Anticipate today, benefit tomorrow

NN Group N.V.

Annual Report 2024

NN

Contents

PDF/printed version

This document is the PDF/printed version of the 2024 Annual Report of NN Group N.V. and has been prepared for ease of use and does not contain European Single Electronic Format (ESEF) information as specified in the Regulatory Technical Standards on ESEF (Delegated Regulation (EU) 2019/815). The 2024 Annual Report was made publicly available pursuant to section 5:25c of the Dutch Financial Supervision Act (Wet op het financieel toezicht) and was filed with the Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten) in European single electronic reporting format (the ESEF package). The ESEF package is available on the company’s website and includes a human-readable XHTML version of the 2024 Annual Report. In any case of discrepancies between this PDF/printed version and the ESEF package, the latter prevails.

About this report

The Integrated Annual Report 2024 of NN Group N.V. (NN) provides an overview of NN's strategic and financial performance over the past year.

This report is intended to inform our stakeholder groups (customers, shareholders, employees, business partners, regulators and society at large). We aim to show how we create sustainable, long-term value.

Purpose
The report brings together relevant information about our strategy, governance and performance in a way that reflects the current economic, environmental and social contexts. This year, for the first time, we include a separate Sustainability Statement, outlining how we address our material sustainability matters. Our financial statements are included in 'Annual accounts'. The report is published on 13 March 2025 and covers the year from 1 January to 31 December 2024.

Relevant topics and materiality
We take into account the sustainability matters (see p. 20-21 for definition) that have a material impact on our stakeholders and/or that are financially material to our business. Our material sustainability matters were selected as part of our Double Materiality Assessment (DMA), as the basis for disclosure in our Sustainability Statement. Read more on p. 20.

Preparation
This Integrated Annual Report, including the NN Group Annual accounts, is prepared in accordance with applicable Dutch law. NN Group's Annual accounts are also prepared in accordance with the International Financial Reporting Standards as endorsed by the European Union (IFRS-EU). The non-financial information and data is prepared in accordance with relevant non-financial disclosure regulations, such as the European Sustainability Reporting Standards (ESRS) and EU Taxonomy. Since 2017, NN Group has externally disclosed that it is aligning its climate action approach to the Task Force on Climate-related Financial Disclosures (TCFD). Our approach to addressing net zero can be found in the Sustainability Statement on p. 136, and included in a TCFD reference table on p. 397.

We report our progress on the UN Principles for Sustainable Insurance (PSI) on p. 396, and on the UN Global Compact (UNGC) on p. 398.

Other reports
We aim to tailor our reporting for different stakeholders by publishing additional reports on specific topics on the NN Group website in the Investors/Annual Report section. In 2024, NN Group published its Active Ownership report and a biodiversity white paper. Alongside this Annual Report, NN Group publishes a Solvency and Financial Condition Report and a Total Tax Contribution Report.

Data in this report
All amounts quoted in this Integrated Annual Report are in euros (EUR), the functional currency of NN Group. Millions of euros are rounded to the nearest million, unless otherwise indicated. Calculations are made using unrounded figures. As a result, rounding differences can occur.

External assurance
The Consolidated annual accounts and the Parent company annual accounts of NN Group are audited by KPMG N.V. Accountants (KPMG). Read more in the independent auditor's report on p. 385. KPMG also provided limited assurance on the Sustainability Statement included in this Annual Report, read more in the independent auditor's report on p. 392. KPMG issued a limited assurance report on NN Group's Total Tax Contribution Report, read more in the Independent auditor's report of the Total Tax Contribution Report.

NN at a glance

Financial

EUR 1.9bn
operating capital generation

EUR 1.5bn
free cash flow

194%
solvency II ratio

Customer

On par*
NPS-r Netherlands businesses

Above*
NPS-r International businesses

* Compared to market average.

People

7.9
employee engagement

41%
women in senior management positions

Society

EUR 12.8bn
investments in climate solutions

766k*
contribution to our communities

* Cumulative number of people supported since 2022.

Our performance is recognised in indices and ratings

People

Top Employer Europe 2024

Sustainability and ESG ratings

FTSE4Good
MSCI
SUSTAINALYTICS
VBDO
CDP
World Benchmarking Alliance

Credit ratings

S&P

A+ Stable outlook, Financial strength rating
A- Stable outlook, Credit rating

Fitch

AA– Stable outlook, Financial strength rating
A+ Stable outlook, Credit rating

Our profile

NN is a financial services company, with a strong presence in Europe and Japan. We are committed to helping people care for what matters most to them. Because what matters to them, matters to us.

Key facts

~16k	19m	1845	10*
employees	customers	year founded in the Netherlands	countries we operate in

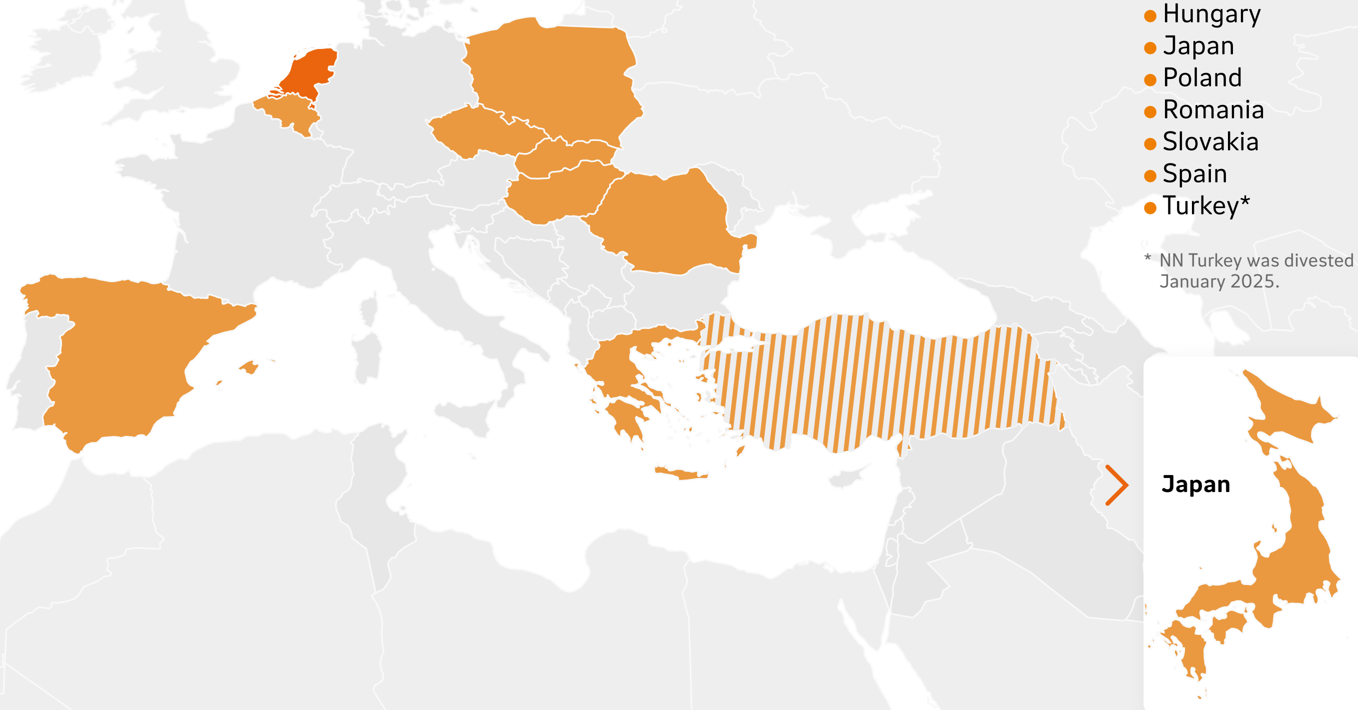
Our group segments

NN Group

Netherlands Life	Netherlands Non-life	Insurance Europe	Japan Life	Banking	Other

Our main brands

nationale nederlanden · NN · ABN·AMRO Verzekeringen · azl · BE FRANK · hcs. · movir · OHRA · woonnu



Our presence

- The Netherlands
- Belgium
- Czech Republic
- Greece
- Hungary
- Japan
- Poland
- Romania
- Slovakia
- Spain
- Turkey*

* NN Turkey was divested in January 2025.

NN Group segments

Netherlands Life

Netherlands Life is market leader in the Dutch life and pensions market, offering life insurance as well as the full spectrum of pension solutions. Pension solutions include insured defined benefit (DB) and defined contribution (DC) through the Nationale-Nederlanden brand, as well as Premium Pension Institution (PPI) through the specialised brand BeFrank. In addition, Netherlands Life offers general pension fund (APF) solutions through De Nationale, as well as pension fund administration and advisory services through AZL. The individual life closed block primarily consists of individual life portfolios comprising a range of discontinued products sold before 2012.

Netherlands Non-life

Netherlands Non-life is the market leader in the Dutch Non-life market, offering a wide range of non-life insurance products, including motor, fire, liability, transport, travel, health, and disability and accident insurance. We operate under the following brands: Nationale-Nederlanden, OHRA, Movir, HCS, Heinenoord and Zicht, as well as through our joint venture, ABN AMRO Verzekeringen, and our partnerships with ING and Volksbank. Our distribution platform comprises mandated and non-mandated brokers, banks, and direct online channels and engagement platforms.

Insurance Europe

Insurance Europe is the segment covering eight countries in Europe outside the Netherlands. The businesses primarily focus on providing long-term protection to retail, self-employed and small and medium-sized enterprises (SME) customers. In most markets, we are among the top three life insurance companies. In addition, in Poland, Romania, Hungary and Slovakia we are the leading player in pensions. Our European businesses have a diversified distribution footprint through tied agents, bancassurance partners, brokers and direct channels.

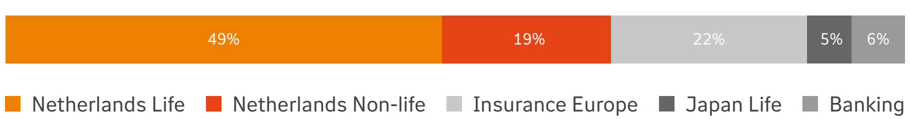
Japan Life

Japan Life offers life insurance products that combine protection and savings to support SME owners and their families. Japan Life offers its products through registered independent agents and financial institution partners (banks and securities houses) supported by sales support offices throughout Japan.

Banking

NN Bank offers financial services in the fields of savings, bank savings, investments, bancassurance and mortgages to 1.2 million customers in the Netherlands. It is the portal for all retail customers in the Netherlands, both directly and through independent advisors. NN Bank also operates the label Woonnu, a mortgage provider that aims to help consumers make their homes more sustainable.

Operating capital generation FY24



Other

The segment 'Other' is composed of NN Re, the results of NN Group's holding company and other results. NN Re is NN Group's internal reinsurer. It provides reinsurance solutions to manage risks, optimise capital, support growth in business units and safeguard stable and efficient hedging.

Our values and behaviours

Our values are the foundation of our culture. They serve as a compass for daily decision-making and guide us in interactions with stakeholders to carefully consider their interests. Together with our Code of Conduct, they also help prevent misconduct and irregularities. And as an integral part of our strategy and business model, they are designed to create sustainable long-term value for our stakeholders.

Raising awareness

NN Group's mission to create sustainable long-term value for our stakeholders is anchored in the NN statement of Living our Values, which was defined in 2014 and is published on our website. Every employee, including those of subsidiaries, as well as anyone representing NN Group in any capacity, is required to act in accordance with this statement. We are committed to upholding ethical standards in all our business practices and complying with laws and regulations in all our operating countries. In this way, we will continue to earn the trust of customers, employees, shareholders, business partners and society at large. We have developed the Living our Values programme to raise awareness about the values across our organisation, and to ensure we incorporate and maintain these values in everything we do.

Engaging our colleagues

To highlight the importance of values in maintaining a strong company culture, we introduced Values week. During Values week 2024 we celebrated ten years of living our values. We engaged employees from all our countries, with some 1,200 colleagues registering for sessions in the Netherlands, including 218 from international units. According to the 2024 Values week survey, participants gave the sessions an average rating of 8.4, with 64% thinking they stimulated discussion on the values and 96% saying they would encourage colleagues to join next year. Members of the Management Board (MB) were active participants, acting as role models in how to live our values. The most popular session, with 452 viewers, was the keynote on our NN behaviours given by Dailah Nihot, our Chief People, Communications and Sustainability Officer.

We help people care for what matters most to them

Raise awareness → Engage → Embed → Monitor → Evaluate

Our NN values

Our non-negotiable promises to all our stakeholders. Our values set the standards for conduct, and guide, unite and inspire us – they are the foundation of our culture.

Care
- Empower people to be their best
- Respect each other and the world we live in

Clear
- Communicate proactively and honestly
- Be accessible and open

Commit
- Act with integrity
- Do business with the future in mind

Our NN behaviours

Our way of working that will help us reach our strategic objectives for the years to come.

Team up
- We work together
- We put our shared interests ahead of our own
- We have a positive attitude
- We trust and are trusted to be our best

Speak up
- We have open and honest conversations
- We give and receive feedback with grace
- We define agreements and expectations upfront
- We improve and simplify

Step up
- We take ownership
- We challenge ourselves to change, learn and grow
- We deliver quality and drive operational excellence
- We do more with less and keep up the speed

Embedding the values in our culture

The values are well-embedded in NN Group's culture and processes through the Living our Values programme. To encourage a values-driven culture and ensure that all employees know and live the values throughout their careers with us, we incorporate the values into HR policies and processes. They are included in employee recruitment and onboarding processes, embedded in our i-LEAD profile and HR Framework standard, and form part of our Key Talent Management process and trainee programmes. We have processes in place for employees who feel our values are not being lived up to, or who have questions about them. If employees face a dilemma about the values, they can consult their manager, compliance officer or the Values and Code Desk of NN Group or of their business. They can also report potential violations of the NN statement of Living our Values and/or a breach of the NN Code of Conduct confidentially and anonymously through our whistleblower reporting system Speak Up.
Our Executive Board's remuneration targets include several strategic goals that relate to how we live our values and meet objectives related to sustainable long-term value creation. Read more on p. 105.

Monitoring effectiveness

We monitor the effectiveness of the Living our Values programme. Our employee engagement survey, held twice a year, includes various questions on values. (See table on this page for more information.) At the end of 2024, employees indicated a connectiveness with our values of 8.3 (2023: 8.2). We strive to score 8 or higher for the key questions on our values across businesses, and this target was again met in 2024. We also saw a slight increase in the scores for each value. We also measure how customers and the public perceive our values through the Global Brand Health Monitor (GBHM). The values are part of our brand, and over 50% of customers in almost all markets (totally) agree with their alignment to the NN brand. There are three exceptions where lower percentages can be identified: Japan, the Czech Republic and the Netherlands. Significant increases compared to the GBHM of Q4 2023 can be identified in Japan. Most markets are relatively stable across the three values and the all-market average has also remained relatively stable over the past three years. When it comes to the general public's perception of our values, most markets show relatively stable scores in comparison to Q4 2023. Japan, Slovakia, Spain, Greece and the Netherlands show a significant increase on the fit with the values in comparison to Q4 2023. Using the monitoring results, the MB and the Living our Values Project Group define areas for improvement and next steps.

Evaluation of values

Each year, the MB receives a report detailing any areas of concern in the Living our Values programme and gives recommendations for improvements. The report is approved by the MB and discussed with the Supervisory Board, the Central Works Council and the European Works Council. Our MB is ultimately responsible for incorporating and maintaining the values across the company as well as its affiliated enterprises. We regularly review our NN statement of Living our Values, and revise it where necessary to ensure it remains relevant and aligned with stakeholder expectations around our culture. We last updated the statement in 2020. In 2024, we introduced our new strategic commitment to become a digital and data-driven organisation. In light of this development, we performed a broader assessment of our culture, concluding that the values are still relevant in our changing environment, mainly because of the close connection our colleagues feel with them. However, we conducted internal interviews, in-depth analysis of our employee engagement surveys and feedback sessions with our international leadership, which showed that our culture could benefit from more specific guidance on how we work together.

Enhancing our cultural framework

We recognise that clarity around how we interact and collaborate is an important enabler of our shared strategic initiatives that aim to build an even stronger, more resilient and purpose-led organisation. This is why, based on our values 'care, clear, commit,' we have identified our NN behaviours: Team up, Speak up, Step up. These provide internal guidance on how we aim to collaborate, and our goal is to make them an integral part of our HR processes. We introduced our behaviours at the International Leadership Conference in June 2024, and started an awareness campaign with communications and tools to familiarise employees with these behaviours, explain how they align with our values, and guide them in how to apply them in their daily work. We also embedded the behaviours in our talent acquisition and onboarding processes, and leadership programmes. We plan to integrate them into our performance cycle from 2025 onwards.

Monitoring how we live our values: employee engagement survey questions on our values

	2024	2023
Care: 'In our team we genuinely care about our customers and treat them with respect'	8.5	8.4
Clear: 'In our team we are easy to approach and communicate proactively and honestly'	8.4	8.3
Commit: 'In our team we take responsibility for our actions and deliver on our promises'	8.5	8.4
'I feel well connected with our values: care, clear, commit'	8.3	8.2
'If I experienced any kind of misconduct or unethical behaviour at work, I'm confident NN Group would take action to address the situation'	8.3	8.3
'In our team, we openly discuss consistency of our actions with NN values (care, clear, commit)'	8.1	8.1
'My manager consistently acts as a role model when it comes to living our NN values'	8.4	8.3

Impact story

NN Volunteer week 2024 – bringing community investment to life

NN Group aims to support the financial, physical and/or mental well-being of one million people by 2025. This year, 2,106 colleagues took up the call to action during NN Volunteer week.

2,106
colleagues signed up for volunteer activities

8,308
volunteer hours in Volunteer week 2024

8,827
people supported during Volunteer week

Social impact is the main driver of NN Group's community investment programme and according to Jeroen Koks, who works in the Community Investment (CI) team and is himself a volunteer, there is nothing like volunteering to bring it alive. 'It is the best way to engage colleagues in community investment,' he says. 'They really become part of the impact we have on society.'

Company-wide

In 2024, there were over 7,000 participations in our company-wide volunteering programme (some colleagues took part more than once). The programme has been running since 2014 and this year the number of volunteer hours over the year reached an all-time high of 42,049.

'During NN Volunteer week, from 27 to 31 May 2024, we spread the word across the organisation with flyers and online campaigns, about how great it is to get involved. And it's not just great for our communities. It really gave me a sense of pride and connectedness to our values.'

> **'Participating in a candle-making activity with the elderly filled me with joy, seeing how a small gesture can make such a difference in their lives.'**
>
> **Valeria Tsaganidi,** Business Analyst & Quality Assurance specialist, NN Hellas, Greece

Battling loneliness

Colleagues can sign up either as individuals or as part of a team. This year, in the Netherlands, team participation was more popular than ever, with 1,300 colleagues signing up with their team. Activities ranged from walking, gardening and playing games with the elderly, who often battle loneliness, to giving children in poverty a birthday like never before. NN Group Management Board members also rallied round, packing 500 of some 6,000 gifts and birthday boxes for children.

Social connection is an important theme for community investment, says Jeroen: 'I visit 96-year-old Mientje regularly, taking her out in her wheelchair for a breath of fresh air. Connecting multiple times really deepens the connection.'

NN Charity Run

Perhaps the biggest event in the volunteering year is the NN Charity Run. This year over 1,000 enthusiastic colleagues ran over 20,000 km, raising EUR 122,530 for local charities to spend on making a positive impact in our communities. Those who ran in Belgium for example, supported Pinocchio, a non-profit organisation helping children suffering from serious burns as well as their families. In Romania, employees ran for the Association Inima Copiilor, which supports the expansion of the cardiac surgery department at the Marie Curie Hospital in Bucharest, improving the chance of survival for children with heart disease.

This year, during NN Volunteer week, we contributed to the financial, physical and mental well-being of 8,827 people in our communities.

