additional capital generation coming from the acquisition of MetLife Poland, MetLife Greece and Heinenoord in the Netherlands, as well as strong business performance across the Group.

The following targets for NN Group¹ and the different businesses have been set for 2023:

	Target
NN Group	OCG of EUR 1.5 billion Free cash flow in a range around OCG over time
Netherlands Life	OCG of EUR 0.9 billion
Netherlands Non-life	Combined ratio of 94-96% over time
Insurance Europe	OCG of EUR 325 million
Japan Life	VNB of at least EUR 150 million
Banking	Net operating RoE of 12% or higher

Beyond 2023, too, NN Group expects mid single-digit annual growth of OCG over time. This outlook is based on the organic growth opportunities of the businesses, and is supported by both long-term market trends and the steps we have taken to optimise our portfolio.

In line with guidance, this long-term OCG growth will translate into growing free cash flow and growing capital returns to shareholders.

Progress on targets

OCG for NN Group increased to EUR 1,584 million from EUR 993 million in 2020, driven by strong business performance and commercial momentum.

NN IP will be included as part of OCG until the closing date of the transaction, which is expected in 2022. The impact on OCG is expected to be partly compensated by the acquisition of MetLife's business activities in Poland and Greece and Heinenoord in the Netherlands, as well as a strong business performance across the Group.

¹ In August 2021, NN Group announced the sale of NN Investment Partners (NN IP) to Goldman Sachs. The OCG target for the Asset Management segment was set at EUR 125 million in 2023.

Creating value – Investors continued

Capital return policy

NN Group intends to pay a progressive ordinary dividend per share and 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.

A progressive dividend means a growing dividend per share. We decide on the amount of the dividend each year depending on the circumstances at the time, but the long-term growth pattern of the annual dividend is ultimately linked to the growth of capital generation. We expect mid single-digit annual growth of OCG over time.

When proposing a dividend, NN Group considers, among other things, the capital and cash position, leverage, liquidity position and credit rating.

Dividends are paid either in cash, after deduction of withholding tax if applicable, or in ordinary shares, as elected by the shareholder. Dividends paid in the form of ordinary shares will be delivered from NN Group treasury shares or issued from the share premium reserve. We intend to neutralise the dilutive effect of the stock dividend through repurchase of ordinary shares.

On 1 September 2021, NN Group paid an interim dividend of EUR 0.93 per ordinary share.

At the AGM on 19 May 2022, a final dividend of EUR 1.56 per ordinary share will be proposed, bringing the total 2021 dividend to EUR 2.49 per ordinary share. This represents an increase of 7% on the 2020 dividend per share.

Share buyback

On 13 February 2020, NN Group announced an open market share buyback programme for an amount of EUR 250 million within 12 months, commencing on 2 March 2020. This share buyback programme was completed on 26 February 2021.

On 18 February 2021, NN Group announced an open market share buyback programme for an amount of EUR 250 million within 12 months. This share buyback programme began on 1 March 2021 and was completed on 28 February 2022.

NN Group announced on 17 February 2022 that it will execute an open market share buyback programme for a total amount of EUR 1 billion. This consists of a EUR 250 million programme that will be executed within 12 months commencing on 1 March 2022 as well as an additional programme for

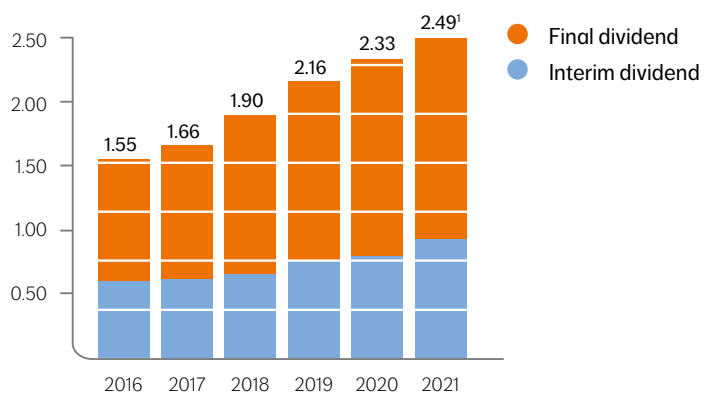
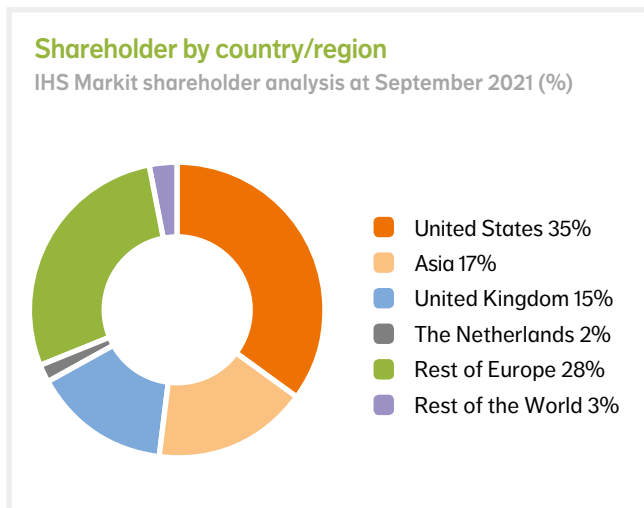
an amount of EUR 750 million to commence after completion of the sale of NN IP. This intended additional share buyback programme is expected to be completed before 1 March 2023.

