



# Facts and figures

## Our approach to reporting

We take an integrated approach to reporting, and our Annual Report consists of two parts: this Annual Review and the Financial Report. It is prepared in accordance with Dutch law, relevant EU disclosure regulations and reporting standards.

## Facts and figures – Our approach to reporting

### Structure

In the Annual Review, we aim to provide a concise, accurate and balanced account of NN Group's financial and non-financial performance over the past year. It is structured around seven sections: About NN, Our operating environment, Our strategy, Creating value for our stakeholders, Safeguarding value creation, Governance and risk management, and Facts and figures. It is prepared in adherence to relevant non-financial disclosure regulations, such as the EU Non-Financial Reporting Directive.

In-depth information regarding our financial performance, can be found in the Financial Report. It is prepared in accordance with the International Financial Reporting Standards (IFRS), endorsed by the European Union.

NN Group also publishes a Solvency and Financial Condition Report, a Total Tax Contribution Report, and a Carbon Footprint Report. NN Investment Partners publishes a Responsible Investing Report. These reports provide additional information on specific topics and are published on the same date on NN Group's website in the Investors/Financial reports section.

We believe that this reporting strategy enables us to tailor our reporting for different stakeholders, who require different levels of detail. The online versions of the Annual Review and the Financial Report contain a number of links, including links to sources on the NN Group website.

### Reporting profile

This is NN Group's seventh Annual Report since our separation from ING Group and becoming a publicly-listed company on 2 July 2014. It is published on 11 March 2021. We report annually, on a calendar year basis (1 January – 31 December).

### Scope of the data in the Annual Review

The scope of the reported data is the range of entities over which NN Group has management control. This applies to all material items as depicted in the materiality matrix, unless otherwise stated.

The scope for community investment and environmental data is all businesses with more than 100 FTE (representing 99% of our total organisation).

### Performance data

All financial data in this review is taken directly from NN Group's Financial Report.

For non-financial information and data on customer engagement we use NPS reporting and the Global Brand Health Monitor. The Human Resources (HR) data is directly sourced from our HR data analytics department. Data on responsible investment come from Aladdin and our proprietary system for logging engagements with issuers. For data related to community investment and our direct environmental footprint, NN Group uses an online system, Credit360. Our internal validation process, including the application of Credit360's validation rules ensures to limit any inaccuracies in the reported data.

### Review and approval

Information in the Annual Report is based on extensive reporting from our businesses and functions in the countries where we are active. All information is reviewed by NN Group's Disclosure Committee and has been approved by our Executive Board and Supervisory Board before publication.

### Relevant topics

Relevant topics were selected for the 2020 Annual Review, through a materiality assessment using internal and external research, and other sources. This assessment included a survey amongst internal and external stakeholders, see page 9.

### Reporting guidelines

We aim to strengthen our integrated way of reporting every year. The Annual Review contains various elements from the International Integrated Reporting Council (IIRC) framework, such as our value creation model and a materiality matrix. This review strives to present relevant information about our strategy, governance, performance and future prospects in ways that are relevant to the economic, environmental and social contexts in which we operate.

The information and data in the Annual Review is prepared in accordance with the Standards (Core) from the Global Reporting Initiative (GRI). The GRI Index table shows against which indicators NN Group reports, and where to find the respective information in this Annual Review, the Financial Report and/or the NN Group website. This year also the 207 Tax Standard is included. The index table is published on NN Group's corporate website in the Investors/Financial Report section, where you can also find the Progress reports for the UN Principles for Sustainable Insurance and the UN Global Compact.

### External assurance

The annual accounts of NN Group N.V., including the consolidated annual accounts and the parent company annual accounts, are audited by KPMG. For more information, refer to the Independent auditor's report on pages 187-203 of the Financial Report.

Furthermore, KPMG provided limited assurance on the non-financial information in the Annual Review. The scope of KPMG's assurance engagement is described in its assurance report. We provided evidence to our external auditor in support of the statements we make in this report. For more information, refer to the Assurance report of the independent auditor on pages 70-72 of this review.

NN Group's Total Tax Contribution Report was provided limited assurance by KPMG. For more information, refer to the Assurance report of the independent auditor on pages 26-29 of the Total Tax Contribution Report.