David Knibbe, Chief Executive Officer:

‘Reflecting on our performance in 2024, I am proud of how we continued to fulfill our role and help people care for what matters most to them.’

A conversation with our CEO

Our CEO David Knibbe looks back on 2024, a year in which we reported very good results, despite an increasingly volatile external environment making it more important than ever that we continue to provide financial security for our customers.

How do you look back on the year 2024?

The past year was marked by ongoing geopolitical uncertainties and political polarisation across the globe, and this has continued into 2025. Risks of a global trade war are rising, which could impact the economy and result in a return of high inflation and increased market volatility. These developments are impacting people's lives and livelihoods, and it underscores the importance of our industry in protecting customers against unforeseen circumstances.

Reflecting on our performance in 2024, I am proud how we continued to fulfill our role and helped people care for what matters most to them. We made further improvements in customer satisfaction scores, particularly in our European markets. By the end of the year, we ranked at or above market average in eight out of ten countries. Employee satisfaction scores also showed an upward trend, indicating our success in jointly creating an attractive work environment. Our target of at least 40% women in senior management positions was also achieved. And through our community investment programmes we have supported 766 thousand people since 2022.

Our strategic progress translated into a strong commercial and financial performance. Our business in Europe continued to show strong commercial momentum, with higher sales of protection and pension products thanks to our successful distribution mix and new product launches. In the Netherlands, our pension business also reported continued growth, supported by strong net inflows in defined contribution of EUR 2.3 billion, renewals of existing defined benefit pension contracts and pension buyouts. Our Dutch non-life business maintained its robust performance and delivered volume growth of 4.5%.

Our operating capital generation, our main financial performance metric, was EUR 1.9 billion, and we achieved our 2025 target one year ahead of plan. Our capital position remained robust with a Solvency II ratio of 194%. We proposed a final dividend of EUR 2.16 per share, bringing the total dividend for 2024 to EUR 3.44 per share, an increase of 8% compared to 2023. In addition, in line with our policy, we again announced an annual share buyback programme of EUR 300 million.

All in all, we can look back on an excellent year, which highlights the strength of our diverse businesses and teams. It also demonstrates we are well on track in the delivery of our strategy focused on customers, our people, and contribution to society.

NN Group is accelerating its digitalisation efforts. What is the main driver of this?

Expectations of customers and other stakeholders are evolving rapidly, driven in particular by the rapid developments in technology and artificial intelligence. Therefore, at the end of 2023, we refined our strategy and introduced a new commitment on becoming a digital and data-driven organisation. This update was prompted by our belief that we need to enhance our capabilities in this area to remain competitive and to be ready for the future.

Throughout the year, we made good steps in this direction, with several initiatives across the organisation. We are scaling AI applications throughout the business and we are simplifying our IT landscape through standardisation. Additionally, we launched data literacy programmes for colleagues to improve their digital skills. Of course, more work remains to be done in the coming years, with the aim to further grow our business and to stay financially healthy but we are clearly off to a good start in this area.

What did NN Group do in the area of sustainability?

In 2024, we made further progress in reducing our carbon footprint, for example in our corporate investment portfolio we are in line with our 2025 target of a 25% reduction. We also further increased our investments in climate solutions, bringing total investments to EUR 12.8 billion by the end of 2024.

Additionally, we took further steps to support the transition to a low-carbon economy through our insurance underwriting activities. This included the publication of our Responsible Insurance Underwriting Policy, which will be implemented in 2025. We also joined the Forum for Insurance Transition to Net Zero) a new forum that aims to support the acceleration and scaling up of voluntary climate action by the insurance industry.

As NN Group, we have committed to aligning our business activities with the goals of the Paris Agreement to limit global warming to 1.5°C. However, the 1.5°C target already seems to be out of reach. Increasingly, attention is shifting to how we can protect ourselves and others in a world of rising temperatures and extreme weather. I strongly believe that as a financial services company, we can also play an important role here.

Where do you see the biggest challenges going forward?

Our ambition is to be recognised as an industry leader known for our customer engagement, talented people and contribution to society. Since launching our current strategy in 2020, we have made significant strides across all areas and are on track to meet our targets for 2025. However, we operate in a turbulent environment. Our industry faces numerous challenges, including rapidly evolving customer preferences, increased regulation, geopolitical upheaval, market volatility and climate change.

The biggest challenge is to navigate this dynamic landscape with agility and speed, while maintaining our long-term focus. This year marks our 180th anniversary, a testament to our resilience. However, this resilience is not guaranteed, and we must remain vigilant and fully focused on serving our customers and other stakeholders.

Looking ahead, what are the focus areas for 2025?

We will continue to apply ourselves to fulfilling our role as a financial services company. Of course, it all starts with providing financial security for our customers during key moments in their lives, whether that is retirement, illness or an extreme weather event. We will provide an update of our strategy and new medium-term targets at our Capital Markets Day in May 2025. With our leading market positions and robust balance sheet, we are in a good position to continue to grow and create sustainable long-term value for our stakeholders.

Our people play a crucial role in this, and I would like to thank them for their contributions and commitment over the past year. I would also like to thank my colleagues in the Management Board for the great teamwork, and the Supervisory Board for their guidance and support. And I especially want to thank our customers and other stakeholders for their trust in our company.

‘This year marks our 180th anniversary, a testament to our resilience. However, this resilience is not guaranteed, and we must remain vigilant and fully focused on serving our customers and other stakeholders.’

Impact story

Adding sustainable features to home insurance

A recently launched, updated home insurance product sets a new standard for Dutch home insurance, making sustainable repair the norm.

8
sustainable features added

0
extra costs for customers

66%
of all damage to insured buildings is repaired through our sustainable repair network

NN Group believes that by embedding sustainability deeper into our home insurance product, we can support a circular economy and help reduce environmental impact. That is why we have made sustainable repair a cornerstone of this renewed product, making it the default, instead of replacement.

Extra coverage

We have added eight new elements to the product, all of them supporting our ambition to contribute to a more sustainable future. These include better insulation when repairing damaged windows, roofs, or other parts of the property, coverage for sustainable installations such as heat pumps and charging stations, and for any damage to solar panels that results in a loss of energy generation. Support for mental well-being in the case of severe damage is also part of the package, as is the repair of damaged electronics such as mobile phones.

> ‘If insurers, other financial service providers and customers all work together, we can make a real impact.’
>
> Maaike van Beijsterveldt,
> Director of Retail for Property and Casualty

An additional impact of this initiative is that it addresses the need for sustainable houses in the Netherlands, a crucial step in light of the country’s stricter emissions restrictions.

The new standard

The renewed product is already available to many of our retail customers and will be rolled out further in 2025. It is now the standard home insurance product in both our direct and bank insurance channels. Maaike van Beijsterveldt, Director of Retail for Property and Casualty: ‘Sustainable repair is now a requirement for retail customers, at no additional cost to them. For intermediaries, we take a more collaborative approach, engaging with them and sharing knowledge on our efforts around sustainability. We allow an element of choice there.’

Working together

By making sustainable repair the ‘go to’ option, supported by our sustainable repair network of service providers, and adding more sustainable features, we have set a new standard in the market. ‘However, we can’t create systemic change on our own, that’s why we urge intermediaries to include sustainability in their dialogues with customers. If insurers, other financial service providers and customers all work together, we can make a real impact.’

The world around us

As a financial services provider, we operate in a dynamic and complex environment, impacted by geopolitical, economic, social, environmental and technological developments. In this chapter, we provide an overview of these challenges, and how we are addressing them.

Political developments

Geopolitical challenges intensified during 2024 and in 2025, exemplified by the ongoing war between Russia and Ukraine, the conflict between Israel and Hamas, and continuing (trade) tension between the world's large regional blocks, which exacerbated in early 2025. NN Group does not have direct business activities in the countries in these regions, and limited financial exposure. However, continued geopolitical instability, which may coincide with other macroeconomic developments, could impact our operations. Read more about the measures we have in place to mitigate these (potential) impacts in 'Managing our risks', p. 51.

This year, the global political landscape saw growing polarisation and fragmentation, as reflected in the outcomes of the 2024 European Parliament election and the US election. This trend became apparent in several of our key markets, including the Netherlands, Spain and Poland, and added to the existing complexity and uncertainty. This could pose a challenge to achieving progress on much-needed reforms in pensions, housing and healthcare, as well as to our initiatives in the area of climate solutions; for market participants with a longer-term perspective it could also lead to a lack of clarity.

In the Netherlands, a new coalition government prompted concerns that certain (proposed) measures, such as cuts in education, could have negative long-term impact. However, although all plans have not yet been finalised, many of the initiatives launched by the previous government, such as those related to sustainability and the housing market, remain unaffected. One positive development is the increased focus on the Dutch business climate. This has already led to a reversal of earlier plans to abolish the exemption of dividend tax for share buybacks, for example, and there has been a softening of tax arrangements for expats.

Economic shifts

The world economy continued to grow at the same pace as in 2023. However, persistently high inflation rates still complicated the normalisation of monetary policy. Although inflation dropped significantly from the high single digits seen in 2023, it remained above 2% in the Eurozone throughout 2024. Nevertheless, the downward inflation trend allowed central banks to gradually reduce interest rates. Upside inflationary risks remained, including increased geopolitical trade tensions and high public debt levels. Global government debt levels remained high. In Europe, particularly in France, the debt situation was concerning. This financial instability is relevant for NN Group in our role as investor, see 'Managing our risks', p. 51.

After years of stagnation, economic growth across the EU showed an upswing in 2024 but continued to lag behind other parts of the world, such as the US and Asia. Outside our Dutch home market, substantially higher growth rates, of between 2.5% and 3%, are forecast in many of the countries where we operate.

One event that could affect our activities in the coming years, is the publication of Italian economist Mario Draghi's report, 'EU competitiveness: Looking ahead', which is expected to significantly impact the policy agenda of the new European Commission (EC). The report recommends, for example, a review of the requirements in Solvency II, which governs EU insurance capital regulations, as well as proposals to stimulate second-pillar pension schemes and a proposed 25% cut in the number of reporting obligations. The report also emphasises the need for a more coordinated industrial policy, faster decision-making and massive investments in innovation, decarbonisation and security, if the EU wants to remain competitive with economic rivals like the United States and China.

Developing regulations

Growing international and national regulatory requirements potentially impact NN's operations and solvency position. On 13 December 2023, the EC, the European Parliament and the European Council all reached an agreement on the draft Solvency II review (Directive, Level I). The Directive was published in the Official Journal in January 2025 and will come into force in January 2027. In addition, secondary legislation is currently being drafted by relevant EU authorities.

On 1 August 2024, the EU's Artificial Intelligence Act (AI Act) came into force, establishing a common regulatory and legal framework for AI across the European Union. NN anticipated this regulation by aligning its AI Framework to accommodate new obligations that are included in this Act, which will become applicable in phases.

More recent EU legislation, which took effect on 17 January 2025, is the Digital Operational Resilience Act (DORA), aiming to strengthen the IT security of financial entities. NN Group is dedicating significant resources to ensuring compliance with these rules, making our systems and operations even more resilient to the increasing threat of cyberattacks or other incidents. Also important for our organisation and stakeholders is the EU's proposed Financial Data Access Regulation (FIDA). While this is expected to establish clear rights and obligations to manage customer data sharing, the full scope of its impact is, as yet, unclear.

As the Corporate Sustainability Reporting Directive (CSRD) has not yet been transposed into Dutch law, it is not yet effective for NN Group. We have, however, voluntarily applied the requirements of the ESRS that will become mandatory once the CSRD is implemented in the Netherlands. See our disclosures in the Sustainability Statement, p. 120.

In early 2025, there was a momentum to simplify regulations in the EU, notably the 'omnibus' initiative to simplify and harmonise regulations around sustainability. The ambition is to reduce overlapping requirements, enhance consistency and reduce unnecessary administration.

Climate change

The reality of global warming is becoming increasingly evident, impacting people's lives and livelihoods. As a result, the insurance industry is facing the effects of more frequent natural catastrophes such as storms, heatwaves, devastating wildfires and flooding from heavy rainfall, in Europe and across the world. NN Group is incorporating plans to address this in our investments, our insurance and banking products, our own operations and in our reinsurance strategy. We are constantly evaluating and developing ways to lower our environmental impact. (See 'Climate Change', p. 136 in the Sustainability Statement, for details of how we are addressing climate change.)

Tech transformation

Rapid advancements in AI are driving a major transformation across the financial sector. Generative AI, machine-learning and AI-powered language models are quickly reshaping how insurers interact with customers, streamline operations and manage risks. A key area of impact is customer service. Customer enquiries and claims processes were traditionally handled in the financial sector by human agents. However, with the integration of generative AI, customer wait time is being drastically reduced and operational costs lowered, while at the same time the technology is continuously improving, providing ever more accurate and up-to-date information.

In addition to improving customer services, generative AI is helping insurers streamline critical functions like claims processing. By automating various aspects of claim management, insurers and banks can significantly reduce the time it takes to process claims, leading to faster payouts for customers and increased efficiency for insurers. The integration of generative AI also enables personalised policy recommendations and improves risk assessment. As the technology continues to evolve, its impact on the financial service industry is likely to grow, offering new opportunities for insurers and banks to better serve their customers and navigate the complexities of an ever-changing market. Process mining, a technique to analyse event data to better understand and improve operational processes, currently supports NN Bank's digital experience for customers and brokers, leading to a more cost-efficient way of working.

Beyond leveraging AI for customer value, NN is also preparing for digital threats. AI can be used defensively to mitigate cyberattacks and protect against digital warfare. In an increasingly interconnected world, both large and small-scale events can bring global networks to a standstill. The unpredictable nature of such crises highlights the critical role insurers and banks play in offering stability to customers and society during these challenging times.

Navigating complexity

In today's dynamic world, balancing the interests of our various stakeholders is an increasingly complex challenge. Citizens are often vocal about the importance of sustainability, but as consumers, their purchasing decisions are still largely driven by price or investment return, especially with the increasing cost of living. This presents a challenge, particularly as we navigate political developments and shifting ideologies on climate change, which can sometimes hinder long-term planning or investments.

European regulators are imposing higher sustainability requirements, expecting our sector to take ambitious steps towards achieving net-zero emissions. At the same time, non-governmental organisations (NGOs) are calling for greater ambition and faster progress from companies in addressing sustainability challenges. But while we are taking significant steps on the journey to net zero, we also need to ensure that this transition remains inclusive for all our customers, and that shareholders, who are generally less focused on environmental, social and governance (ESG) topics, receive strong returns on their investments.

We believe it is important to stay in dialogue with all our different stakeholders (see more about this on p. 35). Stakeholder engagement gives us the opportunity to share both our strategic choices and the dilemmas we face, as well as gain valuable insights into stakeholders' perspectives, which we can incorporate into our service and product offering. By balancing all these different interests, and remaining flexible in our response to our dynamic external environment, we will continue to develop a solid long-term strategy. (See p. 24 for details of our strategy.)

Our strategy and operating environment

Our strategic commitments	Trends and developments	Risks[1]	KPI	Sustainability matters
Engaged customers	• Geopolitical instability • Economic developments • Technological developments	1-Cyber (security) risk 5-Sustainable cost levels 6-Geopolitical instability 7-Being outrun by competition	• NPS	• Climate change • Circular economy • Clear and secure data • Financial inclusion
Talented people	• War for talent		• Employee engagement • Women in senior management	• NN workers' secure and fair employment • Employee well-being • Equal treatment and opportunities for all • Human capital development
Contribution to society	• Political developments • Economic developments • Sustainability • Regulatory developments	2-Regulatory environment 6-Geopolitical instability	• Investments in climate solutions • People supported	• Climate change • Nature (biodiversity and water) • Workers in the value chain • Community investment
Financial strength	• Geopolitical instability • Political developments • Economic developments • Sustainability • Regulatory developments	2-Regulatory environment 3-Global debt crisis 4-Climate change - transition risk for assets 5-Sustainable cost levels 6-Geopolitical instability 8-Longevity risk 9-Inflation risk	• Operating capital generation • Solvency II ratio • Free cash flow (FCF)	
Digital & data-driven organisation	• Geopolitical instability • Technological developments • Regulatory developments	1-Cyber (security) risk 2-Regulatory environment 5-Sustainable cost levels 7-Being outrun by competition		• Corporate culture • Clear and secure data • Corruption and bribery

1 The numbers in the table relate to the numbering within the strategic risk assessment (SRA) in 'Managing our risks'.

Determining our material sustainability matters

A Double Materiality Assessment (DMA) helps us understand and manage our sustainability impacts and financial risks and opportunities. By looking at how our actions affect people and the planet and how sustainability issues affect our financial situation, we can make more informed decisions on our strategy and address the needs of our stakeholders.

Our approach

For the DMA we use two perspectives throughout our value chain to determine our material sustainability matters.

These perspectives are:

- **Impact materiality (inside-out):** this assesses how NN Group's actions affect people and the planet, both positively and negatively.
- **Financial materiality (outside-in):** this evaluates how sustainability issues could impact NN Group's financial risks or opportunities.

In 2024, we refined our sustainability assessment based on new insights, developments, and stakeholder engagement, building on our 2023 DMA. We identified and scored relevant sustainability matters in 2023, and in 2024 we fine-tuned these matters to align with our role as a financial services company. This year, we actively engaged with stakeholders, including internal experts and external sector dialogues, to better understand and address the most material sustainability issues, aiming to reduce negative impacts and enhance positive contributions.

Our roles in the value chain

During the DMA process, we considered actual and potential impacts, positive and negative impacts, and financial risks and opportunities across our value chain. We defined our value chain for the assessment, dividing it into four categories: own operations, investments, products and services, and business partners. We looked at our different roles and how they link to the applicable sustainability matters, enabling us to specifically identify where the most material impacts, risks and opportunities occur in our value chain.

- For own operations, we looked at our own operations around employees for social topics, and our buildings and business travel for environmental topics. We also assessed our own operations in terms of governance.
- For investments, we looked at the impact and the risks and/or opportunities incurred through our investment activities.
- As a financial services company, we examined the products and services offered by our Life, Pension and Non-life businesses, and by NN Bank.
- Finally, as a business partner, we focused on our upstream and downstream collaborations and procurement activities, and collaboration with financial advisors and repair networks. Please see p. 124 for more information on our value chain.