Both share buybacks will be deducted in full from Solvency II Own Funds in the first half of 2022 and are estimated to reduce NN Group's Solvency II ratio by approximately 10% points. NN Group reports on the progress of the share buyback programmes on its corporate website on a weekly basis.

On 5 May 2021, 12,400,000 NN Group treasury shares that had been repurchased under the share buyback programme completed in February 2021 were cancelled.

Other developments

2021 has been an important year in our preparation for the introduction of IFRS 9 and 17 in 2023. We held a number of parallel runs to test our systems and process readiness. We also started the preparations for the transitional figures and the audit thereof, which we will complete in 2022. The implementation of IFRS 9 and 17 takes place within our larger roadmap to establish a more digital and data-driven finance and risk operation.



¹ Pro forma 2021 full-year dividend per share of EUR 2.49, comprising the 2021 interim dividend of EUR 0.93 plus the proposed 2021 final dividend of EUR 1.56

Creating value – Investors continued

Share capital

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 105.

Authorised and issued capital (in EUR million)

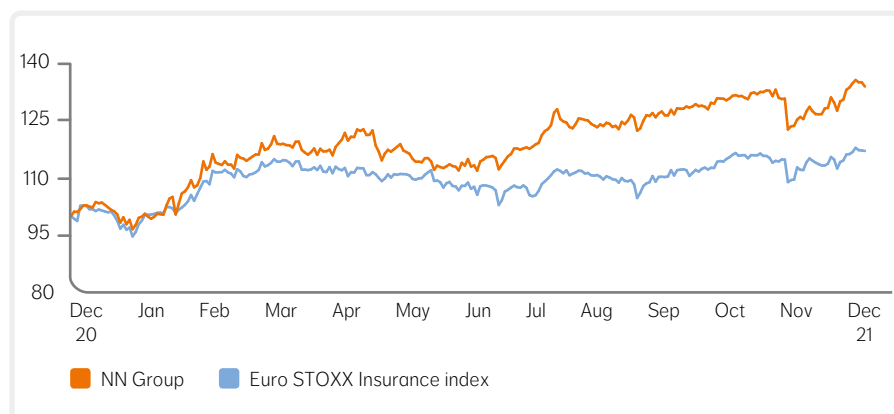
	Year-end 2021	Year-end 2020	Year-end 2019
Ordinary shares			
– authorised	84	84	84
– issued	38	40	41
Preference shares			
– authorised	84	84	84
– issued	0	0	0

Number of shares in issue and shares outstanding in the market

	Year-end 2021	Year-end 2020	Year-end 2019
Authorised share capital (in shares)	700,000,000	700,000,000	700,000,000
Issued ordinary shares	317,878,210	330,278,210	343,556,121
Own ordinary shares held by NN Group	12,294,129	19,822,194	21,485,285
Outstanding ordinary shares	305,584,081	310,456,016	322,070,836

Listing

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



Major shareholders

According to the AFM register as at 7 March 2022, the following shareholders had an interest of 3% or more in NN Group on the notification date:

- RRJ Capital II Ltd. 9.60% (23 May 2017)
- BlackRock, Inc. 5.16% (2 December 2021)
- Norges Bank 4.91% (30 September 2020)
- UBS Group AG 3.17% (1 February 2022)
- FMR LLC 3.14% (19 August 2021)

Please refer to the AFM register of substantial holdings and gross short positions for more details on the nature and characteristics of these interests.

Credit ratings

On 5 November 2021, Fitch Ratings published a report affirming NN Group's 'AA-' financial strength rating and 'A+' credit rating with a stable outlook. On 9 December 2021, Standard & Poor's published a report affirming NN Group's 'A' financial strength rating and 'BBB+' credit rating with a stable outlook.

Sustainability

We are rated on sustainability by specialist research agencies, such as Sustainalytics, MSCI and CDP. We are also included on indices, such as the Dow Jones Sustainability World Index and FTSE4Good. Read more on page 126.

We proactively inform the market on our 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.

In February 2022, NN Group launched a sustainability bond framework, to enable the future issue of green, social and sustainability bonds.

Creating value – Society and communities

Creating a positive impact on society

We strive to contribute to the well-being of people and the planet. We do business with the future in mind and want to contribute to a world where people can thrive for generations to come. We do this by investing our assets responsibly, integrating ESG factors into our underwriting activities, being a fair taxpayer and managing our direct environmental footprint and through our activities in the communities where we live and work.