### Going forward

Going forward, we will continue to tailor our reporting to serve different stakeholder groups. We will aim for further integration of financial and non-financial information to provide stakeholders with a complete picture of how we create long-term value for our company and our stakeholders.

## Facts and figures

### Consolidated balance sheet (in EUR million)

As at 31 December

	notes	2020	2019
<b>Assets</b>			
Cash and cash equivalents	3	12,382	6,436
Financial assets at fair value through profit or loss:	4		
– investments for risk of policyholders		34,797	34,433
– non-trading derivatives		14,833	10,189
– designated as at fair value through profit or loss		1,336	1,184
Available-for-sale investments	5	118,175	117,644
Loans	6	65,428	61,768
Reinsurance contracts	18	1,063	988
Associates and joint ventures	7	5,673	5,457
Real estate investments	8	2,444	2,571
Property and equipment	9	448	465
Intangible assets	10	1,063	995
Deferred acquisition costs	11	1,871	1,913
Assets held for sale	12	113	
Deferred tax assets	34	73	84
Other assets	13	4,039	4,470
<b>Total assets</b>		<b>263,738</b>	<b>248,597</b>
<b>Equity</b>			
Shareholders' equity (parent)		36,731	30,768
Minority interests		277	260
Undated subordinated notes		1,764	1,764
<b>Total equity</b>	14	<b>38,772</b>	<b>32,792</b>
<b>Liabilities</b>			
Subordinated debt	15	2,383	2,409
Debt securities issued	16	1,694	1,992
Other borrowed funds	17	7,542	7,614
Insurance and investment contracts	18	170,672	168,251
Customer deposits and other funds on deposit	19	15,803	15,161
Financial liabilities at fair value through profit or loss:	20		
– non-trading derivatives		4,012	3,232
Liabilities held for sale	12	93	
Deferred tax liabilities	34	6,329	4,030
Other liabilities	21	16,438	13,116
<b>Total liabilities</b>		<b>224,966</b>	<b>215,805</b>
<b>Total equity and liabilities</b>		<b>263,738</b>	<b>248,597</b>

References relate to the notes starting with Note 1 'Accounting policies' of the Financial Report. These form an integral part of the Consolidated annual accounts.

## Facts and figures continued

## Consolidated profit and loss account (in EUR million)

For the year ended 31 December	notes	2020	2019
Gross premium income	22	13,822	14,508
Investment income	23	4,574	4,373
Result on disposals of group companies		100	8
– gross fee and commission income		1,042	1,037
– fee and commission expenses		-338	-328
Net fee and commission income:	24	704	709
Valuation results on non-trading derivatives	25	901	166
Foreign currency results		-434	-9
Share of result from associates and joint ventures	7	219	619
Other income		74	84
<b>Total income</b>		<b>19,960</b>	<b>20,458</b>
– gross underwriting expenditure		17,316	20,024
– investment result for risk of policyholders		-1,733	-4,794
– reinsurance recoveries		-1,095	-237
Underwriting expenditure:	26	14,488	14,993
Amortisation of intangible assets and other impairments	27	27	32
Staff expenses	28	1,621	1,564
Interest expenses	29	511	519
Other operating expenses	30	964	921
<b>Total expenses</b>		<b>17,611</b>	<b>18,029</b>
<b>Result before tax</b>		<b>2,349</b>	<b>2,429</b>
Taxation	34	423	444
<b>Net result</b>		<b>1,926</b>	<b>1,985</b>

## Net result (in EUR million)

For the year ended 31 December	2020	2019
<b>Net result attributable to:</b>		
Shareholders of the parent	1,904	1,962
Minority interests	22	23
<b>Net result</b>	<b>1,926</b>	<b>1,985</b>

## Earnings per ordinary share

For the year ended 31 December and amounts in euros	2020	2019
Earnings		
Basic earnings	5.88	5.76
Diluted earnings	5.87	5.75

Reference is made to Note 31 'Earnings per ordinary share' for the disclosure on the Earnings per ordinary share.