Outcome DMA

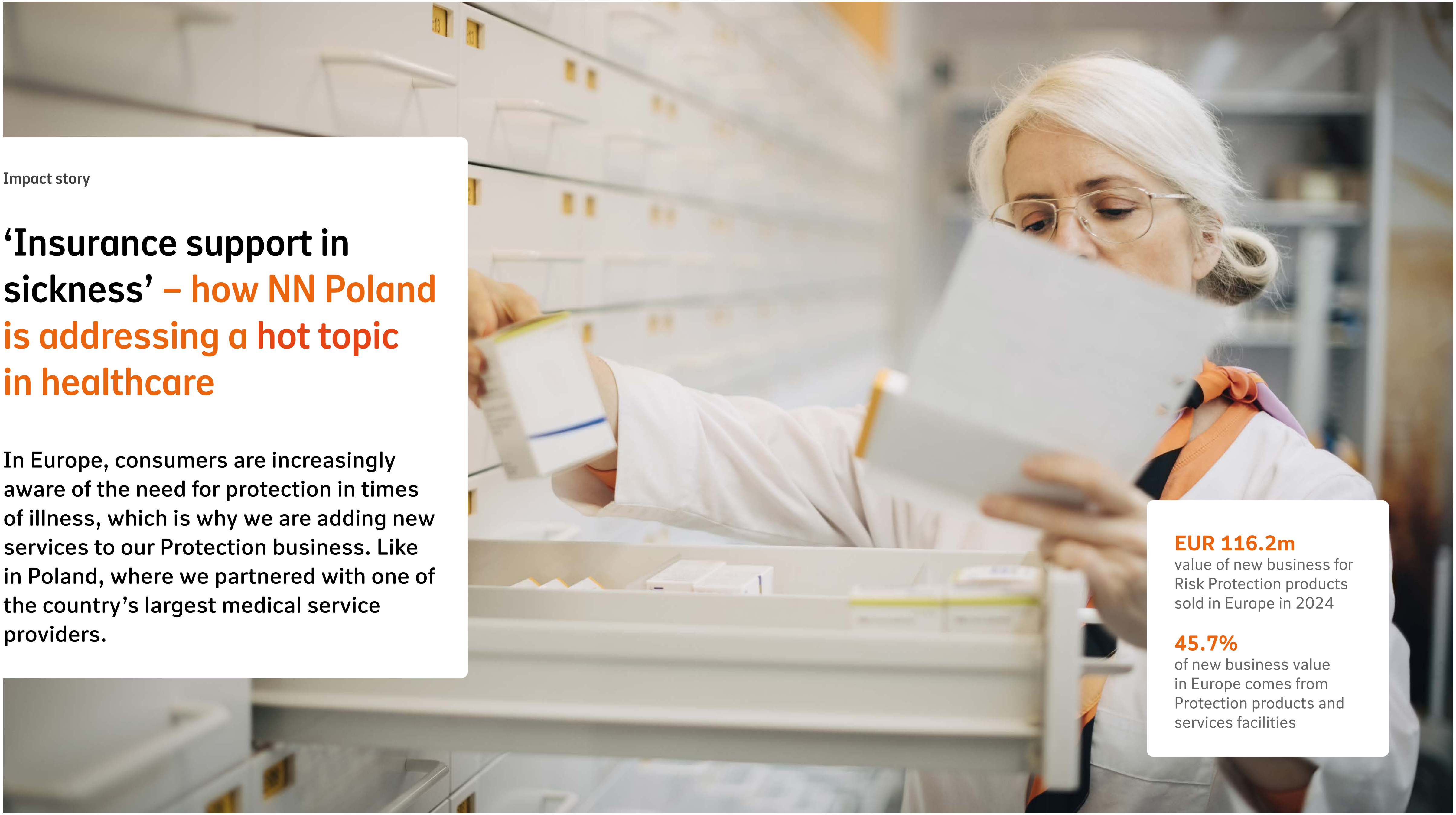
On the following page, we visualise our DMA results. In this overview, we have included our material topics for our different value chain roles. We have also included whether we identified a positive or negative impact, financial risk or financial opportunity. We have included a reference to the chapters of our Sustainability Statement where you can find more details on what we do on each material sustainability matter with regard to policy, processes, targets, actions and metrics.

NN Group material sustainability matters

Material topics	Roles	Impact materiality	Financial materiality	ESRS[1]
Climate change[2]	Own operations[3]	–		Environment
	Investments	+ –	O R	Environment
	Products and services	+ –		Environment
Nature (biodiversity and water)	Investments	–		Environment
Sustainable repair	Products and services	+		ESD[4]
NN workers' secure and fair employment	Own operations	+		Social
NN workers' well-being	Own operations	+		Social
Equal treatment and opportunities for all at NN	Own operations	+ –		Social
Human capital development and attraction at NN	Own operations	+		Social
Workers in the value chain	Investments & business partners	–		Social
Community investment	Own operations	+		ESD[4]
Financial inclusion	Products and services	–		Social
Clear and secure data	Products and services	–		Social
Corporate culture	Own operations	+ –		Governance
Corruption and bribery	Own operations	–		Governance

+ Positive impact
– Negative impact
O Financial opportunity
R Financial risk

1 European Sustainability Reporting Standards.
2 Climate change: this relates to transition and physical climate risks related to investments in the long term.
3 We have identified climate change as material for our own operations for the greenhouse gas (GHG) categories for which we have set targets, since we have seen that stakeholders assess these cateogries as material. For these categories we idenitified only a material negative impact.
4 Entity Specific Disclosure.



Impact story

'Insurance support in sickness' – how NN Poland is addressing a hot topic in healthcare

In Europe, consumers are increasingly aware of the need for protection in times of illness, which is why we are adding new services to our Protection business. Like in Poland, where we partnered with one of the country's largest medical service providers.

EUR 116.2m
value of new business for Risk Protection products sold in Europe in 2024

45.7%
of new business value in Europe comes from Protection products and services facilities

The 'insurance support in sickness' programme adds medical components to life insurance, allowing it to address two of the top healthcare concerns in Poland: a lack of access to good medical care and inadequate financial resources in cases of serious illness. For now, it offers cover for those who are critically ill or in need of surgery. But Michał Nestorowicz, responsible for its development, says the programme may go on to address other healthcare issues, such as long-term care or accidents.

'Fast track' healthcare

'In Poland, as in many countries, you may have to wait months, or even years, for surgery. Healthcare is a hot topic. Now, because of our partnership with LUX MED, we can guarantee access to a specialist within three days, and surgical treatment within 30 days. We also provide a hospital care coordinator for the rest of a client's healthcare journey.'

> 'This partnership provides a gateway to modern, innovative and high-quality healthcare across the country.'
>
> **Michał Nestorowicz,** Individual Client Segment Director, NN Poland

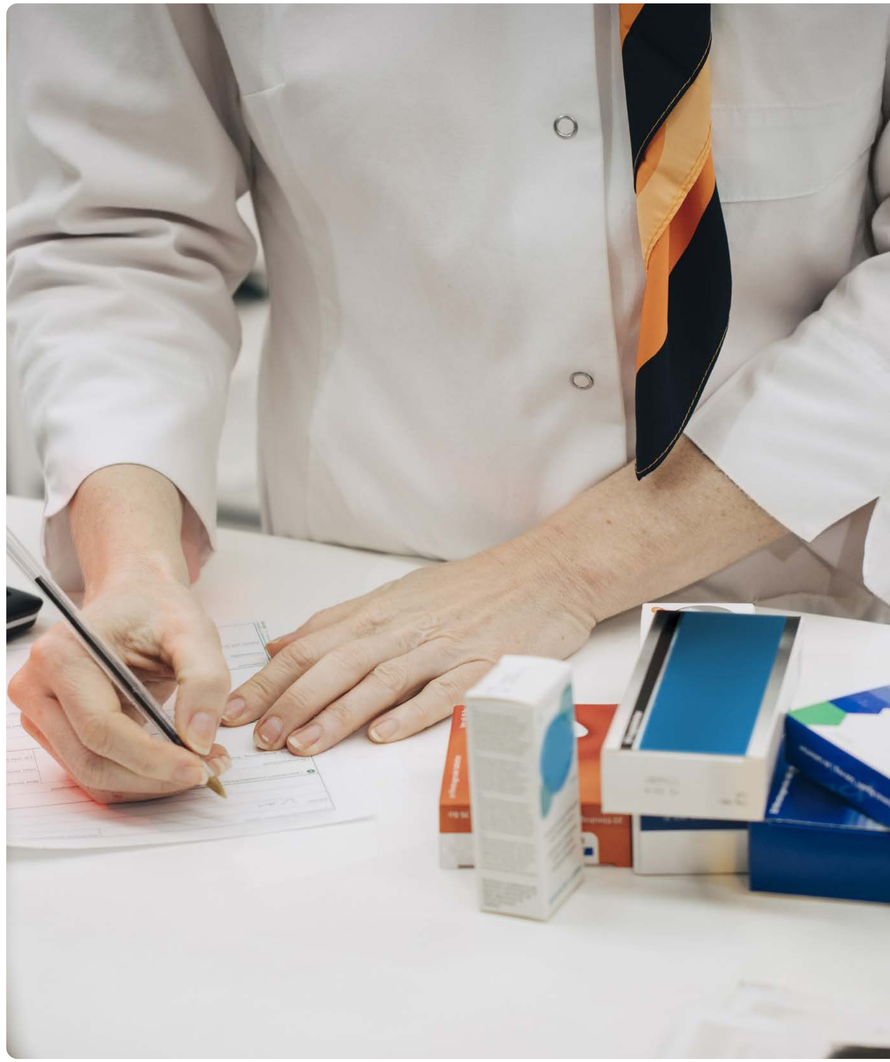
Financial support

Coverage is not just about treatment. The new programme supports patients financially if they are diagnosed with a serious illness and may also cover, for example, diagnostics or medical transport. 'Our partnership with LUX MED allows us to deliver coverage throughout the entire trajectory.'

LUX MED, part of Bupa Group, owns 16 hospitals and 300 other medical facilities in Poland, and cooperates with some 3,000 more. This enables us to provide a gateway to modern, innovative and high-quality healthcare services across the country.

Tailor-made

One of the reasons Michał likes to call it a 'programme' and not a 'product', is because policies change as a client ages, and becomes more likely to contract certain ailments, like dementia for example. 'And clients can tailor the policy to suit their own individual needs.'
It's early days yet, but uptake for the programme has been higher than expected, and it is definitely opening up a new market segment in Poland – the large majority of clients are new. 'We are addressing a new need. Not an existing need in new places.'



Our strategy and business

Our strategy is built around creating long-term sustainable value for our customers, colleagues, shareholders and society. A new strategic focus to become digital and data-driven makes us more resilient and responsive, further enabling us to deliver relevant products and services.

Our strategy

Our ambition is to be an industry leader known for customer engagement, talented people and our contribution to society. Since the launch of our strategy in 2020, we have made good progress.

Our five strategic commitments are the guiding principles in the execution of our strategy. They are focused around customers, colleagues, shareholders, and our role in society. Since 2020, we have made good progress towards achieving our 2025 targets. Customers and broker satisfaction scores have showed an upward trend, driven in part by our efforts in digitalisation and further strengthening our distribution networks. Employee engagement scores are at a high level in a tight labour market, and the number of women in senior management positions is at target.

We made progress on our net-zero targets for our own operations, products and services and investments. We increased contributions to our communities through a wide range of partnerships focused on financial, mental and physical well-being. We have also consistently delivered a strong commercial and financial performance, resulting in a robust balance sheet and solid returns for shareholders.

Supported by our strong foundation, we ensure our strategy remains well aligned with long-term market trends, such as pension reforms and the need for protection in many of our European markets. At the same time, we continuously need to evolve as the financial services industry is facing various challenges, from changing customer preferences and increased regulation to geopolitical upheaval and volatile financial markets. Our industry is also increasingly facing risks related to climate change.

As of 2024, we refined our strategic focus by introducing a new commitment to become a 'digital and data-driven organisation'. This update reflects our ambition to responsibly use technology and data, enabling us to drive operational excellence across the company and further improve the customer experience. This will give us the ability to continue growing our business and make us ready for the future.

Our purpose

We help people care for what matters most to them

Our ambition

We want to be an industry leader known for our customer engagement, talented people and our contribution to society

Our values

Care | Clear | Commit

Our brand promise

You matter

Our strategic commitments

Engaged customers
We deliver an outstanding customer and distributor experience, and develop and provide attractive products and services.

Talented people
We foster a values-based culture and empower our colleagues to be their best.

Contribution to society
We contribute to the well-being of people and the planet.

Financial strength
We are financially strong and seek solid long-term returns for shareholders.

Digital & data-driven organisation
We use technology and data responsibly to transform our business and drive operational excellence.

Progress on our commitments

Progress 2024

Customer satisfaction

We are committed to offering a superior experience for customers and agents. We track the satisfaction of our customers through the relational Net Promoter Score (NPS-r), which measures how likely it is that they will recommend our products and services to colleagues, friends or family. In 2024, customer satisfaction, by way of the NPS-r score, continued its positive trend, particularly in our European markets. At the end of 2024, 8 out of ten markets scored on par with, or above, market average.

On par
NPS-r
Netherlands businesses
2023: on par
2025 target: above market average

Above
NPS-r
International businesses
2023: above
2025 target: above market average

Supporting customers' plans for retirement

Across our markets, we are supporting customers to prepare for retirement. In the Netherlands, our online pension platform, mijn.nn Inkomen Later, reached the milestone of having over 1 million pension participants. The platform provides participants with clear insights into their retirement finances, and offers several options, such as making extra contributions and arranging a supplementary partner's pension. See p. 49 for more on this, as well as how NN is responding to the sweeping pension reforms in the Netherlands. In Spain, we launched a pension plan for the self-employed, which is designed to complement public benefits and therefore offer greater financial security to self-employed workers.

Shift to protection in Europe

In our European markets, we continued to respond to the increased customer risk awareness with a shift to protection products. In Spain, we launched a solution that combines life insurance with healthcare coverage options. In the Czech Republic, we introduced a long-term care insurance with tax deductibility, helping customers plan for their old age. In Belgium, we launched a protection product for the self-employed, offering coverage for incapacity due to accident or illness alongside well-being services. Finally, in Poland, we partnered with a large medical service provider, facilitating access to high-quality healthcare. Read more about this on p. 22.

Home insurance with sustainable features

We enriched our home insurance offering in the Netherlands with a range of sustainable features. In the event of damage, we offer customers the option of repair instead of complete replacement, for example for mobile phones. We also help customers make their homes more sustainable by installing better insulating glass and applying sustainable solutions to fix part of the damage. We also enable the transition to bio-based materials in Dutch housing. Read more on p. 14.

Engaged customers

Our customers are the starting point of everything we do. We engage with them to meet their needs and offer solutions that create sustainable long-term value. We use our digital capabilities and leverage our strong distribution footprint to further enhance our customer experience.

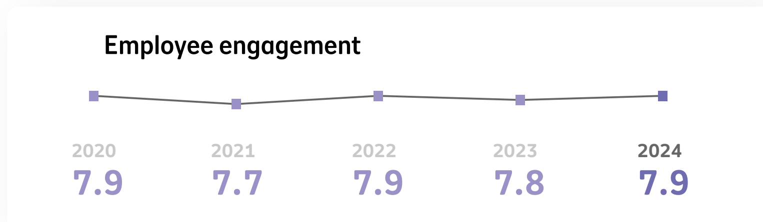
Talented people

We nurture a culture aligned with our purpose, values and ambitions – one that supports continuous learning, collaboration and diversity of thinking. We consider all colleagues as talents, and invest in an inclusive and inspiring environment that makes us optimally equipped for the future.

Progress 2024

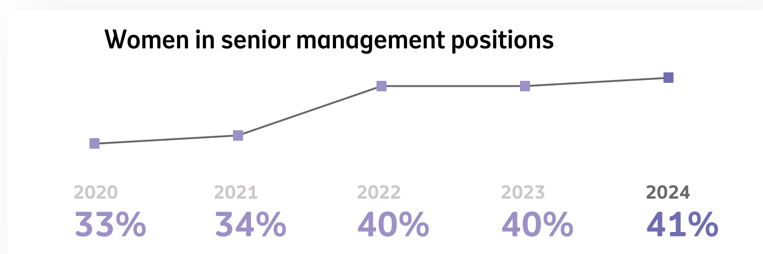
Employee engagement

We measure our people's connection to their work and our company, and how we are progressing against our goals, through our bi-annual employee engagement survey. By better understanding our employees' perceptions, we can improve our working environment. The overall engagement score in 2024 was 7.9 (the financial industry benchmark is 8.0), a slight improvement compared to the previous year. In the survey, the main strengths were in the area of personal goal-setting and management support. Our colleagues also value the freedom to manage their work and feel connected to our values. Process efficiency and workload were mentioned as areas for improvement.



Diversity, equity and inclusion

Percentage of women in senior management positions



Data literacy

One of the biggest challenges in a digital transformation process is the need to develop digital skills in the organisation. We want to support our people in developing these skills, which is why we have rolled out a data literacy programme for colleagues. The programme aims to support them in building data and digital capabilities. This year, senior management was upskilled in data and AI, and the curriculum for management and employees will be rolled out in 2025. We also launched a digital training programme across our business units that included eight hours of training on topics such as AI, data analytics and IT-related skills. Read more on p. 31.

Top Employer

For the sixth consecutive year, all business units within NN International Insurance were certified as Top Employer. In the certification process, NN International business units, on aggregate, showed significant progress compared to last year in the areas of work environment, well-being and career. Individually, NN International business units achieved far and above benchmark scores in their results.

Contribution to society

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

Progress 2024

Climate solutions

In 2024, we invested a cumulative amount of EUR 12.8 billion in climate solutions, such as renewable energy structure, certified green buildings and green bonds. The investments are part of our broader target to aim to achieve net-zero greenhouse gas (GHG) emissions by 2050 for our proprietary investments. Read more on p. 177.

Responsible insurance underwriting

We published our first Responsible Insurance Underwriting Policy. The policy, which will be implemented in 2025, sets standards for implementing sustainability in our insurance activities such as underwriting and product development. For example, in the area of insurance underwriting, we aim to stop providing insurance services to companies that derive their revenues from thermal coal mining, tobacco products or controversial weapons and arms trade. For product development, we have incorporated sustainability matters as one of the factors we take into account in product approval and review processes. We aim to reach net zero with our insurance underwriting portfolios by 2050 and we published our first intermediate targets in 2023.

Industry initiative towards net zero

We joined the Forum for Insurance Transition to Net Zero (FIT), a new forum that aims to support the much-needed acceleration and scaling up of voluntary climate action by the insurance industry and key stakeholders. FIT draws on the experience gained with the Net-Zero Insurance Alliance (NZIA) that first transformed net-zero insurance from theory into practice. We joined FIT as a founding member because we believe collaboration and knowledge-sharing with key players in the international (re)insurance market is essential for the financial industry to reach its net-zero targets.

EUR 12.8bn
investments in climate solutions

2023: EUR 10.8bn
2030 target: EUR 11bn

766k*
people supported in our communities

2023: 401k
2025 target: 1m

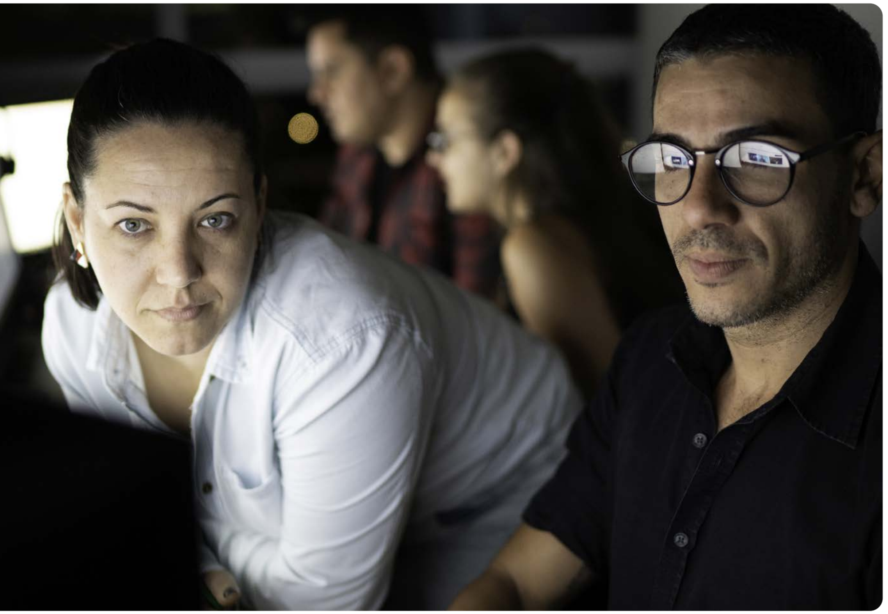
* Cumulative number of people supported since 2022.

Community investment

We supported 365 thousand people with their financial, physical and/or mental well-being in 2024. This means that, since 2022, we have supported a total of 766 thousand people through our programme. We continued existing partnerships and developed new ones to support our target. As well as direct support for those in need through contributions, we also support our partners in building their capacity, and support knowledge development through research institutions.