Key performance indicators Society

- ESG-integrated Assets under Management (AuM): 80% by 2023. 2021 (year-end): 91%.
- Accelerate the transition to a low-carbon economy by targeting a net-zero carbon proprietary investment portfolio by 2050.
2021:
 - Defined a first set of interim targets to steer and monitor the transition of our investment portfolio to achieve net-zero GHG emissions.
 - Developed asset-class-specific Paris Alignment strategies for sovereign bonds, corporate investments, and real estate.
- By 2023, contribute 1% of our operating result (three-year average) to our communities, including cash donations and hours of volunteering.
2021: EUR 8 million / 0.4% based on the operating result of 2021 (including EUR 6.2 million in charitable donations and 13,586 volunteering hours).

Additional performance indicators

- Continue to increase NN IP's AuM in sustainable and impact strategies.
2021 (year-end): EUR 37.9bn AuM (+29% compared to year-end 2021).
- Reduce direct CO₂ emissions.
2021:
 - Set new targets to decrease our CO₂ emissions by 35% in 2025 and by 70% in 2030.
 - Decrease of CO₂ emissions of 16% (compared to 2020).
- Reach at least 20,000 young people through NN Future Matters.
2021: 21,525 people reached through NN Future Matters.

Low-carbon economy

One of our goals is to make a positive contribution to society by supporting the transition to a low-carbon economy. We are doing this in various ways:

- We manage our own carbon footprint, which comes mainly from our office buildings and travel activities. Even though this footprint is limited, we have set ourselves targets to significantly reduce our emissions in the coming years. Read more pages 131-134.
- In terms of our assets, we aim to reach a net-zero carbon proprietary investment portfolio by 2050. As part of the roadmap to achieve this, we recently announced interim targets for our corporate investments for 2025 and 2030.
- We aim to develop more sustainable customer propositions. We have joined the Net-Zero Insurance Alliance to pool our knowledge and goals with other participating insurers. With them, we have committed to transition to a net-zero insurance underwriting portfolio by 2050, starting with developing metrics and targets over the coming months.

Responsible investment

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

Our net-zero ambition and intermediate targets

We have 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.

NN's strategy for transitioning our proprietary investment portfolio towards the global goal of net-zero emissions has two dimensions: decarbonisation of the investment portfolio and increasing investment in climate solutions. Drawing on the Institutional Investors Group on Climate Change (IIGCC) Net-Zero Investment Framework, we have been developing asset-class-specific strategies. A key principle in this framework is to utilise a comprehensive set of levers available to investors for accelerating decarbonisation in the real world.

In 2021, we set intermediate reference targets for GHG emissions reduction for the corporate investment portfolio (listed equity and corporate fixed income). This helps us determine the direction and ambition, and monitor the effectiveness, of our net-zero investment strategy. By 2025, we aim to reduce the GHG emissions of our corporate investment portfolio by 25%, and by 45% by 2030, compared to 2019 levels.

NN also defined clear intermediate goals for the (non-listed) real estate portfolio, as well as a target to increase our investments in climate solutions by at least EUR 6 billion by 2030, which would more than double our current investments in renewable infrastructure investments, green bonds and energy-efficient real estate (refer to the section 'Facts and figures' for more detail on how we defined investments in climate solutions).

Creating value – Society and communities continued

These steps build on earlier decisions to restrict investments in companies that have activities in oil sands extraction and thermal coal mining, and to execute a phase-out strategy for thermal coal-exposed companies in our proprietary investment portfolio by 2030. In 2021, we lowered the exclusion threshold: companies are put directly on our exclusion list when they derive 20% of their total revenues from the extraction of oil sands or thermal coal mining (previously 30%).

Our Paris Alignment Council is overseeing the process of aligning the proprietary investment portfolio to the Paris climate goals, and defines related action plans and targets. For more information on the Paris alignment strategies and targets refer to Our response to the Task Force for Climate-related Financial Disclosures on page 66.

Supporting ESG integration

Our RI Framework policy includes norms-based criteria that reflect our investment beliefs and values, relevant laws, and internationally recognised norms and standards, such as the OECD Guidelines.

NN IP has a stringent definition of ESG integration: for each investment analysis, the integration of ESG factors needs to be consistently demonstrated and documented. At year-end 2021, ESG criteria were consistently integrated for 91% of total assets, amounting to EUR 235.8 billion (compared with 74% in 2020). The increase was driven by the inclusion of mortgage portfolios and the qualification of other Alternative Credit portfolios as ESG-integrated. This includes those assets managed under the sustainable and impact strategies.

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. The ESG Committee of NN IP assesses whether an issuer fails to meet our norms-based criteria, advised by the NN IP Controversy & Engagement Council. In 2021, this council met seven times and discussed more than 120 cases.