## Key financial and non-financial indicators

### Key financial indicators (in EUR million)

	2020	2019	2018
Operating result	1,889	1,794	1,626
Net result (after minority interests)	1,904	1,962	1,117
Operating capital generation	993	1,349	1,265
Solvency II ratio	210% <sup>1</sup>	224%	230%
Value of new business	266	358	391
Assets under Management (end of period, in EUR billion)	300	276	246
Dividend proposal (per ordinary share, in EUR)	2.33 <sup>2</sup>	2.16 <sup>3</sup>	1.90
NN Group share price (last trading day of the year, in EUR)	35.53	33.82	34.80

1 Includes NN Bank.

2 Pro-forma 2020 full-year dividend per share of EUR 2.33, comprising the 2020 interim dividend of EUR 0.86 plus the proposed 2020 final dividend of EUR 1.47.

3 Pro-forma 2019 full-year dividend per share of EUR 2.16, comprising the 2019 interim dividend of EUR 0.76 plus the suspended final dividend of EUR 1.40.

### Key non-financial indicators

	2020	2019	2018
Customer engagement and brand consideration			
– insurance business units scoring above market average	4/11	4/11	8/12
– brand consideration <sup>4</sup>	21%	25%	
Employee engagement score	7.9	7.4	7.2
– participation in the engagement survey <sup>5</sup>	82%	82%	80%
Women in senior management positions <sup>6</sup>	33%	36%	33%
ESG-integrated Assets under Management (% of total AuM)	74%	68%	
Donations to charitable organisations (x EUR 1,000) <sup>7</sup>	4,704	3,200	2,700

4 Percentage for 2019 is based on the average brand consideration score from 2017 to 2019.

5 Employee engagement score and the percentage of participation consists of internal and external employees (2019 and 2018 data are adjusted to this scope).

6 In 2020, the target group for this indicator was adjusted to Management Board and Management Board minus one managerial position (instead of the composition of our Senior Leaders Group).

7 Includes cash donations to charitable causes, corporate foundations and partnerships.

### Sustainability indices and ratings

	2020	2019	2018
<b>Indices</b>			
Dow Jones Sustainability Index (out of 100)	84 (Included)	78 (Included)	77 (Included)
FTSE4Good	Included	Included	Included
VigeoEiris Euronext: 120	Not included	Included	Included
Bloomberg Gender-Equality Index	Included	Included	Included
<b>Ratings and benchmarks</b>			
Sustainalytics <sup>8</sup>	18.6/100 (low risk)	16.0/100 (low risk)	1/146 (Leader)
MSCI	AA	A	A
ISS Oekom	C+	C (Prime)	C (Prime)
CDP (Carbon Disclosure Project)	A-	C	B
Transparency Benchmark Netherlands <sup>9</sup>		50%	

8 Sustainalytics changed its research method (2018 scores: position NN Group out of number of insurance companies) and since 2019 provides ESG Risk Ratings scoring companies on their ESG risks from negligible (0-10), low (10-20), medium (20-30), high (30-40) to severe risk (40-100).

9 The Transparency Benchmark takes place on a bi-annual basis. The relative score of 50% represents a 78th position out of 240 companies.

## Key financial and non-financial indicators continued

## Responsible investment indicators (in EUR billion)

	2020	2019	2018
<b>Total investment strategies integrating ESG factors (end of period)</b>	223.4	188.8	
– as part of total Assets under Management NN Investment Partners	74%	68%	
ESG-integrated strategies	194.3	166.1	
Sustainable strategies	22.8	19.3	14.9
Impact strategies	6.3	3.5	1.6
<b>Voting</b>			
Shareholders meetings where we voted	3,053	2,752	2,118
– as % of total votable meetings	98%	99%	97%
Agenda items on which we voted	35,015	31,775	26,839
How we voted on agenda items (%)			
– for	82%	83.2%	87.5%
– against	16%	14.5%	12.2%
– abstain/other	2%	2.3%	0.3%
Countries where we voted	60	61	58
Shareholder resolutions on which we voted by topic	683	706	596
– environmental	57	74	40
– social	151	147	119
– governance	475	485	437
<b>GRESB Real Estate Assessment scores<sup>1</sup></b>			
Private real estate – portfolio average (vs. benchmark average)	83 (70)	85 (77)	80 (66)

<sup>1</sup> NN calculates the GRESB scores on a value-weighted basis, and compares these to the relevant benchmark average. Scores are on a scale of 1 to 100. The real estate portfolios are part of NN Group's proprietary assets. Due to fundamental changes to the 2020 GRESB Assessment structure, the 2020 scores cannot be compared with previous years.