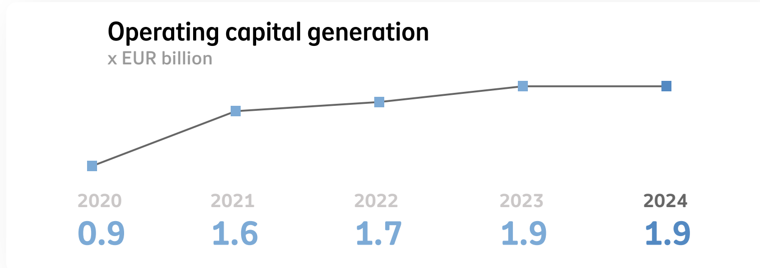
Financial health and debt

For over a decade, we have been committed to enhancing financial resilience and addressing the issue of poverty caused by problematic debt in the Netherlands. Our dedicated team supports mortgage customers facing financial difficulties through personalised solutions such as payment arrangements, temporary payment pauses or budget coaching, while also taking proactive steps to prevent financial problems. Beyond individual support, we actively participate in initiatives like the National Coalition for Financial Health (NCFG) and we chair the Creditors Coalition. These initiatives aim to address the issue of poverty and problematic debt through innovative public-private collaboration, focusing on the financial well-being of all.



Financial strength

We are committed to maintaining a strong balance sheet and creating solid financial returns for shareholders. We uphold this commitment by leveraging our financial strength, scale and international footprint and efficiently managing portfolio assets, both those of our customers and of NN.



Progress 2024

Strong financial results

In full-year 2024, our operating capital generation (OCG) was EUR 1.9 billion, reflecting an increase from 2023 and exceeding the EUR 1.9 billion target set for 2025. This was mainly driven by the continued business growth of Insurance Europe, which partially offset the normalisation of the strong OCG in 2023 by the segments Other, Banking, and Netherlands Non-life.

Free cash flow

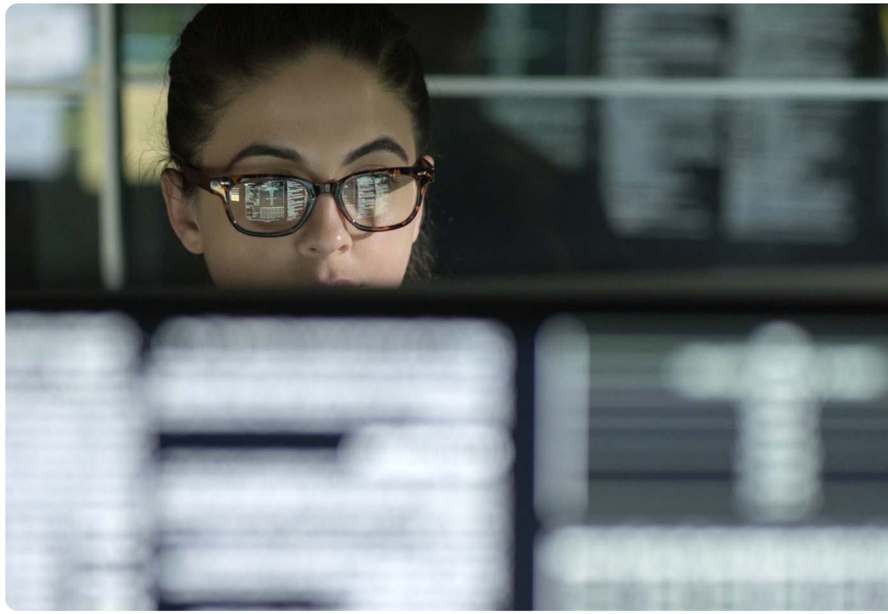
Free cash flow (FCF) increased by 8% to EUR 1.5 billion, from EUR 1.4 billion in 2023, which is adjusted for the capital injections into NN Life and NN Spain and the one-off dividend from NN Life Belgium, with better diversification between the business units. We are comfortably on track to deliver on the FCF target of EUR 1.6 billion in 2025.

Solvency

The Solvency II ratio of NN Group decreased to 194%, from 197% at the end of 2023, mainly due to adverse market impacts and regulatory changes, partly offset by management actions.

Capital return to shareholders

Our results continue to support our commitment to a capital return policy of an increasing dividend per share, and a minimum annual share buyback of EUR 300 million. Read more about these results on p. 46.



Digital and data-driven organisation

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

Progress 2024

Helping colleagues use advanced AI tools

We launched Generative AI Applications (GAIA), a new knowledge base platform designed to help colleagues use advanced AI tools like chatbots and content generation without needing to code. GAIA enables colleagues to streamline tasks, access information faster, and work more efficiently, ultimately reducing costs. The platform is constantly evolving, with ongoing updates to enhance self-service capabilities and introduce new features. At the end of the year, GAIA was live with a limited number of knowledge bots, but plans are underway to scale production. Read more on p. 63.

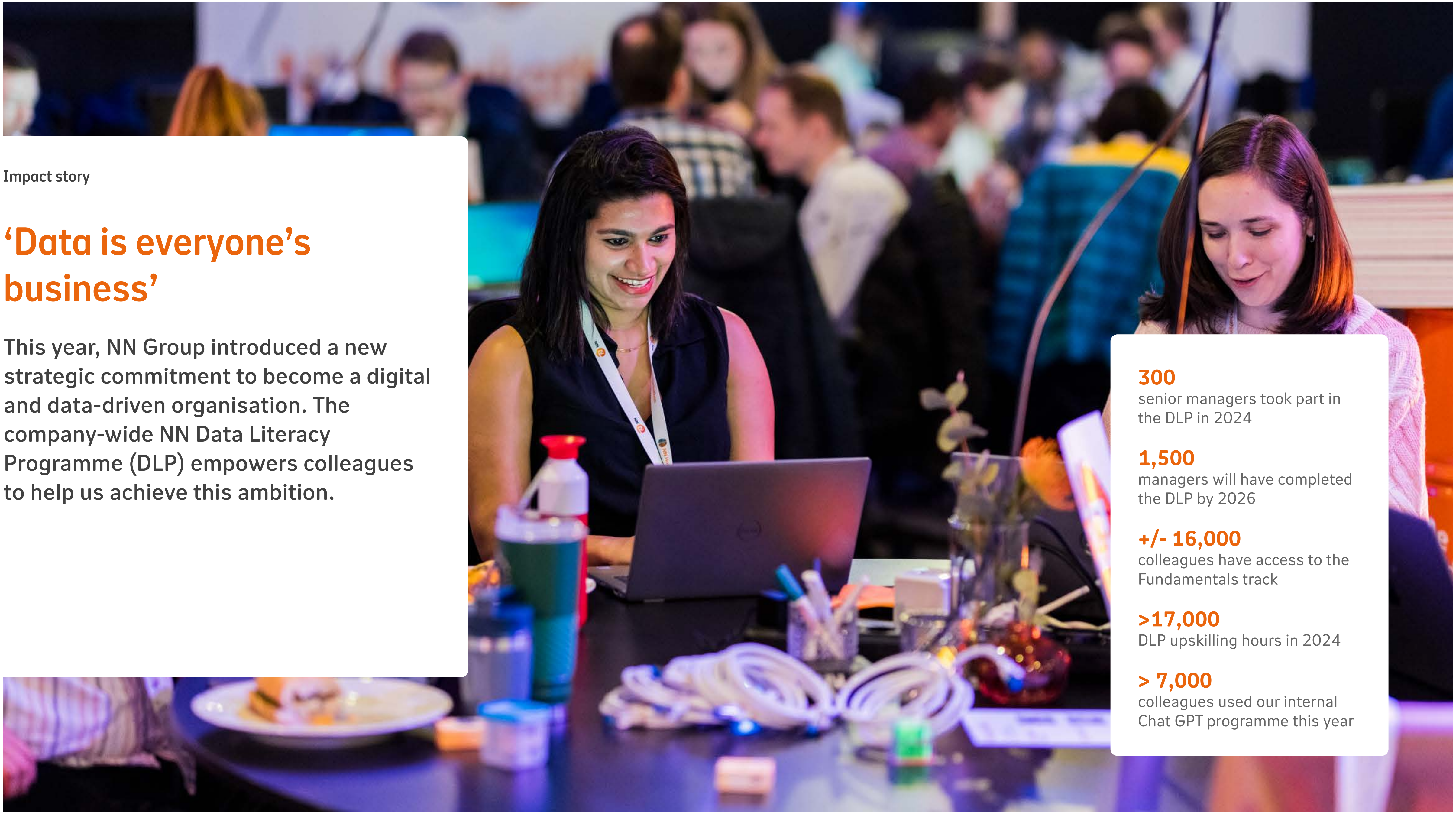
Scaling Gen AI applications across the business

In 2023, we developed a tool that supports call centre colleagues by providing an automatic summary of their conversations with customers. This helps our colleagues save time and reduce their workload, as they previously had to log customer conversations. Following the launch in the Netherlands, the tool was scaled and implemented in Spain and Japan.

We also redesigned our email classification, which uses AI to distribute incoming customer emails to the right teams and people. The solution, which is now using GenAI technology instead of machine learning, provides better results and is easier to implement and maintain because less model training is needed. It is currently in production at our banking business in the Netherlands with more businesses to follow.

Simplifying our IT landscape

We continue to make progress on streamlining our technology landscape by standardising applications, infrastructure and networks. As part of this effort, we are in the process of introducing the NN Digital Hub. With the establishment of the NN Digital Hub, we aim to build and retain IT knowledge and skills across the Group, and be able to attract digital talent. The hub will be located in Prague and Madrid.



Impact story

‘Data is everyone’s business’

This year, NN Group introduced a new strategic commitment to become a digital and data-driven organisation. The company-wide NN Data Literacy Programme (DLP) empowers colleagues to help us achieve this ambition.

300
senior managers took part in the DLP in 2024

1,500
managers will have completed the DLP by 2026

+/- 16,000
colleagues have access to the Fundamentals track

>17,000
DLP upskilling hours in 2024

> 7,000
colleagues used our internal Chat GPT programme this year

Every process in NN Group involves data. It is essential to our products and services. We store it to ensure the financial safety of our customers. 'And in the new world, where AI is increasingly commonplace, colleagues need to know how to use it, register it and talk about it,' says Hiske Hoekstra, responsible for Learning and Talent Development at NN Group.

Securing future relevance

The NN Data Literacy Programme (DLP) has three target groups: senior management, management and employees. This year, senior management was upskilled in data and AI, and the curriculum for management and employees will be rolled out in 2025.

> 'The world is changing fast, and one skill set is no longer good for life. To stay successful in the AI-impacted financial sector, we continue to invest in the relevant skills for colleagues.'
>
> **Hiske Hoekstra,** Head of Learning and Talent Development

There will be two tracks to the employee curriculum. The first will give employees new skills around data and AI that could make them eligible for different work. 'The world is changing fast, and one skill set is no longer good for life. To stay successful in the AI-impacted financial sector, we continue to invest in the relevant skills for colleagues. Data is everyone's business.' The second, the Fundamentals track, will be mandatory except for those who are already data/AI experts, empowering the entire workforce to increase its own, and the organisation's, efficiency, functionality and impact.

A common language

An important part of the DLP is to create a common language around data. Collaboration starts with mutual understanding, and the programme enables this by creating a common, Group-wide vocabulary. 'Our businesses know where the challenges are, and our tech people know what solutions we have in our toolbox. When both talk the same language, there will be fewer roadblocks to change.' This will not only speed up how we optimise our processes, but also how we act on insights.

ChatGPT

One part of the programme that is particularly useful is an internal ChatGPT programme which is already used by over 7,000 colleagues to test generative AI. Safe, controlled and fully GDPR-compliant, it is allowing colleagues to use their new tech know-how to test their ideas before our experts take them to the next level. 'And the great thing is, because this technology is so cool, everyone is keen to get on board.'

How we create value

We provide retirement services, pensions, insurance, banking and investments to around 19 million customers.
By doing so, we aim to create sustainable long-term value for all our stakeholders.

Inputs

Financial capital
Including debt, equity, revenue and assets invested by clients
- shareholders' equity: **EUR 19.8bn**
- gross premium income: **EUR 14bn**

Human capital
Employees' skills, time and resources
- total number of employees: **+/- 16k**
- amount spent on training and development per employee: **EUR 1.220**
- applying our values

Intellectual capital
Internal processes, systems and controls

Manufactured capital
Company's products, offices and other physical assets

Natural capital
Use of natural resources
- total energy used: **37 GWh (of which 41% of the electricity used was renewable)**

Social and relationship capital
Relations with customers and other stakeholders
- customers: **around 19m**
- business partners and suppliers
- other key stakeholders (e.g. regulators)

What we do

We help people care for what matters most to them

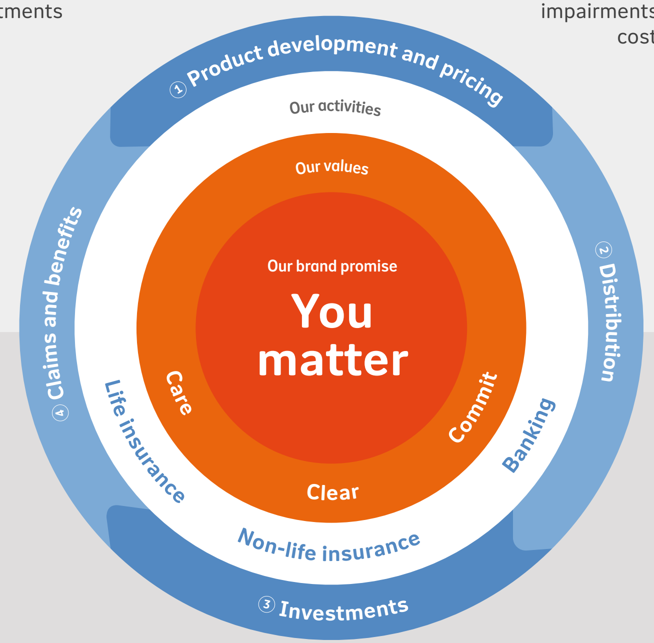
We want to be an industry leader, known for our customer engagement, talented people, and contribution to society

Strategic commitments

- Engaged customers
- Talented people
- Contribution to society
- Financial strength
- Digital & data-driven organisation

Income
We generate income through insurance premiums and fees paid for our products and services. We also generate returns on the investments we make.

Profit
Our profit is what remains after expenses. These include claim payouts, pension benefits, interest on customer deposits, impairments and operating costs (e.g. wages).



Employer
We want to foster an open, safe and inclusive working environment.

Business partner
We want to be a strategic and responsible business partner.

Investor
We want to deliver resilient and growing capital generation.

Service provider
We want to offer our customers peace of mind.

Our activites

Life insurance
Netherlands
Europe
Japan

Non-life insurance
Netherlands
Europe

Banking
Netherlands

What we do...

1. **Product development and pricing**
We develop products and services to meet societal and customer needs. Our experience and strong understanding of risk means that we are able to offer attractive insurance and banking solutions at a fair price.

2. **Distribution**
We distribute our products through a range of channels, including directly to customers, and through banks, agents and brokers. We leverage our scale and diverse business footprint for cross-selling opportunities.

3. **Investments**
We invest the insurance premiums and fees that we receive. We have a well-diversified portfolio for our investments, and are guided by our Responsible Investment Framework policy.

4. **Claims and benefits**
We use our digital capabilities to achieve a seamless customer experience, including a simpler, more personalised claims handling process.

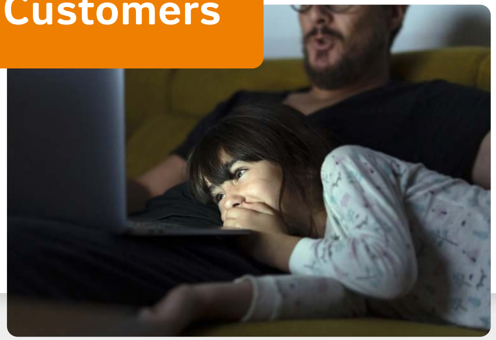
How we create value

Outputs: the benefit for our stakeholders

Excellent customer experience

We offer customers peace of mind through a seamless experience. Our products help protect their families, health, income, companies and property. We also safeguard their personal data and provide mortgages and a stable source of income in retirement.

Customers



Attract and retain talent

We provide adequate wages and other benefits. We also contribute to our people's pensions. In addition, we offer skills training and opportunities for career development. We provide an inspiring, inclusive and innovative place to work.

Our people

Contribution to society

We contribute to the well-being of people and the planet. We take a long-term and responsible approach to investments and underwriting, working to reduce our direct and indirect impact on the environment. We contribute to our communities and support the economy through taxes and payments to intermediaries and other business partners.

Society

Capital returns and resilient balance sheet

We are committed to delivering 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.

Investors

We have identified key Sustainable Development Goals (SDGs) where we can make the most impact through our products, services, investments and community programmes. See 'Annex', p. 213.

Stakeholder engagement and international commitments

NN Group engages in ongoing dialogue with stakeholders on a variety of topics, ranging from products, services and business performance to our role in society. By endorsing national and international sustainability initiatives, we underline our ambitions and join forces with other organisations to increase our leverage in this area.

Stakeholder engagement

Engagement is vital to earning and maintaining the trust and support of stakeholders, and to fulfil our duty as a responsible and engaged company. We identify stakeholders based on their potential to affect or be affected by our business and have identified the following key stakeholder groups: customers, colleagues, business partners, investors, analysts, regulators, government agencies, agents and intermediaries, societal and network organisations, expert groups and industry associations. The group of stakeholders we engage with is not static and can be adjusted depending on the topics of the dialogue and how they develop over time.

How we engage with our stakeholders is visualised on p. 38. We consider the insights we have gained from stakeholder interactions when making strategic and business decisions. By incorporating these insights and other feedback into our strategic planning process and daily operations, as well as into our Double Materiality Assessment (DMA), we aim to ensure that our business strategy is aligned with the needs and expectations of stakeholders.

NN Group has endorsed several national and international sustainability initiatives, and we are a member of various relevant international organisations. These include partnerships to share best practices, develop industry guidance and promote thought leadership on sustainability issues. For an overview, refer to our corporate website. By taking an active role in these partnerships, we can increase the impact of the capital we put to work. We use our engagements with expert groups and industry organisations such as the Partnership for Carbon Accounting Financials (PCAF) and the Institutional Investors Group on Climate Change (IIGCC) to potentially refine our sustainability activities, for example in our commitments and target setting regarding net zero. These societal and network organisations generally act on behalf of affected parties, including people, nature and animals, aiming to minimise adverse impacts on them. We use the outcomes of engagements with these organisations in our policy development and thought leadership and for strengthening our due diligence process.

Stakeholder Engagement Policy

Our Stakeholder Engagement Policy outlines the principles we uphold and the approach we take regarding our relations with stakeholders and how we balance their interests. The policy covers engagement on various aspects of NN Group's strategy, focusing on sustainable long-term value creation, and is based on our purpose and values of care, clear, commit. The scope covers NN Group's material activities and is available on our corporate website.

Strategy and business model

We aim to best understand the interests and perspectives of key stakeholders concerning our strategy and business model, and address any concerns they may have, by engaging with them regularly through a range of channels, for example in roundtables, calls and during our Annual General meeting (AGM). These dialogues and interactions also give us an opportunity to explain our strategic choices and dilemmas. This means that we need to stay flexible to adapt to their shifting expectations and to changing regulations. The dialogue on relevant aspects of the strategy and other related topics is part of regular (or dedicated) meetings we hold between the Executive Board, Management Board and Supervisory Board. See 'Governance' on p. 65 for information on how sustainability is embedded across NN Group.

Colleagues
We gather insights from colleagues through our Peakon engagement survey, which includes a section on our strategy and the extent to which respondents feel our business goals and strategies guide us in the right direction. The outcomes of the survey are discussed with the Management Board, and we define relevant actions to be taken. See 'Social' on p. 179.

Customers
We engage with customers through user research, customer surveys and feedback mechanisms in our digital and contact centre channels. Through these engagements, we aim to build a better understanding of their needs and increase trust and customer satisfaction. We prioritise customer experience investments in our processes and digital platforms based on these engagements and use customer input to develop new products and propositions. See 'Social' on p.179. for more information.

Investors and analysts
We are committed to delivering strong and sustainable returns to our investors for the capital they provide to NN Group. Our engagements with both investors and analysts give us an opportunity to understand their views on our strategy execution and business model, as well as address any concerns they may have.