Influencing companies to take responsibility

Voting is one of the most powerful tools of active ownership and we vote at shareholder meetings on behalf of our own and our clients' assets. To ensure proper governance, we have separate voting committees in place, and publish our voting record on a dedicated website.

During 2021, NN IP voted at 3,307 AGMs on 35,985 agenda items. Voting activities were focused on three main issues: board elections, the alignment of executive remuneration with company strategy and sustainability shareholder resolutions.

A recently published report 'Voting matters 2021' by ShareAction shows how 65 of the world's largest asset managers voted on 146 social and environmental shareholder resolutions in the period September 2020 to August 2021. NN IP was ranked ninth, having supported 90% of the resolutions (98% environmental; 85% social).

Through engagement, we aim to raise awareness of ESG issues and encourage issuers to improve their policies and practices. In addition to controversy engagements, NN IP performs thematic engagements on corporate governance, natural resources and climate change, and decent work. As a result of NN IP's active investment strategies, our equity and fixed income analysts and our portfolio managers are in frequent dialogue with investee companies. Our RI specialists also enter into dialogue with corporate and sovereign issuers, and whenever ESG issues are a topic of discussion during company meetings we log the updates 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.

During 2021, NN IP also continued its participation in collective investor engagements, such as Climate Action 100+ and the CDP Non-Disclosure and Science Based Target campaigns, encouraging companies to disclose information on climate risks and set long-term targets for reducing their greenhouse gas emissions.

Utility sector engagement

Of all sectors of the global economy, electricity and heat generation account for the largest share of direct greenhouse-gas emissions. The electricity sector is also vital to the collective effort to reach net zero because of the central role it plays in the transition plans of other sectors. NN IP's engagement with electric utilities focuses on power-generating companies and the need to transition to a low-carbon economy.

One of the utility companies NN IP has engaged with is the Czech conglomerate CEZ Group. In 2021 CEZ pledged to achieve net zero emissions by 2050 and to curb emissions in line with the Paris Agreement scenario of 'well below 2 degrees' by 2025. The company has also committed to shut coal-burning power plants, some by 2030, while for others closure plans depend on energy-security issues and the availability of renewables. NN IP will continue to engage with CEZ in 2022 on the possibility of setting a science-based target based on a 1.5-degree scenario and on the company's progress on realising its 2030 vision.

Creating value – Society and communities continued



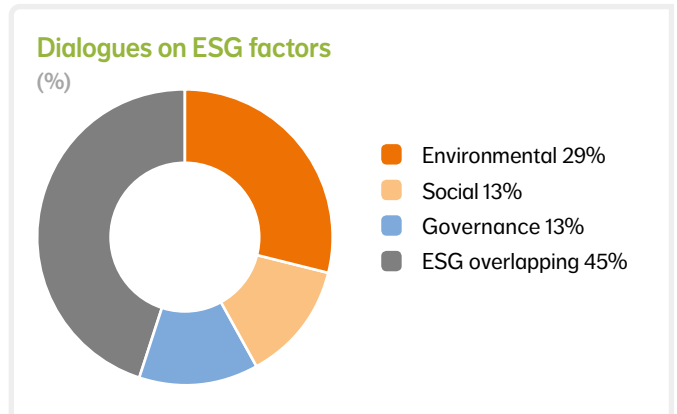
3,307

Number of shareholder meetings at which we voted



1,312

Dialogues with issuers on ESG factors



As the chart shows, in total we had 1,312 ESG dialogues with issuers in 2021. In addition to the example mentioned in the 'Utility sector engagement' box on page 45, you can find more on NN IP's engagements in its Responsible Investing Report 2021 on our website.

Encouraging governments

In addition to engagement with 541 companies, NN IP also enters into dialogue with sovereign states.

In October, our CEO signed an open letter of the World Economic Forum's Alliance of CEO Climate Leaders to encourage world leaders to take decisive steps during COP26. It also encouraged all business leaders to set (science-based) targets to halve emissions by 2030 and reach net-zero by 2050, with a clear roadmap on how to get there, along with transparency on emissions and their financial impact. The Alliance is a global community of CEOs who continue to raise the bar and catalyse action across sectors, and encourage policymakers to help deliver the transition to a net-zero economy. NN's CEO became a member in 2021.

Making a positive impact through our investments

During 2021, NN IP expanded its sustainable and impact strategies offering with the launch of a new Sovereign Green Bond fund. Our green bond strategy (funds and mandates) has seen significant growth, reaching EUR 4.5 billion at year-end 2021. Total AuM of our sustainable and impact investing products grew 29% to EUR 37.9 billion at year-end 2021.

For NN Group's own assets, too, we look for investments that have a positive impact on society while meeting our investment criteria. For instance, we invest in green bonds, renewable energy-related infrastructure projects, and energy efficient real estate. As mentioned above, we set a target to increase these investments by EUR 6 billion by 2030. In total, these investments amounted to EUR 5 billion at year-end 2021.