## Carbon footprint of NN Group's proprietary assets

	2020	2019	2018
<b>Assessed Assets under Management (in EUR billion)</b>	175	165	108
Fixed income	113	113	104
Equity	6	5	3
Residential mortgages	49	47	
Real estate investments	7		
<b>Carbon Footprint (tCO<sub>2</sub>e/EURm invested)<sup>2</sup></b>	72	73	146
Fixed income	97	93	146
Equity	112	130	153
Residential mortgages	19	19	
Real estate investments	6		
<b>Weighted Average Carbon Intensity (tCO<sub>2</sub>e/EURm of revenue) – Fixed income and listed equity</b>	106	106	107
Government bonds	42	39	42
Corporate fixed income	259	284	318
Equity	202	228	213

<sup>2</sup> The decline in the Carbon Footprint (tCO<sub>2</sub>e/EURm invested) metric for Fixed Income and Equity in 2019 compared to 2018 was mainly attributed to methodology change; we started using a company's enterprise value as a denominator to attribute emissions to both equity and debt positions.

Carbon footprinting can help us understand carbon and climate change-related risks within our investment portfolio, and can also be useful to inform corporate engagement. In the context of an investment portfolio, a carbon footprint measures the amount of greenhouse gas (GHG) emissions and intensity associated with the underlying portfolio holdings. The footprint is measured in carbon dioxide equivalents (CO<sub>2</sub>e).



## Key financial and non-financial indicators continued

### Scope of our carbon footprint disclosure

In 2020, we measured the carbon footprint of our private real estate portfolio for the first time. This brought the assessed AuM up to EUR 175 billion. This represents 80% of our total asset portfolio which comprises general account assets of the insurance entities, and the assets of NN Bank and NN Group. The main asset types that were not in scope of this carbon footprint analysis included cash, derivatives and private equity. The fixed income holdings that we assessed included government bonds and corporate fixed income securities. The corporate fixed income portfolio comprised mainly corporate bonds, but also asset-backed securities and loans (although the data availability on these two asset categories was limited).

This is the first year that we disclose the carbon footprint of our real estate investment portfolio. Our measurement includes the scope 1 and 2 emissions of NN's direct investments in real estate properties and our indirect investments via non-listed real estate funds. It should be noted that this carbon footprint result might not yet provide the complete picture of carbon footprint of our real estate portfolio as data quality as well as coverage is expected to improve further in the future. More information on the methodology and results can be found in a separate report, called 'Analysis of carbon footprint of proprietary assets', published on the NN Group website.

### Human capital indicators

	2020	2019	2018
<b>Workforce (end of year)</b>			
Total full-time equivalents (FTEs) <sup>1</sup>	14,942	14,913	14,492
Total number of employees (headcount)	15,118	15,194	14,953
– Netherlands Life & Pensions	2,261	2,485	2,620
– Netherlands Non-life	3,182	3,109	2,906
– Netherlands Bank	947	894	834
– Insurance Europe	4,740	4,975	4,688
– Japan	883	868	899
– Asset Management	975	978	1,017
– Other	2,130	1,885	1,989
Part-time employees <sup>1</sup>	16.0%	17.0%	20.6%
Temporary employees	6.0%	5.9%	6.1%
Average years of service	12.3	12.2	12.8
Male/female ratio	52/48	52/48	52/48
Male/female ratio managers	63/37	63/37	65/35
Male/female ratio in senior management group <sup>2</sup>	67/33	64/36	67/33
<b>Well-being and engagement</b>			
Sick leave <sup>3</sup>	3.1%	3.5%	3.6%
Engagement score	7.9	7.4	7.2
Participation in engagement survey <sup>4</sup>	82%	82%	80%
Grievances on labour practices	12	14	18
<b>Employee participation</b>			
Employees covered by Collective Labour Agreement (CLA)	75%	75.5%	76.9%
Employees represented by an employee representative body	84%	80%	85%
Formal meetings held with employee representative bodies	188	173	134
<b>Talent development</b>			
Total spending on training and development (in EUR million)	12.9	18.9	21.5
Spending/average FTE (in EUR thousand)	874	1,291	1,469
Human capital return on investment <sup>5</sup>	2.4	2.4	2.3
Employees with completed standard performance process	92.8%	96.8%	91.8%

1 Different number in FTE reflects changes due to the CLA in the Netherlands; Delta Lloyd used to count for 38 hours per week as FTE (instead of 36 hours per week as FTE). This also has an impact on the (lower) number of part-time employees.