Regulators and government agencies
When it comes to engagements with regulators and government agencies, we are in continuous dialogue with them about our vision on legislative developments, as well as our strategic choices and dilemmas as a financial services provider. We aim to contribute to fair and effective regulations, and advocate for a level playing field in the legislative and regulatory process. We maintain an element of flexibility in our long-term strategy to adapt to developments, shifting expectations and regulations.

Business partners
We integrate the interests of our business partners by collaborating with our suppliers on socioeconomic issues, striving for fair labour conditions, focusing on human rights, setting clear expectations concerning conduct and actively engaging suppliers on ESG issues. During the supplier qualification process, suppliers are asked to share details of their labour policy so we can assess that there are fair working conditions for their employees. We also aim to mitigate human rights risks in our supply chain by asking suppliers to disclose measures taken to prevent modern slavery and human trafficking in their own business and supply chain. In 2024, we developed and implemented a supplier environmental, social, and governance (ESG) engagement programme to inspire actions on selected environmental and social issues and assess suppliers' positions on ESG topics. We also conducted risk-based engagement with suppliers to identify their position (beginner, advanced or leader) on climate change and social issues, with the aim of helping accelerate our suppliers' journey to net zero by measuring emissions, setting targets and initiating mitigation efforts. See 'Social' on p. 179 for more information.

Agents and intermediaries are another important type of business partner. We hold joint dialogue sessions with agents and intermediaries where we discuss our plans, receive their input and priority topics, and provide feedback. We also engage with them through user research, broker surveys and feedback mechanisms in our digital and contact centre channels. This can lead, for example, to new products, services, features and ways of working. As a result of these sessions, we work on combined propositions such as good employership, business continuity and well-being, driven by market demands. These engagements have prompted us to invest in new and better digital connections, for example by improving our digital portal for advisors.

Society
We consider input from key societal stakeholders to be essential in policy development, specifically on climate change mitigation and adaptation. This reflects our acknowledgement of the urgency in reacting to climate change and associated external developments around the topic, such as sector guidance and stakeholder insights. We first included climate change as a topic in our reporting in our 2017 Annual Report, when we endorsed the Task Force on Climate-related Financial Disclosures (TCFD). Our first Climate Action Plan was published in 2022. Input from stakeholders was also taken into account when drafting our Responsible Insurance Underwriting Framework Policy (for more information, see p. 203).

Sector initiatives and commitments help us develop methodologies and undertake other activities that support us in realising our climate goals. See 'Environment' on p.134 for more information.

We also engage with companies in our investment universe and have regular discussions with civil society organisations about the sustainability risks and impacts we may be linked to through our investment activities. Representatives from NN Group's Sustainability and Social Impact (SSI) department and Investment Office regularly participate in webinars, roundtables, conferences and other knowledge-sharing initiatives that involve discussions with topic experts and cover a range of issues related to sustainability matters. We actively seek dialogue with NGOs throughout our due diligence process if the NGOs signal specific (severe human rights-related) issues to us, or if we have concerns about a specific sustainability case. We aim to understand their findings and, where relevant and possible, incorporate these into our responsible investment policies and activities. Potentially affected rightsholders can also report their grievances to us, including those related to human rights and environmental issues. We recognise that we can improve the accessibility of our grievance mechanisms for stakeholders which is why we will be working on enhancing the mechanism. See 'Social' on p.179 for more information.

With regards to our community investment activities, we have regular contact with societal partners, such as charitable organisations and social enterprises, with the aim of creating a positive impact in our communities. We aim to support the financial, physical and/or mental well-being of one million people by 2025, and through our engagement we try to evaluate whether our activities are the right ones to achieve this ambition. Through regular and evaluative conversations about the needs of our partners, we seek to improve our community investment programme.

International Responsible Business Conduct Agreement

We actively participate in the International Responsible Business Conduct Agreement for the Dutch insurance sector, which aims to further align the insurance sector's investment activities with international standards and guidelines on responsible business conduct. The agreement is in line with our own approach to these subjects. The scope of the agreement is NN Group's investment activities. Alongside the Dutch insurance sector, signatories include the Dutch government, the Dutch Association of Insurers and several NGOs. Together, they pool their knowledge and experience to better identify and mitigate adverse ESG impacts in line with guidelines from the Organisation for Economic Co-operation and Development (OECD), as well as initiate steps to mitigate those impacts. As part of the agreement, we were one of several companies involved in a collective engagement process aimed, amongst other things, at preventing further biodiversity loss. The five-year term of the agreement ended in 2023 and we have, in collaboration with other insurers, started a follow-up initiative on specific topics such as health and food, and biodiversity, guided by the Dutch Association of Insurers and the participation of several NGOs and experts. For more information, see the visual on p. 38.

Looking ahead

In the meantime, we continue to prioritise and improve stakeholder engagement. Our use of Peakon is ongoing, as is our commitment to considering the views of societal and network organisations in our regular policy updates and target setting. In the coming year, we aim to further exchange insights with our stakeholders on a wide range of topics. We understand that their perception of NN Group will depend on to what extent they see their inputs reflected in our policies and actions.

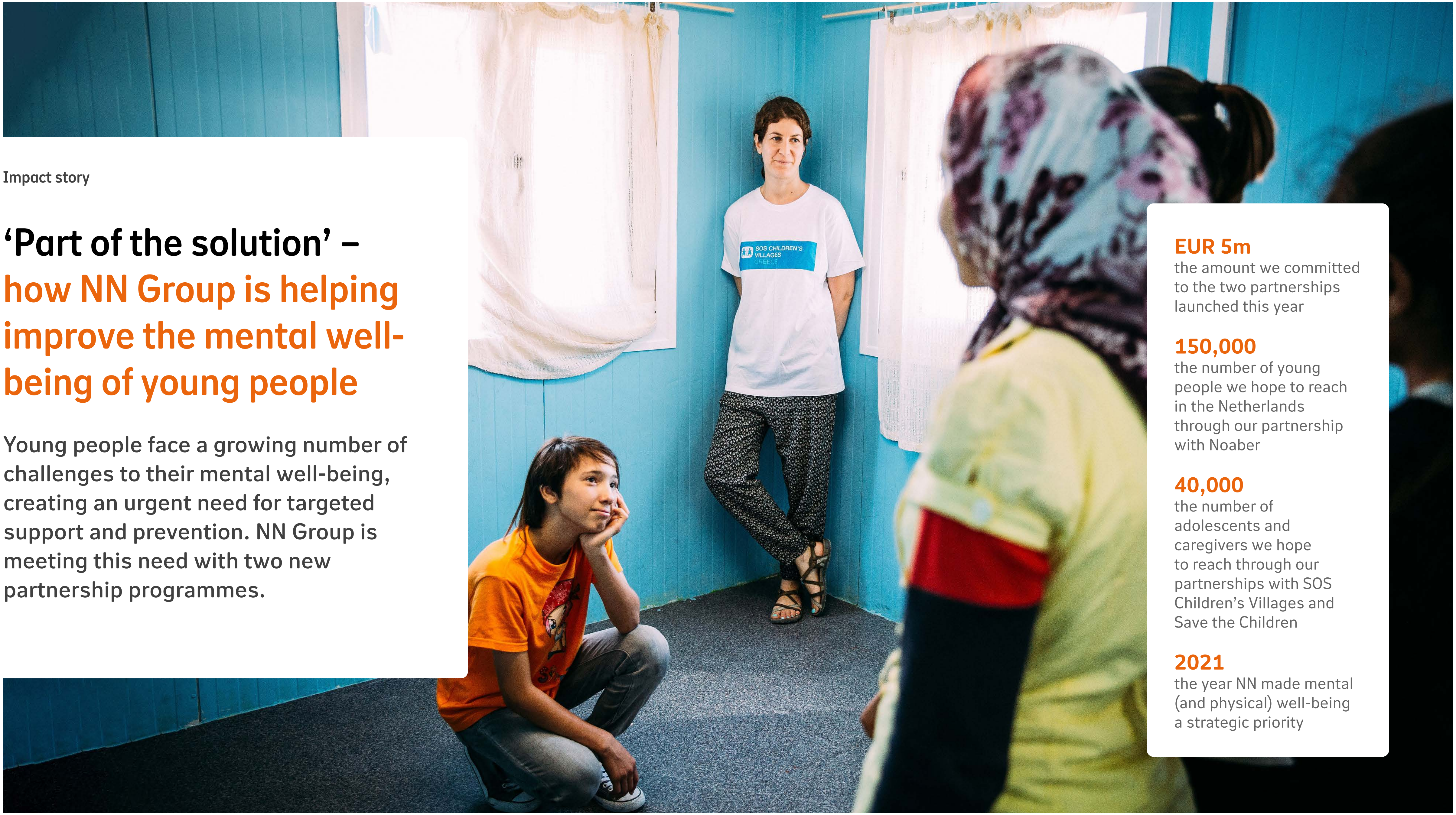
Stakeholders, engagement, topics and outcomes

	Stakeholders		Engagement	Topics discussed	Outcomes
Customers	Customers	We aim to support our customers in dealing with expected and unforeseen changes in the key moments in their lives through offering products and services.	User research, surveys and feedback mechanisms in digital and contact centre channels.	Customer experience.	New and better digital experiences for customers.
Our people	Colleagues	Our NN colleagues together create a culture that is based on our values and purpose, and that supports a flexible and open mindset.	Leadership and other (digital) conferences, surveys, works councils, unions.	Business strategy engagement, Pay Transparency Directive, upskilling/reskilling employees, action plans.	Inform and engage employees, improve policies or communication.
Business partners	Agents and intermediaries	We have relationships with many partners in our value chain, including intermediaries and other entities linked to our operations.	Research, surveys, roundtables, webinars, (digital) visits.	Market topics in general, co-creation, products and services.	Understanding their needs, increased intermediary satisfaction and trust, well-informed brokers.
	Suppliers	We are committed to making sustainable procurement decisions and encourage our suppliers to do the same.	Supplier ESG engagement programmme.	Climate change, gender equality and equal pay.	Regular dialogue and reporting between supplier and contract manager.
Society	Societal and network organisations	We strive to contribute to the well-being of people and the planet through, for example, integrating sustainability factors into our underwriting activities and managing our direct environmental footprint.	Knowledge sessions, one-on-one and group meetings, membership meetings, roundtables.	Human rights, defence policy development, ratings, animal welfare, biodiversity, active ownership.	Development and update of policies and ratings, input on negative impacts, building on expertise.
	Expert groups and industry associations	We want to contribute to a world where people can thrive for generations to come, for example, by investing our assets responsibly, by being a fair taxpayer, and through our activities in the communities where we live and work.	One-on-one and group meetings, knowledge sessions, working groups, roundtables.	Impact assessment, data tools, corporate engagement, policy engagement, human rights due diligence, just transition, Nature Action Plan for propriety.	Policy development, sharing knowledge/views, engagement.
	Communities	We aim to support the financial, physical and/or mental well-being of people in the communities in which we operate.	Conversations, evaluation questionnaire, social media.	Support needs of partners, evaluation of programmes.	Inform and engage partners and provide input to improve our strategies and develop new projects and programmes.
Investors	Investors, analysts	We are committed to delivering strong and sustainable returns for the capital that investors provide, and are clear and transparent in how we communicate.	Annual shareholders meeting, analyst calls, investor meetings, survey, (ESG) conferences.	Strategy, financial and operational developments, capital position, approach to sustainability.	Inform and engage with analysts, shareholders and other investors.
Regulators	Government agencies	We have direct engagements with public decision-makers and regulators concerning regulatory and financial market-related issues.	Memberships of boards and working groups of various institutions and trade organisations	Economic and financial market developments, risk assessments, insurance regulations, pension and labour market regulations, sustainable finance, ESG, digitalisation.	Exchange views and insights, understanding of strategic choices and dilemmas, insight into their perspectives.

Impact story

‘Part of the solution’ – how NN Group is helping improve the mental well-being of young people

Young people face a growing number of challenges to their mental well-being, creating an urgent need for targeted support and prevention. NN Group is meeting this need with two new partnership programmes.



EUR 5m
the amount we committed to the two partnerships launched this year

150,000
the number of young people we hope to reach in the Netherlands through our partnership with Noaber

40,000
the number of adolescents and caregivers we hope to reach through our partnerships with SOS Children’s Villages and Save the Children

2021
the year NN made mental (and physical) well-being a strategic priority

The world continues to be rocked by emergencies, challenging both the physical and mental resilience of communities everywhere. And it is often children and young people who are most at risk. NN Group feels responsible for future generations and acknowledges that we cannot solve societal challenges on our own. But we can be part of the solution.

Fostering positive social environments

In 2024 we launched two programmes to support young people facing challenges to their mental well-being, one in the Netherlands and one across all our markets. Mentale Gezondheid en Veerkracht (Mental Health and Resilience) was developed with the Dutch Noaber Foundation to prevent and reduce mental health issues among under-25s. Running until the end of 2026, it aims to reach 150,000 young people in the Netherlands, using workshops and other resources to foster positive social environments, as well as teaching children practical techniques to deal with stress and help build resistance.

> **‘This partnership is creating lasting change, supporting children to reach their full potential and shaping brighter futures for generations to come.’**
>
> **Sandra Sahusilawani**, SOS Children’s Villages International

Nurturing resilience through collaboration

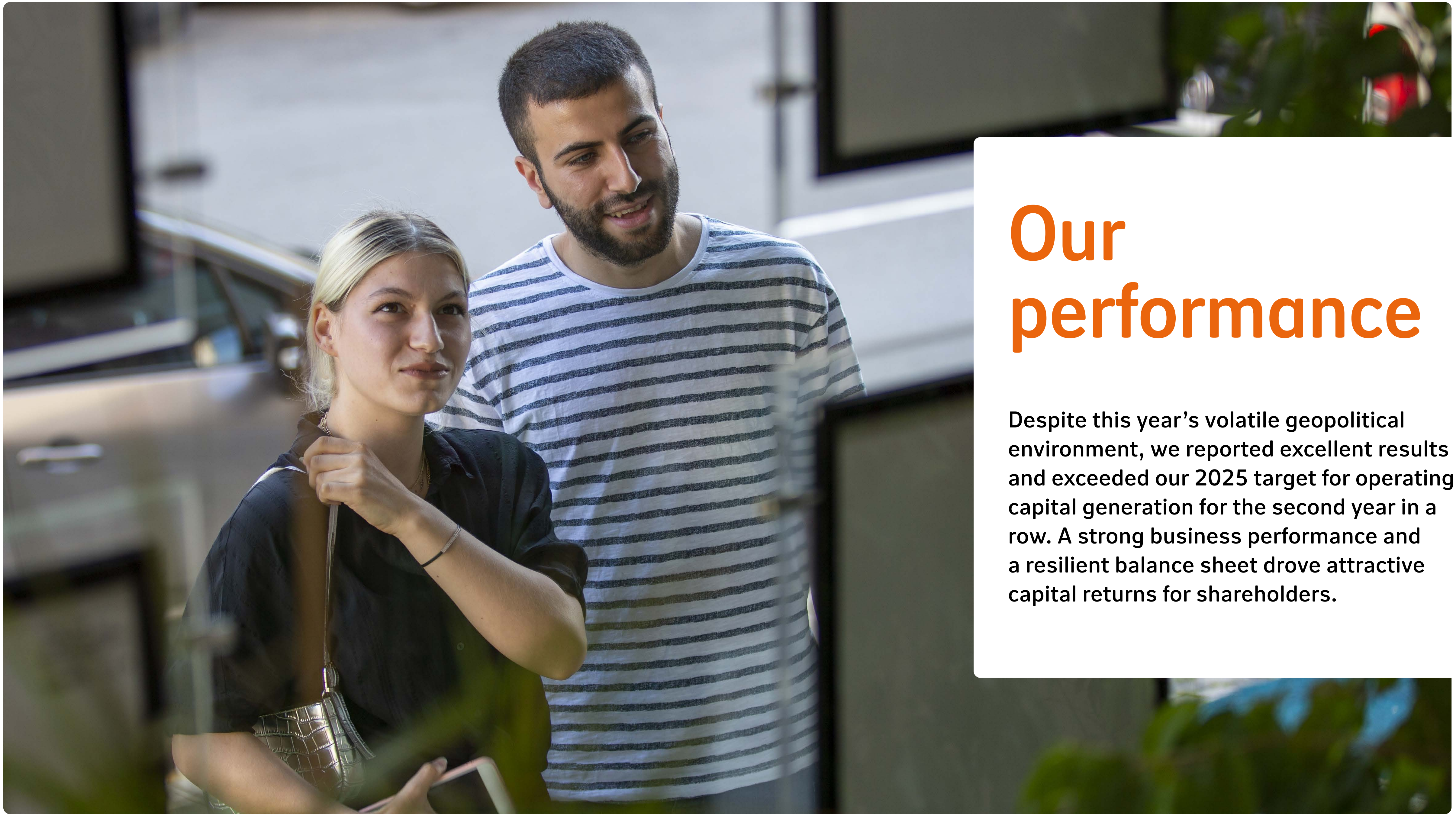
The second programme, Mental Well-Being and Resilience for the Next Generation, is a Group-wide partnership with SOS Children’s Villages and Save the Children and will also run for two years. The joint venture is designed to provide children, adolescents and their caregivers with crucial resources and care to support their long-term mental well-being.

‘The global percentage of children with mental health issues is still far too high, says Pim Kraan, CEO Save the Children Nederland. ‘Thanks to our partnership with NN, we can improve mental health and psychosocial well-being for children, adolescents and their families in five countries, supporting thousands of young people at risk.’

Ongoing support

‘Mental health challenges can lead to loneliness, social isolation and anxiety’, says Lonneke Roza, Head of Community Investment. ‘People need support and guidance to break the harmful cycle that repeats from one generation to the next. Through these new partnerships, we aim to break this cycle, and equip adolescents and caregivers with tools to support their long-term mental well-being.’

Lonneke adds that NN Group has chosen for long-term commitments because it allows for sustained impact and deeper engagement. ‘We recognise that mental health challenges often require ongoing support rather than one-time interventions.’



Our performance

Despite this year's volatile geopolitical environment, we reported excellent results and exceeded our 2025 target for operating capital generation for the second year in a row. A strong business performance and a resilient balance sheet drove attractive capital returns for shareholders.

Our business performance

Our excellent results this year highlight the strength of our diverse businesses and show we are on track in delivering our strategy focused on customers, our people, and contribution to society. Operating capital generation increased slightly to EUR 1.9 billion, ahead of the 2025 target. There were strong business performances across the Group, particularly in Europe and Netherlands Non-life.

Strong delivery on targets and attractive shareholder returns

- Operating capital generation (OCG) for 2024 reached EUR 1.9 billion, reaching our 2025 target a year ahead of plan.
- Free cash flow (FCF) up 8% year-on-year to EUR 1.5 billion, with contribution better diversified between business units.
- Dividend per share also up 8% year-on-year, reaching EUR 3.44; annual EUR 300 million share buyback programme announced.
- Solvency II ratio remains robust at 194%, mainly due to adverse market impacts and regulatory changes, partly offset by management actions.
- Full-year operating result increased to EUR 2.6 billion; the net result increased to EUR 1.6 billion from EUR 1.2 billion in 2023.

Strong business performance supported by excellent commercial momentum

- Value of new business increased 20% to EUR 395 million, driven by organic growth and higher margins in Europe and higher defined benefit sales in Netherlands Life. Net inflows in the defined contribution pension business in 2024 were EUR 2.3 billion, boosting assets under management above EUR 39 billion.
- Insurance Europe exceeded its OCG target of EUR 450 million one year ahead of schedule, mainly supported by strong pension performance and new business growth.
- Netherlands Non-life showed strong performance in 2024 with ~4.5% premium growth on a like-for-like basis driven by premium increases as well as volume growth, and achieved a strong level of OCG at EUR 406 million. The combined ratio was 93.1%.
- Customer satisfaction scores continue positive trend with eight out of ten countries ranking at or above market average; number 1 broker satisfaction scores at Dutch life and pension businesses as well as P&C commercial lines.
- Continued progress in reducing carbon footprint of corporate investment portfolio; total investments in climate solutions increased to EUR 12.8 billion.