For NN Group's non-listed real estate portfolio, we use the Global ESG Benchmark for Real Assets (GRESB) as the primary tool to assess and monitor the sustainability performance of our real estate portfolios. We require all real estate and fund managers to report in GRESB Real Estate Assessment. In the 2021 assessment, 82% of NN's portfolio of directly-owned buildings, joint ventures and funds was measured in the reporting tool. The NN portfolio had a (value-weighted) score of 87 (on a scale of 1 to 100), well above the European non-listed real estate benchmark average of 78. While for the third consecutive year our directly-managed real estate portfolio received a 5-star rating, GRESB's highest rating and recognition as an industry leader.

Our carbon footprint analysis of proprietary assets measures the carbon footprint of 80% of our total assets. Read more on pages 131-134.

Responsible tax strategy

We believe a responsible approach to tax is an essential aspect 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 up all stakeholder interests. We have a set of tax principles to which we adhere and that we communicate publicly on our website through our Tax Strategy and Principles, and the NN Group Tax Charter.

Besides the taxes 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 insight into our tax contribution, since 2019 we have published a Total Tax Contribution (TTC) Report, which provides information on the taxes we paid in the countries where we operate on a country-by-country basis. The 2021 TTC Report is available on our website and covers the book-year 2021.

We are pleased that our efforts on this front have been recognised by external stakeholders, with NN being the top-scoring company in the annual Tax Transparency Benchmark published by the Dutch Association of Investors for Sustainable Development (VBDO) for the third year in a row. This benchmark provides a comparative study of Dutch listed companies' fiscal transparency.

Creating value – Society and communities continued

Financial tax disclosures

The financial disclosures on corporate income taxes paid by NN Group can be found on Note 35 of the 2021 Consolidated annual accounts. The same information is included in the 2021 TTC Report, but with more detailed explanations around the disclosures. In addition, the TTC Report provides information on other taxes collected and paid by NN Group as part of its operations.

NN Group's total tax contribution in 2021 amounted to EUR 2,621 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 part 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 80% to the tax authorities in the Netherlands, and 20% to local tax authorities on behalf of our international businesses.

Sustainable sourcing

NN Group is committed to making sustainable procurement decisions and we encourage our suppliers to do the same. Our decisions not only aim to meet our organisation's need for products and services. Through them, we also aim to make a positive contribution to society and minimise our environmental impact while addressing socioeconomic issues. This is explained more fully in our Sustainable Procurement Statement, written in 2021.

Our approach starts with assessing ESG factors that can present risks or opportunities for NN. If these factors are material, we incorporate appropriate evaluation criteria in our sourcing processes and evaluate all costs associated with the product or service. We also challenge our suppliers to offer sustainable and innovative solutions. Our suppliers are asked to register on an FSQS-NL supplier qualification platform, where they provide detailed information on the policies and processes they have in place to, among other things, minimise environmental impact.

We launched this system in the Netherlands in 2020. In 2021, a total of 297 suppliers (51% of our total tier 1 and tier 2 supply base, covering 60% of total spend) have registered, completed the questionnaire and uploaded supporting documentation. We also have a process and governance in place for screening the integrity of the supplier, both at onboarding and during the contract lifecycle, when we also actively engage with our suppliers to stimulate ongoing improvements.

We strive to continually improve our relationships with suppliers and work together in a mutually beneficial way. We have included our most important standards in our approach to environment and human rights issues in NN's Terms & Conditions and model contract repository, which our suppliers agree to when doing business with us.

In addition, in 2021 we developed the NN Supplier Code of Conduct (SCC), which outlines our expectations of the policies and practices of our suppliers in terms of the environment, human rights, diversity and inclusion, and integrity and ethics. All key suppliers will be asked to commit to this code of conduct. To date, 148 of the suppliers invited in the first wave in Q4 2021 have committed.

Managing our direct environmental footprint

We aim to effectively manage our direct environmental footprint by reducing our use of natural resources, seeking green alternatives and compensating the remainder of our carbon emissions.

In 2021, NN Group committed to reducing its CO₂ emissions by at least 35% by 2025 and 70% by 2030, compared to 2019 levels. Following this path, we expect to reach net zero by 2040. This covers CO₂ emissions from our buildings, lease cars and business air travel.

We aim to reach our targets through various actions. Firstly by working in a hybrid way, stimulating colleagues to also work from home, thus reducing business travel and commuting. Furthermore we aim have a 100% electric car fleet in the Netherlands by 2025. To reach this goal we updated our lease policy in the Netherlands to only allow fully electric lease cars from 2022 onwards.

In 2021, our CO₂ emissions decreased by 16% compared to 2020 and 67% of our electricity use came from renewable sources. The overall proportion of renewable electricity has steadily decreased as a result of less electricity being consumed in the Netherlands (which is 100% renewable) compared to international business units, where a proportion of the electricity consumed is not electric.