2 In 2020, the target group for this indicator was adjusted to Management Board and Management Board minus one managerial position (instead of the composition of our Senior Leaders Group).

3 For 2020 and 2019 the scope is global. For previous years, the scope was Netherlands only; this counts for 60% of the total organisation.

4 Employee engagement score and the percentage of participation consists of internal and external employees (2019 and 2018 data are adjusted to this scope).

5 Human capital ROI is calculated as: (operating result ongoing business + employee expenses)/employee expenses.

## Key financial and non-financial indicators continued

## Human capital indicators continued

	2020	2019	2018
<b>Employee turnover</b>			
New hires	1,768	2,314	1,674
Employee turnover	10.2%	13.4%	15.0%
– voluntary employee turnover	5.3%	7.7%	7.9%
– involuntary employee turnover	4.9%	5.6%	7.1%
Open positions filled by internal candidates	36.2%	34.9%	46.7%
<b>Whistleblower concerns filed</b>	2	4	7
– of which investigated by Corporate Security & Investigations	1	3	4
<b>Other incidents and concerns</b>	66	95	100
Measures taken, related to:	6	6	14
– fraud (and alleged fraud)	0	1	7
– unethical behaviour	6	5	6
– conflict of interest	0	0	1
<b>Employee compensation</b>			
Total employee wages and benefits (in EUR million)	1,608	1,545	1,500
Ratio of CEO compensation to the average employee compensation <sup>1</sup>	30:1	26:1	30:1

<sup>1</sup> The calculation method was adjusted to already comply with the new prescribed method of the Dutch Monitoring Commission Corporate Governance as published on 14 December 2020. Compared with previous years, the pay ratio calculation includes components of variable remuneration under IFRS-EU and social security costs. For more information, refer to the Remuneration report on page 42 of the Financial Report.

## Community investment indicators

	2020	2019	2018
Total donations to charitable organisations (x EUR 1,000) <sup>2</sup>	4,700	3,200	2,700
Total hours of volunteering work (in Future Matters focus areas)	7,991	12,481	13,236
Total number of young people reached through NN Future Matters programme <sup>3</sup>	15,834	25,421	38,536
Total number of households reached through the From Debt to Opportunities programme	2,603	2,983	2,468

<sup>2</sup> Includes cash donations to charitable causes, corporate foundations and partnerships

<sup>3</sup> Numbers reached include partnership with JA and EP-Nuffic, the Future Matters anniversary donations and main Dutch programmes (excluding the From Debt to Opportunities programme).



## Key financial and non-financial indicators continued

## Environmental indicators

	2020	2019	2018
<b>CO<sub>2</sub> emissions of our direct operations<sup>1</sup></b>			
% of CO <sub>2</sub> emissions offset annually	100%	100%	100%
CO <sub>2</sub> emissions (kilotonnes)	13	23	24
CO <sub>2</sub> emissions from energy consumed on NN sites	5	7	8
– of which electricity	3	4	6
– of which natural gas	1	1	2
– of which district heating	1	1	1
CO <sub>2</sub> emissions from air travel	1	6	7
CO <sub>2</sub> emissions from car travel	7	10	10
CO <sub>2</sub> emissions (tonnes)/FTE	0.9	1.5	1.7
<b>Business travel</b>			
Air travel (km x 1 million)	4	30	28
Car travel (km x 1 million)	37	45	44
<b>Energy consumption</b>			
Total energy consumption (MWh x 1,000)	33	47	53
Electricity	6	9	12
Renewable electricity	16	23	23
– renewable electricity as % of total electricity	72%	72%	66%
Natural gas	4	6	8
District heating	8	9	10
<b>Paper</b>			
Total paper use (kg)	110,372	285,028	457,139
– sustainable paper (i.e. FSC) (kg)	65,279	182,260	357,450
– sustainable paper as % of total paper	59%	64%	78%
<b>Waste<sup>2</sup></b>			
Total waste (kg)	424,749	632,679	387,139
– recycled waste (kg)	170,704	366,146	243,891
– recycled waste as % of total waste	40%	58%	63%

<sup>1</sup> Certain emissions figures for 2019 and 2018 have been restated due to revised emission factors.