NN Group

Key figures

amounts in millions of euros	2024	2023
Operating capital generation[1]	1,922	1,902
Value of new business	395	330
Operating result[2]	2,574	2,528
Net result	1,583	1,172
Solvency II ratio[3]	194%	197%

1 Operating capital generation is an Alternative Performance Measure, which is not derived from IFRS-EU. NN Group analyses the change in the excess of Solvency II Own Funds over the Solvency Capital Requirement (SCR) in the following components: Operating Capital Generation, Market variance, Capital flows and Other. Operating capital generation is the movement in the solvency surplus (Own Funds before eligibility constraints 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.

2 Operating result is an Alternative Performance Measure. This measure is derived from figures according to IFRS-EU. The operating result is derived by adjusting the reported result before tax to exclude the impact of result on divestments, amortisation of acquisition intangibles, discontinued operations and special items, changes to losses from onerous contracts due to assumption changes, gains/losses and impairments, revaluations and market and other impacts. Alternative Performance Measures are non-IFRS-EU measures that have a relevant IFRS-EU equivalent. For definitions and explanations of the Alternative Performance Measures, reference is made to Note 28 in the Annual accounts.

3 The solvency ratio is not final until filed with the regulators. The Solvency II ratio for NN Group is based on the partial internal model.

Consolidated results

- Strong OCG of EUR 1.9 billion in full-year 2024, reflecting an increase from 2023 and exceeding the EUR 1.9 billion target set for 2025, mainly driven by continued business growth of Insurance Europe partially offsetting normalisation of the strong OCG in 2023 from the segments Other, Banking, and Netherlands Non-life.
- The result before tax increased to EUR 1.9 billion over 2024 from EUR 1.5 billion over 2023, which contained a provision related to the unit-linked insurance products settlement. The net result increased to EUR 1.6 billion from EUR 1.2 billion in 2023.
- FCF up 8% year-on-year to EUR 1.5 billion, with contribution better diversified between business units.
- Value of new business (VNB) increased 20% to EUR 395 million over 2024, reflecting organic growth of volume and margins in Insurance Europe, and an increase in NL Life mainly driven by higher defined benefit pension sales and pension buyouts.
- Netherlands Non-life gross written premiums increased ~4.5% on a like-for-like basis driven by premium increases and volume growth.
- Operating result over 2024 increased from the previous year to EUR 2.6 billion, driven by business growth of Insurance Europe, partly offset by a lower operating result of Banking and Netherlands Life.

Netherlands Life's OCG increased compared to 2023, mainly due to a higher investment spread resulting from wider government bond and mortgage spreads. Higher defined benefit pension sales and pension buyouts resulted in a higher VNB. In 2024, new defined contribution inflows again exceeded EUR 2 billion, boosting assets under management above EUR 39 billion.

Netherlands Non-life maintained its strong performance in 2024, despite higher fire claims in the first quarter. Gross written premiums increased ~4.5% on a like-for-like basis driven by premium increases and volume growth. OCG slightly declined from the strong results of 2023.

Insurance Europe exceeded its target of EUR 450 million in OCG one year ahead of schedule. The sustained commercial momentum led to organic growth in both sales and margins.

OCG for Japan Life remained broadly stable despite lower sales following the improvement order issued by the local regulator in the first quarter of 2023.

Banking OCG was lower than the strong results of 2023, but stayed robust despite a more normalised net interest margin.

The segment Other continued to perform well, mainly due to favourable debt costs, investment results, and positive experience in the reinsurance business.

NN Group's Solvency II ratio was 194%, which is at the top of our 150-200% comfort range. Adverse market impacts from most notably wider sovereign spreads and regulatory changes were largely offset by management actions.

FCF increased 8% to EUR 1.5 billion from EUR 1.4 billion in 2023, which is adjusted for the capital injections into NN Life and NN Spain and the one-off dividend from NN Life Belgium, with better diversification between the business units. We are comfortably on track to deliver on the FCF target of EUR 1.6 billion in 2025.

Our results continue to support our commitment to a capital return policy of an increasing dividend per share and a minimum annual share buyback of EUR 300 million.

Operating capital generation

Operating capital generation per segment

amounts in millions of euros	2024	2023
Netherlands Life	1,049	1,025
Netherlands Non-life	406	416
Insurance Europe	461	422
Japan Life	108	107
Banking	119	133
Other	–221	–201
Operating capital generation	**1,922**	**1,902**

Operating capital generation

amounts in millions of euros	2024	2023
Investment return	1,351	1,226
Life - UFR drag	–152	–163
Life - Risk margin release	226	250
Life - Experience variance	–63	14
Life - New business	199	180
Non-life underwriting	288	329
Non-Solvency II entities (Japan Life, Banking, Other)	343	333
Holding expenses and debt costs	–306	–293
Change in SCR	35	26
Operating capital generation	**1,922**	**1,902**

NN Group's OCG for the full year 2024 increased to EUR 1,922 million compared to EUR 1,902 million in 2023, reflecting continued business growth of Insurance Europe partially offsetting normalisation of the strong OCG in 2023 from the segments Other, Banking, and Netherlands Non-life.

Netherlands Life's OCG rose to EUR 1,049 million, mainly due to a higher investment spread resulting from wider government bond and mortgage spreads, partly offset by unfavourable experience variances.

Netherlands Non-life reported a sustained strong OCG of EUR 406 million, only slightly down from EUR 416 million in 2023, which was a very strong year. In 2024, property & casualty (P&C) claims benefited from mild weather, offsetting large fire claims in the first quarter. Both P&C and Disability experienced a higher new business contribution compared to the full year 2023. Insurance Europe continued its impressive growth trajectory with a 9% increase in OCG to EUR 461 million in full-year 2024, mainly due to higher volumes and margin.

OCG of Japan Life remained broadly stable at EUR 108 million. Lower technical results and adverse currency effects were offset by a higher reinsurance result.

The OCG of Banking decreased to EUR 119 million from EUR 133 million, mainly due to a less favourable interest margin, partly offset by lower capital consumption as a result of higher housing prices.

The OCG of segment Other was EUR -221 million in full-year 2024, compared with EUR -201 million in 2023. OCG from reinsurance remained elevated but was lower than in 2023, mainly due to less favourable experience variance. The OCG of the holding remained stable.

Analysis of results

amounts in millions of euros	2024	2023
Netherlands Life	1,368	1,390
Netherlands Non-life	364	364
Insurance Europe	559	468
Japan Life	203	197
Banking	189	226
Other	–108	–118
Operating result	2,574	2,528
Non-operating items	–520	–524
- of which gains/losses and impairments	–1,036	–345
- of which revaluations	535	94
- of which market and other impacts	–20	–272
Special items	–89	–462
Acquisition intangibles and goodwill	–28	–29
Result on divestments		19
Result before tax	1,936	1,532
Taxation	334	348
Minority interests	19	13
Net result	1,583	1,172
Basic earnings per ordinary share in EUR	5.58	4.04

Operating result

The operating result of NN Group increased to EUR 2,574 million from EUR 2,528 million in 2023. The strong performance of Insurance Europe was partly offset by a lower interest result at Banking and a lower investment result at Netherlands Life.

The operating result of Netherlands Life decreased to EUR 1,368 million from EUR 1,390 million in 2023, primarily due a lower investment result.

Netherlands Non-life's operating result remained stable at EUR 364 million. The combined ratio for full-year 2024 was 93.1%, compared with 92.6% in 2023. P&C claims benefited from mild weather. The combined ratio of P&C increased to 91.9% from 91.5% in 2023, mainly reflecting large fire claims in the first quarter. The technical result on the Disability portfolio was lower compared to 2023, which benefited from a favourable claims experience, whereas the result on expenses and claims was lower in 2024. The combined ratio of Disability increased to 96.0% from 95.2% in 2023. We expect the Disability portfolio's combined ratio to remain higher as the contractual service margin builds up over time.

For Insurance Europe, the operating result increased by 19% to EUR 559 million, driven by business growth, strong pensions performance, and higher technical results.

Japan's operating result slightly increased to EUR 203 million as a higher insurance result was partially offset by adverse currency impacts.

The operating result for Banking decreased to EUR 189 million from EUR 226 million in 2023, mainly due to lower interest margins resulting from ECB rate cuts.

The operating result of the segment Other was EUR -108 million compared with EUR -118 million in 2023. The holding's operating result improved due to a higher investment result. The 2024 operating result of the reinsurance business was lower than in 2023.

Result before tax

The result before tax increased to EUR 1,936 million from EUR 1,532 million in 2023, which contained a provision of EUR 360 million related to the unit-linked insurance products settlement.

Gains/losses and impairments were EUR -1,036 million compared with EUR -345 million in 2023. Full-year 2024 primarily reflects the sale of debt securities and mortgages at Netherlands Life as a result of management actions.

Revaluations amounted to EUR 535 million versus EUR 94 million in 2023. 2024 mainly shows revaluations on real estate and other assets such as private equity and infrastructure.

Market and other impacts amounted to EUR -20 million compared with EUR -272 million in 2023, which mainly included non-operating losses on onerous contracts including assumption changes.

Special items amounted to EUR -89 million compared with EUR -462 million in 2023, which contained a provision of EUR 360 million related to the unit-linked insurance products settlement. Special items in 2024 mainly relate to non-operating project expenses.

Net result

The net result of full-year 2024 increased to EUR 1,583 million from EUR 1.172 million in 2023.

The effective tax rate (ETR) was 17.3%, mainly reflecting tax-exempt investment results.

Sales and value of new business

Sales and value of new business

amounts in millions of euros	2024	2023
Gross premiums written	13,978	13,187
New sales life insurance (APE)	1,348	1,229
Value of new business	395	330
Assets under management DC (in EUR billion)	39.1	32.7

Gross premiums written increased 6% to EUR 14.0 billion. The growth was mainly driven by three pension buyout transactions in the Netherlands and higher sales in Europe. Gross written premiums of Netherlands Non-life increased ~4.5% on a like-for-like basis driven by premium increases and volume growth.

Total new sales (APE) rose by 10% to EUR 1.3 billion. Insurance Europe reported strong new sales, benefiting from its solid distribution partnerships. Netherlands Life also reported higher sales from renewals of existing defined benefit pension contracts, and three pension buyout contracts totalling EUR 0.9 billion.

The VNB increased by 20% to EUR 395 million from EUR 330 million over 2023, reflecting an increase in Netherlands Life and organic growth in Insurance Europe.

The VNB of Netherlands Life increased to EUR 88 million from EUR 46 million over 2023, due to high defined benefit sales, pension buyouts as well as a benefit from longevity reinsurance on immediate annuity products and buy-outs.

The VNB of Insurance Europe increased to EUR 254 million from EUR 219 million over 2023, reflecting strong sales performance across the region in all channels and products as well as a favourable product mix.

The VNB of Japan decreased to EUR 53 million from EUR 65 million, primarily due to lower sales of cash value insurance products as a result of the business improvement order, and negative currency impacts.

Assets under management DC increased to EUR 39.1 billion from EUR 32.7 billion as of 31 December 2023, driven by net inflows of EUR 2.3 billion and positive market movements.

Creating value for investors

We are committed to delivering strong and sustainable capital returns for our shareholders. We actively engage with our shareholders and bondholders, and aim to be clear and transparent on our strategy, financial results and operating developments, so they can make informed investment decisions.

With the 2023 full-year results we demonstrated confidence in our increased business performance by raising the operating capital generation (OCG) target for 2025 to EUR 1.9 billion from EUR 1.8 billion. Our balance sheet was strengthened by two longevity reinsurance transactions in 2023 and the removal of litigation overhang following the milestone settlement with interest groups on Dutch unit-linked insurance products. On the back of solid business performance and a strong balance sheet, we expressed further comfort in our ability to generate free cash flow (FCF) by setting an explicit target of EUR 1.6 billion for 2025, an increase of approximately EUR 100 million. We immediately passed this upgrade on to our shareholders through an accelerated 15% year-on-year increase of the dividend per share and raised the annual minimum share buyback to EUR 300 million from EUR 250 million.

Throughout 2024, our business performance was solid, highlighted by an OCG of EUR 1,922 million. This result supports our confidence in meeting our increased targets. Within the strong OCG delivery, we would like to highlight the continued commercial and business momentum within Insurance Europe and Netherlands Non-life. These segments continue to enhance their contribution to overall Group performance, resulting in a diversified business and earnings mix.

Our Solvency II ratio remained robust at 194% at the end of 2024 compared to 197% at the end of 2023. Decisive management actions largely counterbalanced the market headwinds coming mainly from the widening of spreads in government bonds. Additionally, FCF reached EUR 1.5 billion, a 8% year-on-year increase, well on track to achieve our target of EUR 1.6 billion in 2025.

As such, we believe our 2024 performance is a strong testimony to our ability to deliver on our 2025 targets. We have also announced a Capital Markets Day on 27 May 2025, where we aim to provide additional insights into our strategy and targets for the businesses beyond 2025.

Delivering on enhanced investor proposition

Resilient balance sheet

Group SII ratio
194% (31 December 2024)

Higher capital quality
- Relatively low UFR benefit
- Reduced longevity risk and final settlement of unit-linked issue

Robust investment portfolio
- High-quality real estate portfolio
- Solid mortgage book, with negligible default experience

Low leverage ratio

Strong business performance

Delivering on financial targets 2025

Operating capital generation
EUR 1,922m (2024)
2025 target: EUR 1.9 bn[1]

Free cash flow
EUR 1,519m (2024)
2025 target: EUR 1.6bn

Attractive capital return

Dividend per share
EUR 3.44 (2024 full-year dividend)

Annual share buyback
At least EUR 300m
Additional excess capital to be returned unless used for value-creating opportunities

Upside to capital return
If NN Group SII ratio is sustainably above 200%

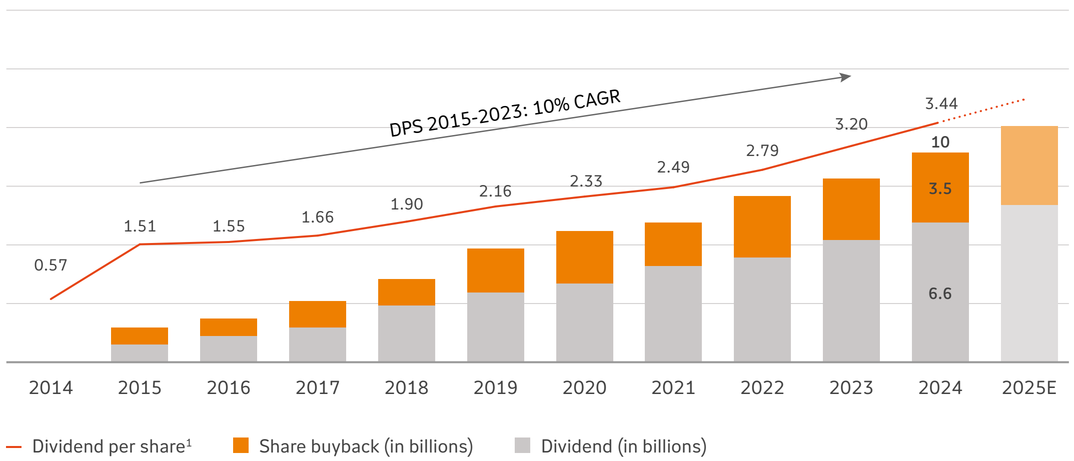
NN Group will hold its Capital Markets Day on 27 May 2025

[1] Based on normal weather and normalised mortgage margins, otherwise financial markets on 1 January 2024.

Continuing our attractive capital return trajectory

Accumulated pay-out to shareholders[1,2]

Returned EUR 10bn to shareholders since IPO in 2014



[1] Dividend per share in EUR based on declared amounts in book year.
[2] Total dividend amounts in EURm are shown on a cash out basis. Total share buyback amount in EURm shown in the year that the programme commences. 2025 dividends and share buybacks in this graph are indicative and in line with our capital return policy of a progressive dividend per share and annual share buyback of at least EUR 300m.

Dividend policy

NN Group intends to pay a progressive ordinary dividend per share in cash and execute an annual share buyback of at least EUR 300 million. Additional excess capital is to be returned to shareholders, unless it can be used for value-creating opportunities. When proposing a dividend or announcing a share buyback programme, NN will take into account, among other things, its capital position, leverage and liquidity position, regulatory requirements and strategic considerations as well as expected developments thereof.

Dividends

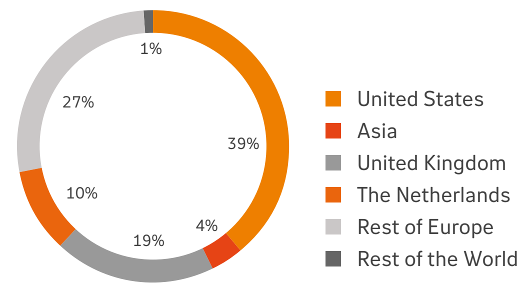
On 27 August 2024, NN Group paid an interim dividend of EUR 1.28 per ordinary share, which was calculated in accordance with the NN Group dividend policy. The proposed 2024 final dividend of EUR 2.16 per ordinary share plus the 2024 interim dividend of EUR 1.28 per ordinary share gives a total dividend for 2024 of EUR 3.44 per ordinary share. This represents an increase of 8% compared to the 2023 dividend per share. Read more on p. 271.

Share buybacks

On 20 February 2025, NN Group announced it would execute an open market share buyback programme for an amount of EUR 300 million. The programme will be executed within ten months, and commenced on 3 March 2025. The share buyback will be deducted from Solvency II Own Funds in the first half of 2025 and is estimated to reduce NN Group's Solvency II ratio by approximately 3%-points. NN Group reports weekly on the progress of the share buyback programme on its corporate website. Read more on p. 373.

Shareholder by country/region

Shareholder analysis by Investor Update at September 2024 (%)

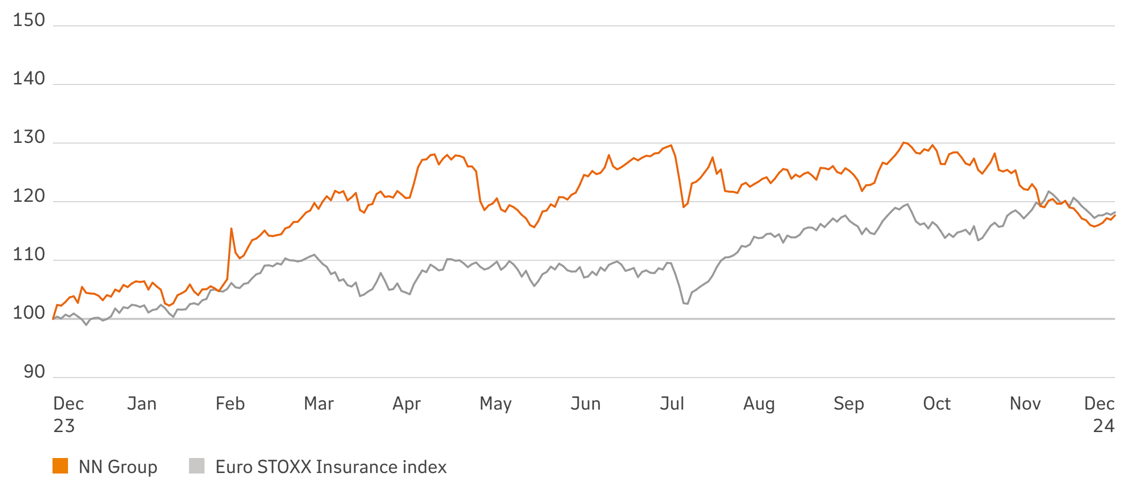


Share capital

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 NN Group Continuity foundation (Stichting Continuïteit NN Group). Read more on p. 74.