We continue to compensate the remainder of our CO₂ emissions by purchasing voluntary carbon credits and have been carbon neutral since 2007. Since 2021 we have been investing in the forest conservation of Alto Huayabamba in Peru.

Creating value – Society and communities continued

Our contribution to our communities

At NN, we put our resources, expertise and networks to use for the advancement of our communities. We promote a society in which everyone can participate and thrive for many generations to come.

Within our strategic commitment to society, we pledge to invest 1% of our operating result¹ before tax in society by 2023.

To ensure we continue the professional development of our community investment programme, we align with the highest industry standards. In 2021, we joined the Business for Social Impact (B4SI) network. We use their framework and guidelines to guide our implementation of our 1% ambition, including internal and external reporting. In line with their framework, we include cash contributions, in-kind donations, volunteer hours (monetised) and management costs.

Overview of our contributions to society (x EUR 1,000)	2021
Cash contributions	6,244
In-kind donations (monetised)	62
Volunteer hours (monetised) ²	543
Management costs ³	1,151
Total contributions	8,000
% of operating result before tax in 2021	0.4

In 2021, we also aligned and updated our charitable donations policy, in line with our revised strategic direction and the B4SI framework. Guided by this policy, we continued to grow and develop our programme in line with our globally consistent, locally relevant approach. We built on our current strong foundations, growing existing partnerships and starting new ones. In doing so, we increased our donations and volunteer hours.

¹ Based on a three-year average.

² We use the standard hourly rate of 40 euros per hour

³ This includes FTEs allocated and any other costs that are needed to professionally run our programme (e.g. impact measurement, communication costs)

We also decided to broaden our scope in line with relevant themes for the business. So as well as continuing our focus on financial well-being through NN Future Matters, we increased our contributions under the theme: physical and mental well-being.

Financial well-being: NN Future Matters

Within our NN Future Matters programme, we continue to work with our longstanding partner Junior Achievement (JA) Europe in the markets in which we are active. JA Europe and NN Group have been working together since 2015 to empower young people to tackle societal challenges by using innovation and entrepreneurship. The Social Innovation Relay (SIR) is an innovative programme designed to enhance essential 21st century and entrepreneurial skills among secondary school students. The programme helps young people think like social entrepreneurs, gives them access to the latest technology and shows them that starting their own business can be a viable career choice. In 2021, we reached 13,282 students, and 285 colleagues from NN volunteered to support the programme.

We also extended our partnership with JA Europe to see how we can better help enhance the employment opportunities for young people who currently have limited opportunities and resources. Together, we founded the Economic Opportunities for All initiative. This initiative commissioned research on, among other things, how to best support these youngsters. Based on the research results, JA Europe is now taking the first steps towards integrating this knowledge into their programme offering.

In addition to continuing our current partnerships, we also initiated new partnerships locally. Alongside our involvement with JINC in the Netherlands, NN Belgium started to support the newly-established chapter in Belgium. Through the JINC programme, young people with limited opportunities or resources are introduced to all kinds of professions, discover which work suits their talents and learn to apply for jobs.

In our Dutch market, we initiated several new partnerships to support young people in finding a stable job. For example Emma at Work, which aims to increase the chances on the job market for young people who are physically challenged. In addition to our financial contribution, 15 NN colleagues volunteered to be mentors to young people, helping them increase their confidence and network in order to find a stable job. Another example is our partnership with Refugee Talent Hub, where we support job opportunities for refugees by expanding their network within the IT sector. 33 NN colleagues volunteered to be mentors on this programme.

In Slovakia, we started a partnership with Cesta Von to support their mission to help people caught in generational poverty to become self-sufficient, find employment and be able to live a decent life. In particular, we invested in Omama, a social and educational project where so-called 'Omamas' empower parents and support them in the development of their child, so they get the strong foundation necessary for later success in life.



21,525

People reached through NN Future Matters



13,586

Employee volunteer hours



EUR 6.2m

Donations to charitable organisations

Creating value – Society and communities continued

Physical and mental well-being

In 2021, we put greater focus on physical and mental well-being, as this theme is close to our business.

In Romania, we began a major partnership with Asociația Inimă Copiilor (Children's Heart Association). We are supporting the expansion of a medical unit in the Marie Curie Hospital in Bucharest that will mean children with heart diseases can enjoy the right treatment and medical conditions. In addition to a direct donation to this foundation, we supported a national campaign where we invited Romanian citizens to donate 2 euros a month towards the costs of expanding the medical unit. NN Romania will match these public contributions up to the amount needed to fund the expansion.

NN Spain has developed a two-year partnership with Unoentrecienmil. Through our support, this Spanish foundation for childhood cancer research can develop a digital app to guide physical exercise for children with cancer to support their recovery. Not only when they are hospitalised, but also at home. The project aims to implement this app in multiple hospitals all over Spain.