<sup>2</sup> Increase in total waste for 2019 due to refurbishment of the NN Group headquarters in The Hague.

## Assurance report of the independent auditor



## Assurance report of the independent auditor

To: the Stakeholders and the Supervisory Board of NN Group N.V.

### Our conclusion

We have reviewed the Non-Financial Information in the Annual Review for the year ended 31 December 2020 (hereafter: the Non-Financial Information) of NN Group N.V. (hereafter: NN Group) based in Amsterdam and headquartered in The Hague. A review is aimed at obtaining a limited level of assurance.

Based on our procedures performed, nothing has come to our attention that causes us to believe that the information relating to material non-financial topics (for selection of topics, see page 9) is not prepared, in all material respects, in accordance with the reporting criteria as described in the section 'Reporting criteria' of our report.

The Non-Financial Information comprises a representation of the performance of NN Group on its non-financial KPIs, and the thereto related, business operations, events and achievements during the year. NN Group is the parent company of a group of entities. The Report incorporates the consolidated information of this group of entities to the extent as specified in 'Our approach to reporting' in the Report.

### Basis for our opinion

We have performed our review on the Non-Financial Information in accordance with Dutch law, including Dutch Standard 3810N: 'Assurance-opdrachten inzake maatschappelijke verslagen' (Assurance engagements relating to sustainability reports).

We are independent of NN Group N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### Reporting criteria

The Non-Financial Information needs to be read and understood together with the reporting criteria. NN Group is solely responsible for selecting and applying these reporting criteria, taking into account applicable law and regulations related to reporting.

The reporting criteria used for the preparation of the Non-Financial Information are the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) and the applied internal reporting criteria as disclosed on page 62 of the Report.

KPMG Accountants N.V., registered with the trade register in the Netherlands under number 33263683, is a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ('KPMG International'), a Swiss entity.

## Assurance report of the independent auditor continued



### Limitations to the scope of our review

The Non-Financial Information includes prospective information such as ambitions, strategy, plans, expectations and estimates, and risk assessments. Inherently the actual future results are uncertain. We do not provide any assurance on the assumptions and achievability of prospective information in the Non-Financial Information.

### Responsibilities of the Executive Board and the Supervisory Board for the Non-Financial Information

The Executive Board of NN Group is responsible for the preparation of the Non-Financial Information in accordance with the GRI Standards and the applied supplemental reporting criteria as disclosed on page 62 of the Report, including the identification of stakeholders and the definition of material matters (see page 9). The choices made by the Executive Board regarding the scope of the Non-Financial Information and the reporting policy are summarised in 'Our approach to reporting' of the Report. The Executive Board is also responsible for such internal control as it determines is necessary to enable the preparation of the Non-Financial Information that is free from material misstatement, whether due to fraud or error.

The Supervisory Board is responsible for overseeing NN Group's reporting process.

### Our responsibilities for the review of the Non-Financial Information

Our objective is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Procedures performed to obtain a limited level of assurance are aimed to determining the plausibility of information and vary in nature and timing from, and are less in extent, than for an audit engagement. The level of assurance obtained in review engagements with a limited level of assurance is therefore substantially less than the assurance obtained in audit engagements.

Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the Non-Financial Information. The materiality affects the nature, timing and extent of our review procedures and the evaluation of the effect of identified misstatements on our conclusion.

We apply the 'Nadere voorschriften kwaliteitssystemen' (NVKS, Regulations on quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have exercised professional judgement and have maintained professional scepticism throughout the review, in accordance with the Dutch Standard 3810N, ethical requirements and independence requirements.