Listing

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



Authorised and issued capital (in EUR million)

	Year-end 2024	Year-end 2023	Year-end 2022
Ordinary shares			
– authorised	84	84	84
– issued	32	34	35
Preference shares			
– authorised	84	84	84
– issued	0	0	0

Number of shares in issue and shares outstanding in the market

	Year-end 2024	Year-end 2023	Year-end 2022
Authorised share capital (in shares)	700,000,000	700,000,000	700,000,000
Issued ordinary shares	269,000,000	285,000,000	295,000,000
Own ordinary shares held by NN Group	1,574,203	11,138,500	13,608,384
Outstanding ordinary shares	**267,425,797**	**273,861,500**	**281,391,616**

Major shareholders

According to the Autoriteit Financiële Markten (AFM) register as at 25 February 2025, the following shareholders had an interest of 3% or more in NN Group on the notification date:

- BlackRock, Inc. 6.6% (29 May 2024)
- Norges Bank 5.0% (17 March 2023)
- Amundi Asset Management 3.1% (7 February 2025)
- State Street Corporation 3.0% (30 December 2024)
- Thornburg Investment Management 3.0% (3 April 2023)

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

Ratings

Credit ratings

On 23 May 2024, Standard & Poor's affirmed NN Group's 'A+' financial strength rating and the 'A-' credit rating with a stable outlook.

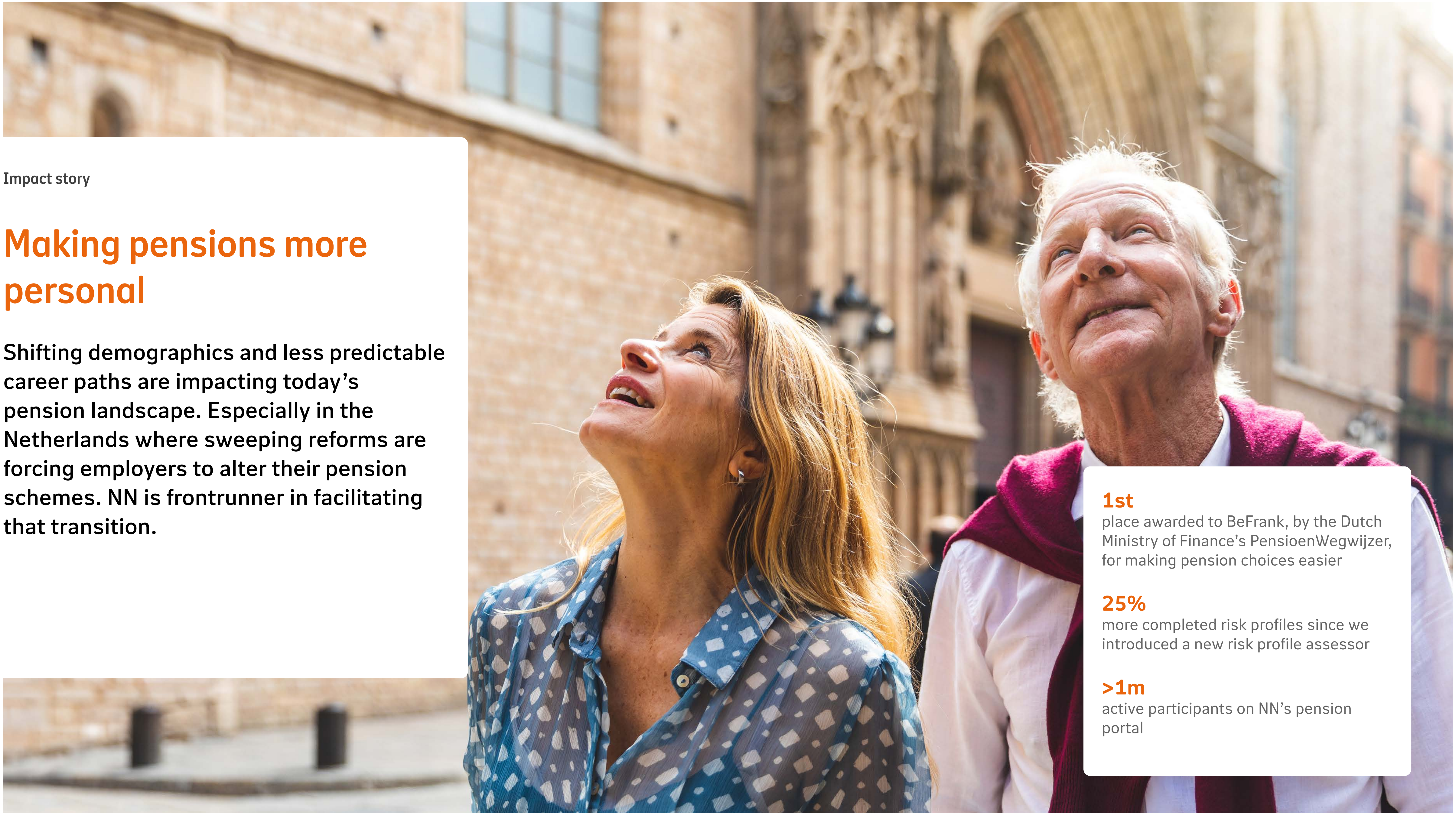
On 6 November 2024, Fitch Ratings affirmed NN Group's 'AA-' financial strength rating[1] and 'A+' credit rating with a stable outlook.

The latest rating reports can be found on our website.

Sustainability ratings

We are rated on sustainability by specialist research agencies such as Sustainalytics (14.3/100, low risk), MSCI (AA) and CDP. We are also included in indices such as FTSE4Good. An overview of all sustainability indices and ratings can be found in the appendix on p. 406.

[1] Financial Strength rating for Nationale-Nederlanden Levensverzekering Maatschappij N.V.



Impact story

Making pensions more personal

Shifting demographics and less predictable career paths are impacting today's pension landscape. Especially in the Netherlands where sweeping reforms are forcing employers to alter their pension schemes. NN is frontrunner in facilitating that transition.

1st
place awarded to BeFrank, by the Dutch Ministry of Finance's PensioenWegwijzer, for making pension choices easier

25%
more completed risk profiles since we introduced a new risk profile assessor

>1m
active participants on NN's pension portal

On 1 July 2023, the Wtp (Wet toekomst pensioenen, or Future Pensions Act) came into effect in the Netherlands. While the demographic and economic trends that have prompted this new regulation are similar across Europe, individual governments respond differently according to local regulations. Reforms in the Netherlands are particularly comprehensive, and pension funds have until 2028 to comply with them. NN is already able to offer pension products that are Wtp-compliant.

Lower risk appetite

One of the main changes the Wtp brings is a shift from 'defined benefit' plans, with predetermined payouts, to 'defined contribution' plans, where what you receive depends on your total contribution and the performance of investments. 'Given the volatile investment landscape, declining interest rates and an ageing population, employers are less willing to take risks,' says Gerard van Rooijen, Director NN Life and Pensions. Today's population is not only ageing but is staying fit longer and people want to get the most out of their retirement. NN is supporting them in this ambition by adding new features and services to help customers personalise their pension scheme.

> 'A lot of people have a pension scheme, but it's often based on default settings. Now they can personalise it. Our challenge is motivating them to do so.'
>
> **Gerard van Rooijen,** Director NN Life and Pensions

Matching customers' needs

One of the features that is having a lot of impact is the Pensioen APK, which involves regular dialogues between advisors and employees at set moments in their employment – when they start their job, at fifty, and just before they retire. There are questions, for example, about how dependant they will be on their pension, how much they understand the investment landscape and if they want to invest sustainably, and advisors give them the information they need to make the decision that's right for them. And it motivates them to become more engaged. 'Let's face it, pension is not exactly at the top of most people's agendas. They may have a pension scheme, but it's often based on default settings. Now they can personalise it. Our challenge is motivating them to do so.'

Sustainability options

We have also made our online platform Mijn Inkomen Later more user-friendly, and improved our Human Capital Planner – a platform for advisors and employers, who can use it to benchmark their pension profile in the market. BeFrank, our Pension Premium Institution, offers three levels of 'sustainable buy-in' giving more choice to the end-user about where to invest their money. 'We are also exploring how AI could improve the way we communicate with customers.'

In the Netherlands, NN has about 40% of the pension market outside pension funds. 'We also have a solid history, a wealth of knowledge and an ambition to remain innovative. We were first to market with products that are Wtp-compliant and are proud of that. We are moving from selling pension products to supporting people to get the best out of their pension scheme, contributing to their financial well-being.'

Managing our risks

Our risk strategy enables NN Group to make informed decisions and take conscious risks to maximise our potential to deliver on our commitments to our stakeholders.

Managing our risks

Risks represent potential future events that could adversely impact our business performance and achieving our strategic targets. Strong risk management helps us monitor developments in our operating environment and act where necessary.

Introduction

This section covers the following topics:
- Risk control cycle (p. 52-59)
- Risk profile, with a focus on material risks as established by NN Group's Management Board (p. 59-62).

Other relevant risk management information can be found in the following sections:
- The Risk governance section of 'Corporate governance' (p. 81-85) covers how risk management responsibilities within NN Group are organised.
- Details on our financial risk profile can be found in Note 48 Risk management.
- Details on sustainability and climate change-related risks are included in 'Anticipated financial effects' on p. 159 of the Sustainability Statement.

Risk control cycle

We manage any risks inherent to our business model and the environment in which we operate within NN Group's risk appetite and framework. Every employee has a role to play in identifying risks in their area of responsibility and managing them in a proactive way. It is important to know which risks we need to avoid and which we are prepared to take, to ensure an adequate return for the risks assumed within the business, and to be aware of major existing and emerging risks.

The risk control cycle supports that business units and NN Group operate within our risk appetite:
1. Define risk strategy through risk appetite, policies and standards;
2. Identify and assess the risks that need to be managed;
3. Mitigate risks through controls and/or other mitigation measures; and
4. Monitor effectiveness of mitigating measures and report on them.

This cycle is supported by a sound risk culture.

The risk control cycle is integrated within NN Group and supports the strategy (business plan process) and (monitoring of) the subsequent execution (among others, financial control cycle and HR cycle).

Step 1: Risk strategy

The risk strategy is determined together with the business strategy. During this strategy-setting process, strategic and emerging risks need to be considered carefully. These risks, for example, look at sensitivities around assumptions behind the proposed business strategy, or the possibility that a proposed business strategy does not align with NN Group's values and You Matter brand promise (as mentioned in chapter 2 'Our strategy and business').

The risk strategy further clarifies what risks (and to what extent) NN Group is willing to take in pursuit of business objectives. Risk appetite statements describe how NN Group weighs strategic decisions and communicates its strategy to key stakeholders and business unit CEOs with respect to the desired level of risk-taking. They thereby define our preferences for or against certain risk types. This helps us avoid unwanted or excessive risk taking, and optimise our use of capital. To the extent necessary, the risk appetite can be further operationalised into risk metrics (see under 'Risk metrics' in this chapter). Furthermore, requirements and/or guidance on how to mitigate risks can be provided through policies and standards.

Embedding a sound risk culture within properly organised and governed business processes and projects is an important part of NN Group's risk strategy. More information on how risk management responsibilities within NN Group are organised can be found under 'Corporate governance' on p. 81-85.

Risk taxonomy

NN Group has defined and categorised its risk landscape in a risk taxonomy:

Risk appetite statement	Risk class	Description
Strategic risks		
Managing strategy	External strategic risks	Emerging or changing risks in NN's external environment that may not yet be fully assessed or quantified ('uncertainties') but that could, in the future, affect the viability of NN Group's strategy.
	Internal strategic risks	Risks related to shaping NN's business arising from making incorrect business decisions, implementing decisions poorly or being unable to adapt to changes in NN's operating environment.
Financial risks		
Solvency risks	Market risks	Risks related to (the volatility of) financial and real estate markets.
	Counterparty default risks	Risks related to the failure to meet contractual debt obligations.
	Underwriting & pricing risks	Financial risks related to insurance liabilities due to inadequate pricing and provisioning assumptions (i.e. product-related risks from an NN perspective).
Liquidity risks	Liquidity risks	Risks related to not being able to settle financial obligations when due.
Non-financial risks		
Sound business conduct	Business conduct risks	Risks related to unethical or irresponsible behaviour when doing business or representing the business (red lines).
People conduct culture	People conduct risks	Risks related to the attitude and behaviour of our workforce.
Product suitability	Product suitability risks	Product-related risks from a customer perspective.
Operational risks	Business operating risks	Risks related to inadequate or failed business processes (internally, or externally performed by business partners).
Technology risks	Business technology risks	Risks related to inadequate or failed information technology (for example cyber risk).
Reliable reporting	Business operating risks	Risks related to inadequate or failed business processes (internally, or externally performed by business partners).
Business continuity	Business continuity risks	Risks of accidents or external events impacting continuation or security of (people or assets in) our business operations.

Risk appetite framework

We have the following four risk appetite levels:

Risk appetite	Description
Avoid	We apply considerable efforts to avoid these risks happening, or even eliminate them. If they materialise, we apply a zero-tolerance attitude to address incidents.
Limited	We accept these risks, but we still try to limit them with reasonable efforts to manage potential impact.
Moderate	We accept these risks, but neither avoid nor seek them actively. We use a risk/ reward or risk/cost consideration to manage these risks.
Actively pursue	We are risk-seeking for this type of risk, accepting uncertainty or volatility, as we expect taking the risk will be ultimately rewarded.

The risk appetite is evaluated at least annually, as part of the Own Solvency and Risk Assessment process, in sync with the Business Plan process. The risk appetite is approved by the Management Board. In 2024, the risk appetite statement for Solvency Risks was updated to more clearly reflect the preferences for different financial risks. The statement was rephrased consistent with the investment beliefs of our investment strategy. In addition to this, we added explanations on how we treat risk concentrations.

Our key risk appetite statements are:

Risk appetite statement	Risk appetite	Description
Managing strategy	Moderate	We create long-term value for all our stakeholders and contribute to the well-being of people and planet, so we continuously evaluate and adapt our business model to the external environment (product portfolio, distribution channels, organisation, etc.) to meet evolving customer needs. When doing so, we moderately accept risks from the same, including in attracting and retaining business leaders and (world class) talents.
Solvency risks	Moderate to actively pursue for rewarding risks	We accept financial risks on our balance sheet so we can offer financial security through products and services for our customers as well as predictable and attractive returns for our investors. We only accept risks that we understand, can price and effectively manage. We like to avoid having to raise equity capital after a 1-in-20-year event.
	Limited for non-rewarding risks	Market and counterparty default risks: In managing our investments, we generate excess return by taking spread, liquidity, default, equity and property risk as we consider those rewarding risks. We limit exposure to, or volatility due to, non-rewarding risks (in particular concentration, interest rate, currency and inflation risk) or risks to which we already have a high exposure. Underwriting and pricing risks: Underwriting risks are at the core of our business; we deem them rewarding and actively pursue them. We have moderate appetite for risk concentrations in our portfolios (in particular longevity risk and windstorm risk), and actively manage those through reinsurance.
Liquidity risks	Limited	We want to meet our payment and collateral obligations, even when under severe liquidity stress, while also actively pursuing illiquid assets to back illiquid liabilities on our balance sheet.
Sound business conduct	Avoid	We have no appetite for material breaches of business integrity-related policies or standards.
People conduct culture	Limited	We nurture a culture aligned with our purpose, values and ambitions, which supports continuous learning, collaboration and diversity, and limit risks to the same.
Product suitability	Avoid	We only market products and services that add value to our customers over their expected lifetime in line with their preferences, and can be explained in an understandable and transparent manner.
Operational risks	Moderate	We moderately accept human errors and as such failures in processes, and therefore manage these to agreed tolerances.
Technology risks	Limited	We limit losses arising from technology risks, and therefore ensure our technology assets are sufficiently resilient and responsibly used.
Reliable reporting	Avoid	We have no appetite for material errors in external financial and non-financial reporting or internal reports used for managerial decision-making.
Business continuity	Limited	We avoid, to the extent possible and even under severe circumstances, sustained discontinuation of business (people, offices, systems).

Sustainability risks

Sustainability risks are the risks related to environmental, social and governance (ESG) factors that can cause material negative impact to NN Group's long-term performance, reputation, value, balance sheet or operations. We consider sustainability risks to be transversal, meaning they manifest through various risk types recognised in our Risk Taxonomy, such as strategic, financial and non-financial risks. ESG factors are seen as risk drivers, potentially influencing the risk levels across these categories. By integrating sustainability risks into our overall risk management framework, we are better equipped to identify and manage the risks and opportunities associated with sustainability matters.

Below we show examples of how sustainable risks fit within our risk appetite:

Risk class	Sustainability perspective
Strategic risks	We aim to promote sustainable business practices that prevent or minimise adverse impacts on the environment, people and economy, while also supporting long-term growth and profitability, and engage with our stakeholders (including customers, intermediaries, policymakers and invested companies) to achieve that.
Financial risks	– We seek to limit our exposure towards companies or industries that may have sustainability risks that can lead to significant financial impact on our investments, or those of our customers, or that have material adverse impact on the environment or people. – We prioritise investments and financial products that promote sustainable practices in general and decarbonisation of portfolios and climate change resilient actions in particular. – We use active engagement approaches and consider exclusion as a last resort.
Non-financial risks	For business conduct: – We do not want to do business with or invest in companies that violate NN's corporate values or environmental or social standards. For product suitability, we will: – recommend financial products and services to customers that are in line with their sustainability preferences, – where relevant, inform customers whether certain investment products may be sensitive to sustainability risks; and – provide clear substantiation about how sustainable a financial product is (avoid greenwashing).

Risk metrics

Risk monitoring is a regular process to assess and evaluate developments in the risk profile. It determines whether risks are within the risk appetite and in line with policies and standards. Monitoring activities are performed following developments in qualitative and quantitative boundaries (risk metrics) around risk taking, such as:

- Risk limit – maximum exposure of a risk that management is willing to accept and should not be breached.
- Risk tolerance – level of exposure of a risk, where management wants to be actively informed. A tolerance is set to function as a trigger for reviewing the exposure regularly and reflects an ambition level within which management wants to act in the medium term.
- Key Risk Indicator (KRI) – can assist management in determining whether specific areas or business objectives are at risk of moving beyond the risk appetite. The KRIs indicate when specific actions might be necessary to stop or reduce increasing risk levels.
- Policies and standards – in addition to risk metrics, requirements and/or guidance on how to mitigate risks can be provided through policies and standards.

Our key risk metrics are:

Risk class	Risk metrics
Strategic risks	We manage and monitor strategic risks by, among other ways, regularly monitoring how we perform relative to our strategic commitments: – Customer engagement (Net Promoter Score): customers' willingness to recommend our company (i.e. products and services). – Employee engagement: measuring employee satisfaction. – Operating capital generation (OCG): the movement in the solvency surplus (Own Funds before eligibility over Solvency Capital Requirement (SCR) at 100%) due to operating items. A more detailed definition can be found in 'Glossary' on p. 407. – Progress of main strategic initiatives.
Solvency risks	– Solvency II ratio: the ratio of Eligible Own Funds to SCR. NN Group aims to capitalise the Group and its business units adequately at all times. To ensure adequate capitalisation, business units are managed to their commercial capital levels (based on the Solvency II ratio or local solvency regime) in accordance with the risk associated with the business activities. – Cash capital position: NN Group maintains sufficient cash available at the holding company to cover stress events, and fund holding company expenses and interest expenses. The cash capital position is defined as the net current assets available at the holding company. This is further translated into internal metrics for more detailed monitoring. – Solvency II ratio sensitivities: show how the NN Group Eligible Own Funds and SCR are impacted under various scenarios as decided by NN Group Management Board (e.g. changes in interest rates or other financial market factors). – Own Funds at Risk (OFaR): NN Group has implemented limits to monitor the impact of moderate stress events in business units, and monitors the level of capital and financial flexibility this requires at the holding level. – Market Risk and Counterparty Default Risk metrics: NN Group has several risk metrics to limit concentration risks with respect to counterparties, countries, type of assets and industries. – Bank capitalisation: the amount of capital NN Bank is required to hold as part of the Basel III framework, expressed as a capital adequacy ratio of equity that must be held as a percentage of risk-weighted assets. – Interest rate risk limits and tolerances: NN Group has implemented limits and tolerances for interest rate risk exposures at NN Group and business unit level. – Product and underwriting limits: limits designed to manage deviations between expected and realised claims and payments, longevity risks, etc. – Policies and standards: on investment management, mandates and asset allocation, responsible investments, products and underwriting. – Restricted list and Exclusion list: the lists are designed to prevent investments in securities not in line with NN Group's values and/or applicable laws and regulations, as established in NN's Responsible Investment Framework.
Liquidity risks	– Cash buffer: a minimum buffer of immediately available liquidity (cash and committed facilities) to be able to meet collateral calls from derivative exposures. – Required sales ratio: liquidity risks are monitored by assessing the required sales ratio between liquid assets and liquidity requirements for severe stress scenarios and different time horizons.