NN Poland partnered with Fundacja Twarze Depresji (Faces of Depression Foundation) to overcome stereotypes about mental illness, and in particular depression. Among other things, NN Poland supported online psychological consultations for 320 people from excluded communities undergoing an emotional crisis.

Your Community Matters: NN Volunteer Week

In 2021, we introduced our first-ever Your Community Matters, NN Volunteer Week to deepen our involvement with our local charitable partners.

During the week, 1,599 colleagues from 10 different NN markets volunteered 2,510 hours for 36 different charities. Colleagues from all levels of the organisation, including management board members, participated in several volunteer activities. For instance, in Poland our colleagues collaborated with the Intergenerational Activity Center in Warsaw working on senior citizens' well-being. NN volunteers kept seniors company and seniors could attend workshops together, and join a special concert where an Elvis Presley impersonator played the music of their youth.

In all ten markets that joined the volunteer week, we also invited colleagues to join our first-ever charity run. Colleagues ran 4,985 km and in doing so raised EUR 39,650 for local charities.

To further strengthen a culture of caring for our communities, we initiated the first-ever internal Your Community Matters Award. This celebrates the most impactful community investment and volunteering projects across NN Group. Colleagues across our company are invited to vote and choose the winner.

Our support during Covid-19

During 2021, Covid-19 has continued to cause concern and distress globally. In addition to its immediate impact on health, it makes even clearer just how fragile the well-being of people and our planet is.

It also meant that many of our societal partners continued to adapt their programmes to local measures, and wherever possible we supported them in making this work. For instance, our colleagues continued to volunteer, online if necessary.

Research suggests the pandemic will probably have long-term effects, especially for those in fragile socioeconomic situations. We therefore support a Covid-19 recovery fund with the Oranje Fonds in the Netherlands. This focuses on supporting non-profit organisations and social enterprises that are trying to mitigate the negative effects of the pandemic on the economic opportunities for people with a more fragile socioeconomic status. In other countries, such as the Czech Republic, we provided moral support to healthcare workers by delivering 500 thank-you gifts to them.

Reporting on progress

In 2022, we will continue to scale our contributions to society in pursuit of our ambition to contribute 1% of our operating result by 2023. Because we believe sincerely that making a lasting impact on society is important, we will soon be launching our first Community Investment Impact Report. This will help us learn from and improve our practices. More importantly, it will steer us towards new activities that will enable us, together with our partners, to contribute to the well-being of people and the planet.

From Debt to Opportunities

In 2021, we finalised our foundation's five-year programme From Debt to Opportunities. In November, together with our partners, we organised a closing conference presenting the final results and lessons learned from the programme's longitudinal research. Among other things, the research found that 75% of the 4,835 people who participated in the 85 projects within the programme increased their financial self-reliance.

With the programme officially closed, we have now discontinued the foundation and integrated long-term partners into our NN Future Matters programme.



Creating value – Sustainable Development Goals

Contributing to the SDGs

In 2015, the UN launched the 2030 agenda for sustainable development. At its heart are the 17 Sustainable Development Goals (SDGs), which address the world's biggest global challenges, including ending poverty, improving health and education, reducing inequality and combating climate change.

In 2017, we identified our impact areas for the first time through dialogue with internal and external stakeholders. Since then, we have continued to sharpen our focus and determine where as a company we can have the biggest impact.

Here, we highlight the SDGs where we can have the biggest impact as an employer, insurer, investor and business partner.

Key impact areas

As a responsible insurer, investor and employer, NN contributes in particular to the achievement of SDG 3 (Good health and well-being), SDG 8 (Decent work and economic growth), SDG 12 (Sustainable consumption and production) and SDG 13 (Climate action). We do this through both our core business activities and our value chain.

We also have an impact on other SDGs. Through our ambition to accelerate the transition to a low-carbon economy, we support SDG 7 (Affordable and clean energy). We have an impact on SDG 1 (No poverty) with our community investments, through which we strive to build better and stronger communities.

We impact SDG 5 (Gender equality) through our continued efforts to enhance diversity and inclusion within NN.

There is a strong link between our performance in meeting our key strategic commitments and our impact on the SDGs. This is because the SDGs are a close fit with the themes of our own strategic agenda: healthy and safe living, a sustainable planet and an inclusive economy.

SDG Calculator Netherlands Non-life

In 2021, the Netherlands Non-life Taskforce Sustainability worked on the development of a strategy to integrate the SDGs more into our business activities. During the year, the taskforce evolved into a Sustainability Programme, led by a dedicated programme manager and consisting of nine workstreams.




One of the workstream is the SDG Calculator for which we entered into a pilot with reinsurer Swiss Re. The aim was to develop a framework of indicators and metrics that enables Netherlands Non-life to facilitate discussions on targets and pathways, and steer the underwriting portfolio during the transition period.