The measures taken to limit the outbreak of the COVID-19 virus have impacted the manner in which we have planned and conducted our assurance procedures. We have also considered the implications for the non-financial reporting process, assessed the internal controls embedded therein particularly focusing on the material topics for the 2020 reporting, and the implications for management oversight. We performed our assurance procedures completely remotely. This had practical implications for the way in which we

## Assurance report of the independent auditor continued



updated our understanding of process activities and controls, but we were able to make use of technology for observation, inspection and test of detail against authentic source documents.

Our review engagement included, among others, the following procedures:

- Performing an analysis of the external environment and obtaining an understanding of relevant societal themes and issues, and the characteristics of the company;
- Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures in the Non-Financial Information. This includes the evaluation of the results of the stakeholders' dialogue and the reasonableness of estimates made by management;
- Obtaining an understanding of the reporting processes for the Non-Financial Information, including obtaining a general understanding of internal control relevant to our review;
- Identifying areas of the Non-Financial Information with a higher risk of misleading or unbalanced information or material misstatements, whether due to fraud or error. Designing and performing further assurance procedures aimed at determining the plausibility of the Non-Financial Information responsive to this risk analysis. These procedures included among others:
  - Interviewing management and relevant staff at corporate level responsible for the non-financial strategy, policy and results;
  - Interviewing relevant staff responsible for providing the information for, carrying out internal control procedures on, and consolidating the data in the Non-Financial Information;
  - Obtaining assurance information that the Non-Financial Information reconciles with underlying records of the company;
  - Reviewing, on a limited test basis, relevant internal and external documentation;
  - Performing an analytical review of the data and trends in the information submitted for consolidation at corporate level.
- Evaluating the consistency of the Non-Financial Information with the information in the report which is not included in the scope of our review;
- Evaluating the presentation, structure and content of the Non-Financial Information;
- To consider whether the Non-Financial Information as a whole, including the disclosures, reflects the purpose of the reporting criteria used.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the review and significant findings that we identify during our review.

Amstelveen, 10 March 2021

KPMG Accountants N.V.

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## Glossary

<b>Assets under Management (AuM) in sustainable and impact strategies</b>	Assets managed with a specific focus on sustainability, for example strategies that focus on today's and tomorrow's sustainability leaders and companies that make a clear positive contribution to the UN SDGs.
<b>Carbon Disclosure Project (CDP)</b>	A global disclosure system for companies, cities, states and regions to manage their environmental impacts, and for investors and purchasers to access environmental information for use in financial decisions.
<b>Central Works Council (CWC)</b>	Required by the Dutch Works Council Act 2013, a standing works council formed by representatives from, in NN Group's case, eight Dutch work councils. The NN CWC is informed and/or consulted about important NN Group developments in the Netherlands, and about developments internationally to the extent that they influence Dutch interests.
<b>COLI</b>	Corporate-owned life insurance.
<b>EOIPA</b>	European Insurance and Occupational Pensions Authority. EIOPA focuses on providing a sound regulatory framework for and consistent supervision of insurance and occupational pensions sectors in Europe, and is an independent advisory body to the European Commission, the European Parliament and the Council of the European Union.
<b>Engagement survey</b>	A questionnaire measuring how a company's brand and values are experienced by its employees, how its leaders live up to the standards the company sets, and how the company fulfils its employee value proposition as an organisation.
<b>Environmental, social and governance (ESG) factors</b>	A subset of non-financial performance indicators concerning sustainable, ethical and corporate governance issues, such as managing the company's carbon footprint and having systems in place to ensure accountability.
<b>Financial economic crime (FEC)</b>	Involvement in money laundering, the funding of terrorism or other criminal activities that could harm stakeholder confidence in a financial services provider such as NN.
<b>Financial sector oath or promise</b>	An ethical statement introduced in early 2013 for employees in the Dutch financial sector, along with the introduction of a social charter and update of the Banking Code. It applies to employees of banks and other financial enterprises, including insurance companies, investment firms and financial service providers. By taking the oath, employees declare that they are bound by a code of conduct to the ethical and careful practice of their profession.
<b>General Data Protection Regulation (GDPR)</b>	Regulation by which the European Parliament, Council of the European Union and European Commission aim to unify data protection for all individuals within the European Union. The GDPR came into effect on 25 May 2018.
<b>Global Real Estate Sustainability Benchmark (GRESB)</b>	An industry-driven organisation committed to assessing the sustainability performance of real assets globally, including real estate portfolios. On behalf of close to 60 institutional investors, GRESB Real Estate has assessed almost 1,000 property companies and funds globally.
<b>Global Reporting Initiative (GRI)</b>	An international independent standards organisation that helps businesses, governments and other organisations understand and communicate their impact on issues such as climate change, human rights and corruption.
<b>International Integrated Reporting Council (IIRC)</b>	A global coalition of regulators, investors, companies, standard setters, the accounting profession and NGOs that promotes communication about value creation as the next step in the evolution of corporate reporting.
<b>Materiality matrix</b>	Presents the trends and topics that are considered to have a potential impact on a company, and/or on its stakeholders. Likelihood, location and a specific timeframe are taken into account.
<b>Net Promoter Score (NPS)</b>	A management tool to gauge the loyalty of a firm's customer relationships. It serves as an alternative to traditional customer satisfaction research.
<b>Non-Governmental Organisation (NGO)</b>	An organisation that is neither part of a government nor a conventional for-profit business. Usually set up by citizens, NGOs may be funded by governments, foundations, businesses or private individuals.

## Glossary continued

<b>NN CCT</b>	NN Corona Coordination Team, consisting of representatives from relevant staff functions (Legal, Compliance, Risk, Communications, IT, HR) and businesses, with the aim to monitor Covid-19 developments, advise the Management Board and to support a safe and smooth transition process.
<b>NN Future Matters</b>	The global community investment programme for NN Group. It aims to empower people in the markets where we operate to improve their financial well-being, and support them in growing their economic opportunities.
<b>NN Group Compliance Charter</b>	A policy set in place by NN Group to help businesses manage their compliance risks effectively and to set out the responsibilities on compliance risk management for the business and the compliance function.
<b>OECD</b>	The Organisation for Economic Co-operation and Development, an international organisation, established after World War II, with the aim to shape policies that foster prosperity, equality, opportunity and well-being for all.
<b>Operating Capital Generation (OCG)</b>	The movement in the solvency surplus (Own Funds before eligibility over SCR at 100%) in the period due to operating items, including the impact of new business, expected investment returns in excess of the unwind of liabilities, release of the risk margin, operating variances, Non-life underwriting result, contribution of non-Solvency II entities and holding expenses and debt costs and the change in the SCR. It excludes economic variances, economic assumption changes and non-operating expenses.
<b>Product approval and review process (PARP)</b>	The assessment of a product in relation to its customer suitability, financial and non-financial risks, and profitability. NN Group conducts a PARP when it introduces a new product, changes the characteristics of an existing product, or reviews a product. This is to ensure the product is acceptable to our company, our customers and society in general.
<b>Report of the management board</b>	The NN Group N.V. 2020 Report of the management board (Bestuursverslag), as referred to in section 2:391 of the Dutch Civil Code. It includes the Annual Review and the following chapters in the Financial Report: Financial Developments, the Report of the Supervisory Board, Corporate Governance, the Remuneration Report, and the Dutch Financial Supervision Act and Dutch Corporate Governance Code statements.
<b>Responsible Investment (RI) Framework policy</b>	Sets out a company's vision, approach and key principles on responsible investment. NN Group defines RI as the systematic integration of relevant ESG factors into investment decision-making and active ownership practices.
<b>SME</b>	Small- and medium-sized enterprise.
<b>Sustainable Development Goals (SDGs)</b>	Also known as the Global Goals, these are 17 global goals set in 2015 by the UN General Assembly to be achieved by 2030. They form a universal call-to-action to end poverty, protect the planet, and ensure all people can enjoy peace and prosperity.
<b>Task Force on Climate-related Financial Disclosures (TCFD)</b>	An industry-led initiative of the Financial Stability Board to develop recommendations on climate-related financial disclosures. The Task Force published its final recommendations in June 2017.
<b>UN Global Compact</b>	A UN initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and report on their implementation. It is a principle-based framework for business containing ten principles in the areas of human rights, labour, environment and anti-corruption.