Through the use of the SDG Calculator, we identified the impact of our Non-life property and motor portfolio in the Netherlands on various SDGs. By analysing premiums, coverages, and our own operations, we obtained the first meaningful insights into the correlation between our property and motor portfolio and the selected SDGs which align most with our strategy.

The SDG Calculator includes various climate-related indicators that correlate to different SDGs. For instance, the coverages against specific natural catastrophes like windstorm, hail and river flood have a positive correlation with SDG 1 (No poverty), SDG 11 (Sustainable cities and communities) and SDG 13 (Climate action). Another example is the Pollution Footprint which correlates not only with SDG 11 and SDG 13 but also SDG 7 (Affordable and clean energy). In 2022, we will conduct additional research to select indicators and metrics, and define appropriate targets that reflect the ambition of Netherlands Non-life regarding the SDGs.


Creating value – Sustainable Development Goals continued

Please refer to the table below for an overview of how we are striving to contribute to the SDGs and continuously improve as an organisation.


Healthy and safe living			
	Ambitions and targets	Performance 2021	Material topic
SDG 3 Good health and well-being Ensure healthy lives and promote well-being for all at all ages 	Contribute to the physical and mental health of our colleagues, our customers and the broader society	Contributed to keeping our colleagues safe by enabling them to work from home, and stay fit and healthy (reflected in the employee engagement score of 7.7)	People management
	Contribute 1% of our operating result (three-year average) to our communities, including cash donations and hours of volunteering by 2023	Contributed EUR 1.2 million in cash donations and 3,034 volunteer hours to charitable partners focused on physical and mental well-being	Community investment
	Continue to support our customers with solutions that help them address societal challenges related to healthy and safe living	Scaling of products and services with societal added value that address issues, such as loneliness, diabetes, access to healthcare and burn-outs	Products with societal added value
Sustainable planet			
	Ambitions and targets	Performance 2021	Material topic
SDG 7 Affordable and clean energy Ensure access to affordable, reliable, sustainable and modern energy for all 	Invest in clean energy infrastructure such as wind parks and solar farms as part of our overall objective to increase investments in climate solutions	Amount of renewable infrastructure investments: EUR 566 million at year end 2021	Climate change Responsible investing
SDG 12 Sustainable consumption and production Ensure sustainable consumption and production patterns 	Integrate ESG factors into investment process for 80% of our total AuM by 2023	Integrated ESG factors into investment process for 91% of our total AuM at year-end 2021	Responsible investing
	Continue to increase our AuM in sustainable and impact strategies	Total AuM of our sustainable and impact strategies grew 29% to EUR 37.9 billion at year-end 2021	Responsible investing
	Support our customers with solutions that help them address societal challenges related to climate change	Introduction and scaling of products and services with environmental impact such as a greener housing market, sustainable living and promotion of climate-neutral transport	Products with societal added value


Creating value – Sustainable Development Goals continued


Sustainable planet continued

	Ambitions and targets	Performance 2021	Material topic
SDG 13 Climate action Take urgent action to combat climate change and its impacts 	Help accelerate the transition to a low-carbon economy in order to limit the rise in average global temperature to 1.5°C.	Signed the PAll Asset Owner Commitment, affirming our commitment to transition our investment portfolio to net-zero GHG emissions. Developed strategies for sovereign bonds, corporate investments, and real estate	Climate change
	Reduce GHG emissions of our own business operations by 35% by 2025, and 70% by 2030 (compared with 2019)	CO ₂ emissions per FTE decreased by 20% to 0.5 CO ₂ emissions per FTE	Climate change
	Contribute 1% of our operating result (three-year average) to our communities, including cash donations and hours of volunteering by 2023	Contributed EUR 329,000 and 1,720 volunteer hours to charitable partners focused on a sustainable planet	Community investment

Inclusive economy

	Ambitions and targets	Performance 2021	Material topic
SDG 1 No poverty Improving access to sustainable livelihoods, entrepreneurial opportunities and productive resources 	Contribute 1% of our operating result (three-year average) to our communities, including cash donations and hours of volunteering by 2023	Contributed EUR 4.3 million and 8,356 volunteer hours to charitable partners focused on promoting financial empowerment, creating economic opportunities, and alleviating financial distress	Community investment
		21,525 people reached through NN Future Matters	
		39 scholarships provided to students from eight countries	

SDG 5 Gender equality Achieve gender equality and empower all women and girls 	40% women in senior management positions by 2023	34% women in senior management positions	Diversity and inclusion
	Together increase diversity, inclusion and equality in our teams; engage everyone, and encourage them to be who they are, share their voices and drive change		Diversity and inclusion

SDG 8 Decent work and economic growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all 	Employee engagement ≥ 7.8 by 2023	Employer to 15,417 employees worldwide Employee engagement 7.7	People management
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