Risk class	Risk metrics
Non-financial risks	– Control completeness: timely execution and complete registration of control monitoring by management and control functions. – Control effectiveness: controls are embedded and effectively executed to prevent or mitigate risks within the risk appetite. – Overdue issues: the number of issues that are (not) solved in a timely manner within agreed remediation period. – Incident cost (losses): the number of realised incidents that have a financial and/or reputational impact. – Legal claims: the number of realised legal claims that have a financial and/or reputational impact. – Mandatory trainings: the percentage of completed mandatory trainings. – Code of conduct/oath: acknowledgement by employees of adherence to the Code of Conduct. – Number and nature of whistleblower cases: the number of (new) whistleblower cases and how many are completed or under investigation. – Availability IT systems: the time a system or service is accessible and operational for users. – Reporting materiality: potential deficiencies in reporting processes are evaluated, individually and on an aggregate level, against the applicable reporting materiality. – Policies and standards that define objectives and requirements around compliance, IT, operations, security and business continuity.

The NN Group Policy House consists of mandatory NN Group-wide general principles, standards and technical documents to help operationalise the risk appetite into more detailed requirements for execution. General principles describe the key structure, organisation, decision authorities, operating principles and limits that apply within NN Group. Policies describe what needs to be achieved by defining control objectives and high-level principles, while standards describe how certain requirements must be implemented and/or executed. Minimum requirements related to sustainability matters are an integral part of our Policy House, such as within the Responsible Investment Framework, the Responsible Insurance Underwriting Policy and Product Policy. How sustainability is embedded in our governance is further detailed under 'Governance' see p. 65.

Step 2: Risk assessment

Risk assessments specifically seek to identify and assess risks to the business of NN Group and its business units. The quantitative risk profile for financial risks is mostly measured using NN Group models on predefined confidence levels ('shocks'), and reported against risk limits. Non-quantifiable risks, and non-financial impact of quantifiable risks, are assessed through control effectiveness in relation to acceptable impact. Tail events (low probability, high impact) are explored through scenario analysis and addressed with (tested) Business Continuity Plans or contingency plans.

Below we describe some of these risk assessments in more detail.

Risk assessment

Risk class	Risks assessed via
Strategic risks	Business planning; Strategic Risk Assessment (SRA) and scenario analysis, including Own Risk and Solvency Assessment (ORSA).
Market risks	Asset Liability Management (ALM) studies, Strategic Asset Allocation (SAA) and New Asset Class Assessment (NACA).
Counterparty default risks	Assessment of maximum exposure on asset class, issuer and country basis.
Underwriting & pricing risks	Product approval and review process (PARP).
Liquidity risks	SAA, NACA.
Non-financial risks	Risk assessments on processes and projects (including aspects of IT, financial economic crime, fraud, etc.); Systematic Integrity Risk Assessment (SIRA), looking at behavioural and integrity risks; ECF Maturity Reflection, looking at risk maturity and culture.

Strategic Risk Assessment (SRA) and Own Risk and Solvency Assessment (ORSA)

NN Group, and each of its regulated (re)insurance subsidiaries, prepares an ORSA at least once a year. This also covers our non-Solvency II entity Japan. Similar to an ORSA, NN Bank performs an internal Capital and liquidity adequacy assessment, in accordance with Basel III requirements.

NN assesses the resilience of its strategy and capital position through applying qualitative and quantitative techniques to identify and assess both opportunities and risks, including sustainability-related ones.

As part of the ORSA, a Strategic Risk Assessment (SRA) is performed at least annually by the NN Group Management Board and the management of operating units. The outcomes of the SRA are key risks, being risks that are potentially solvency-threatening or could have a significant negative impact on the achievement of one or more of the business objectives in NN Group's strategy or business plan.

Key risks are assessed in the ORSA using a forward-looking view, with scenario analysis and stress testing, to assess capital strength of the entities across its business planning period and ability to withstand potential impact from these risks. Impact is mainly assessed on the Solvency II capital position, but also on liquidity or operating capital generation where relevant. The outcome of the SRA is used, among other things, in the Double Materiality Assessment (DMA). See 'Determining our material matters', p. 20.

Sustainability risks (mostly related to climate change) have been included in the ORSA since 2017. We conduct qualitative and quantitative analyses of the potential impacts of physical and transitional climate change risks to assess how these risks may impact our Solvency II balance sheet in the longer term. We use the insights gained to inform our investment strategy and to integrate sustainability matters into our insurance underwriting and risk management practices. Where possible, the assessment considers relevant short-, medium- and long-term scenarios aligned with industry best practice, such as scenarios from the Intergovernmental Panel on Climate Change (IPCC) and the Network for Greening the Financial System (NGFS), for both physical and transition-related risks. See for the definition of physical and transition risks p. 159. Outcomes of this inform the DMA. See 'Determining our material matters', p. 20.

NN Group also assesses the appropriateness of our Partial Internal Model (PIM), which is used to calculate required capital for the Solvency II ratio. Risk Management prepares annually a separate report for the Management Board and the Risk Committee of the Supervisory Board on the performance and appropriateness of the Internal Model.

Stress testing can also be initiated outside the ORSA, either internally or if requested by external parties, such as the Dutch Central Bank (DNB) or European Insurance and Occupational Pensions Authority (EIOPA).

Strategic Asset Allocation (SAA)

Regulated (re)insurance entities of NN Group execute an SAA study once every three years, in which the target allocation and bandwidth are set for each asset class. The SAA study is reviewed annually, using updates for the assumptions on return, risk and feasibility, and a review of constraints and objectives.

In 2024, as part of the SAA, we conducted a climate economic impact sensitivity analysis for NN Life Netherlands. This exercise used NGFS scenarios, translating them into impacts on macro-economic financial indicators over a forward-looking period of 15 years. We compared the results of the three NGFS climate scenarios – current policy, early adaptation policy and late adaptation policy – against our baseline to assess their effects on asset allocation composition, returns and costs.

Product approval and review process (PARP)

The PARP has been developed to enable effective design, underwriting and pricing of all insurance products, and safeguards these to manage them throughout their lifetime. The PARP takes into account customer benefits and product suitability, expected sales volumes, value-oriented pricing metrics, requirements from relevant policies and regulations, as well as the administration and accounting aspects of the product. Increasingly, sustainability risks are assessed as part of the overall pricing, as well as to what extent product information properly reflects sustainability characteristics.

New Assets Class Assessment (NACA) and investment mandate process

NN Group maintains a NACA for approving investments in new asset classes, thereby establishing a global list of asset classes in which NN Group entities may invest.

Investments in these asset classes are governed through investment mandates given by the insurance entities to the asset manager(s).

Process risk assessments

Process risk assessments are performed periodically on (sub-)processes by the relevant process owners, paying particular attention to risks in process handover points, where responsibility for activities moves between departments and/or managers. Owners annually assess what the most important non-financial risks are within their process, looking at, for example, aspects of IT, data quality, human error, changes to systems and processes, etc.

Step 3: Risk control

Risk control refers to activities undertaken to ensure proper mitigating measures are designed, documented and executed such that risks are managed within defined risk limits and tolerances, and in line with policies and standards.

Through its Preparatory Crisis Plan, NN Group has determined a set of measures for early detection of and potential response to a crisis, should it occur. The plan's aim is to ensure tools, measures and processes are in place to enable NN Group to:

- Avoid going into recovery;
- Anticipate in good time any approaching financial distress and/or potential recovery situation;
- Quickly recover to an acceptable minimum solvency (and liquidity) level when faced with financial distress and/or recovery.

In the 'Risk profile' paragraph, we describe mitigating activities per risk type in more detail.

Risk class	Risks are mitigated/controlled through
Strategic risks	– Scenario analysis[1] and contingency/recovery planning. – Adjusting the strategic targets/business model to meet the changing environment, implemented through strategic initiatives/programmes. – Business planning, monitoring of strategic execution.
Market risks	– Monitoring based on limits and tolerances, and adjusting asset positions if necessary. – Hedging/use of derivatives. – Monitoring investment mandates for external investment managers.
Counterparty default risks	– Monitoring based on limits and tolerances, and adjusting asset positions if necessary.
Underwriting and pricing risks	– Hedging with financial instruments (asset-liability management). – Monitoring based on concentration and exposure limits and tolerances, and acting in case of breaches. – PARP. – (External) (re)insurance[1].
Liquidity risks	– Monitoring based on limits and tolerances, and adjusting asset positions if necessary. – Cash management/treasury techniques.
Non-financial risks	– Controls and control testing. – Incident management and external insurance. – Risk culture, awareness and training[1]. – Project risk logs and monitoring. – Business continuity management.

1 Controls that are also applied to our identified sustainability risks.

Step 4: Risk monitoring and reporting

Risk monitoring helps us assess and evaluate developments in the risk profile. It determines whether risks are managed within the applicable risk appetite, related limits and tolerances, and in line with policies and standards. Results of the risk monitoring are reported regularly to the responsible managers of departments, as well as the management and supervisory boards of both

NN Group and its entities. This includes information on, for example, strategic projects, financial risk limits and developments, control effectiveness, control deficiencies and incidents, as well as second line opinions and advice. Action is taken by management when monitoring indicates that risks are being inadequately controlled.

The Management Board and Supervisory Board of NN Group receive a quarterly Enterprise Risk Management (ERM) Report and Own Funds/SCR Report. The ERM Report is designed to provide a single consistent, holistic overview of the risks for NN Group. It compares current risk levels to our risk appetite, and aims to encourage a forward-looking risk view. In the report, the different NN Group business units report back on their risk profile in relation to their risk appetite, including a second line opinion from Risk, Legal and Compliance.

The Own Funds/SCR Report aims to give an overview of the quarterly Solvency II capital position, and developments in Own Funds and SCR. It also includes the Solvency II ratio sensitivities.

Risk profile

Annually, the Management Board of NN Group performs a Strategic Risk Assessment to establish the key risks that might impact achieving our strategic and financial targets. The assessment uses a variety of inputs, including:

- External trends and material topics, as identified by our stakeholders;
- Macroeconomic reports and publications from analysts, the CRO Forum and the World Economic Forum;
- Scenario analyses and stress-testing by our investment and risk teams;
- Risk self-assessments by the management of NN Group and its businesses.

Risks are managed throughout NN Group at different levels of the organisation. Out of all risks, key risks are a prioritisation mechanism, where the MB/CEO select the risks they deem most relevant to the strategy execution. Key risks are regularly monitored and discussed by the MB itself. As such, the selection of key risks varies over time and risks can (re)occur as a key risk, depending on how our operating environment and the strategy change.

Compared to 2023, global debt crisis (recession) (3), geopolitical instability (6), and being outrun by competition (7) have increased. Climate change – physical risk for liabilities, model risk, recession and product suitability were on the 2023 list, but are either no longer considered key risks or have been redefined. Geopolitical instability (6) and climate change (4) are considered emerging risks. Though not necessarily new, and to some extent already materialised, in terms of both their nature and risk level they are still developing, as is our response to mitigate their impact.

The 2024 Strategic Risk Assessment identified nine key risks (ranked by relative importance):

Rank	Key risk	Risk class	Risk level (vs 2023)
1	Cyber (security) risk	Business technology risks	→
2	Regulatory environment	Strategic risks	→
3	Global debt crisis (recession)[1]	Market risks	↗
4	Climate change – transition risk for assets	Strategic risks Market risks	→
5	Sustainable cost levels	Strategic risks Underwriting & pricing risks	→
6	Geopolitical instability	Strategic risks	↗
7	Being outrun by competition[1]	Strategic risks	↗
8	Longevity risk[1]	Underwriting & pricing risks	→
9	Inflation risk	Market risks Underwriting & pricing risks	↘

[1] Selected as a key risk in 2024, was not a key risk in 2023.

Emerging risks

Emerging risks are external strategic risks that cannot yet be fully assessed or quantified but that could in the future affect the viability of NN Group's strategy. They are relevant for NN Group because they can accumulate over time and they can be difficult to link to a specific cause. In 2024, NN Group participated in the 'Emerging Risk Initiative' working group of the CRO Forum. The CRO Forum consists of a group of European chief risk officers (CROs) from insurance companies that share ideas and benchmark risk management practices. The Emerging Risk Initiative identifies and communicates emerging risks that may have significant impacts on the industry within the next ten years. The new risks added to the Radar in 2024 are Social Fragmentation and Economic trade conflicts and sanctions due to widening societal divisions and disparities as well as more polarisation. By monitoring emerging risks through the Risk Radar, we can develop products and services that help our customers insure themselves against new risks. CRO Forum identifies new risks in the latest Risk Radar, for more information see nn-group.com

Cyber (security) risk

Risk of cyberattacks, leading to misuse or loss of information or privacy breaches, discontinuity of operations or financial or reputation loss.

Given their pivotal role in the financial infrastructure, and their possession of large amounts of financial data and/or personal information about their customers, financial services companies may be a target for hackers as well as state actors. Cyber incidents may lead to, amongst other things, loss of data, disruption and shutdown of business activities, criminal theft or reputational damage.

NN is continuously monitoring its IT infrastructure through the NN IT General Controls, as well as improving its security governance, processes and technology. At the same time, the threats and their levels of sophistication are also increasing. Continuous investments are therefore needed to avoid, for example, our systems becoming unavailable, which might affect our daily business and potentially customer confidence. Group IT's Enterprise Security Services (ESS) function leads all efforts to further enhance our information security and provide 24/7 protection against cyberthreats. In particular, education and awareness-raising are part of our security strategy. In 2024, we have worked on implementing DORA requirements as part of our information security and business continuity practices.

Regulatory environment

Risk of adverse regulatory change due to political shifts or increased supervisory scrutiny and ambitions, which may have a profound impact on our business model, performance or ability to deliver our innovation or strategic initiatives. Examples of these changes are, among others, more severe Solvency II regulation, scrutiny on internal model and extensive sustainable finance legislation.

Ongoing regulatory changes and topics subject to additional supervisory scrutiny may affect our business model, solvency position or business operations. Such regulatory developments include new pension regulations in the Netherlands, changes to the Solvency II framework and new sustainability regulations.

Our capital position may be impacted by further changes to the Solvency II framework (e.g. the Solvency II 2020 review) or supervisory scrutiny in areas such as the internal capital model. The Solvency II review could have a positive impact on the Solvency II ratio in certain areas, such as the design of the Volatility Adjustment and risk margin. However, the legislative proposals also include potentially negative areas for NN and the industry (e.g. changes to the extrapolation of the risk-free curve, changes to the risk correction, introduction of the enhanced prudency principle and extended powers for supervisors). The amended regulation will be effective as of 30 January 2027, which means that reporting after this date will reflect the changes from the Solvency II 2020 review. Some key aspects in the agreement are not detailed out in the Solvency II directive, but will be clarified later in the process (part of Level II and Level III). This relates, for example, to the parameterisation of elements that are relevant for the determination of the risk margin and the Volatility Adjustment. The revised Solvency II directive forms the basis for the revision of the Level II and III regulation, which can lead to further changes. In addition to these changes, the Solvency II review also introduces more detailed requirements for liquidity risk management, climate risk management and new reporting requirements.

Recent material developments around sustainability legislation include the Corporate Sustainability Reporting Directive (CSRD), which significantly expands the scope of sustainability reporting, and the upcoming Corporate Sustainability Due Diligence Directive (CSDDD), which requires companies, among other things, to conduct due diligence on the human rights and environmental impacts of their operations and upstream supply chain activities.

We follow the development of (future) regulations closely so we can take timely action. NN proactively maintains relationships with regulators and supervisors, and assesses, and regularly calculates the potential impact of, regulatory changes to its solvency position and risk profile.

Global debt crisis (recession)

Risk of governments, businesses and/or consumers not being able to pay their debt or debt service costs in a higher interest rate environment, or debt levels further increasing (lack of fiscal discipline or increased expenditures, for example for greening the economy, military expenses or other electoral promises), potentially leading to defaults or downgrades, as well global recession (negative GDP growth, high unemployment).

In the past, monetary policies and government stimuli have led to various countries, businesses and consumers accumulating high levels of debt. While interest rate cuts were introduced by central banks (including the ECB and the Fed) in 2024, interest rate hikes from 2022 and 2023, as well as increasing credit spreads, make that debt is being (re)financed at higher interest rates, which could further increase the risk of defaults. Several countries in the eurozone structurally do not meet agreed debt- and deficit-to-GDP targets, which may further increase given expected expenditures on greening the economy, military spending and financing electoral promises. In the US, too, government debts may further rise.

Geopolitical tensions are increasing and can lead to further tightening of financial conditions for Western economies via sanctions and trade tariffs, market uncertainty, higher energy and commodity prices, economic slowdown and financial market fragmentation. Households and companies struggling to cope with higher prices and borrowing costs may lead to a recession. The depth of a recession ultimately depends on actual levels of interest rates, debt levels of companies and individuals, and the resilience of the wider economy.

In the event of a recession, insurance companies will be affected by higher lapses and lower new business volumes. Corporate and mortgage defaults and downgrades may increase, real estate and equity valuations may decrease, and government and corporate bond spreads widen due to uncertainty in the eurozone.

NN manages market risks within risk limits and other boundaries set within various policies and standards. This ensures our investments are well diversified and that exposure to risks for which NN Group has no or a limited appetite (e.g. interest rate, inflation and foreign exchange risks) remains low. We also apply ongoing monitoring of investment risks and opportunities in the financial markets. Additionally, we reduce downside risk through hedging programmes and our SAA is designed to optimise capital generation within acceptable risk levels.

Climate change – transition risk for assets

Risk of financial losses to investments and/or lower investment returns resulting from the transition to a lower-carbon/green economy.

Transition risks arise from the shift towards a low-carbon economy, and associated market and policy developments. This may have a profound impact on the financial performance of companies across a range of industries. Some industries, such as renewable energy and electric vehicles, will likely benefit from the transition while others, such as fossil fuel extraction and energy-intensive manufacturing, may face significant challenges.

To manage transition risk for NN Group's assets, we regularly review and update the company's climate strategy, investment portfolio and risk management processes. We also engage with stakeholders to stay abreast of the latest developments transitioning to a low-carbon economy. We regularly screen our investment portfolio to proactively react to regulatory, legal, technological, market sentiment and reputational trends that may impact the transition of countries or sectors we invest in.

Through our role as a large institutional investor, NN aims to positively impact sustainability matters. We have developed asset-class-specific strategies for the corporate investment portfolio, including (i) greenhouse gas emission (GHG) reduction for the corporate investment portfolio (25% by 2025 and 45% 2030) and (ii) a target to increase climate solutions investments by at least EUR 6 billion by 2030. Additionally, NN actively contributes to industry bodies to define standards on sustainable and responsible investments and underwriting, and has endorsed various initiatives. We are deploying qualitative and quantitative scenarios to further understand the impact of both physical and transitional risks, both during the business plan period as well as beyond.

Sustainable cost levels

Risk of expense levels remaining at a too high level for both the closed book (not managing cost in line with runoff of the books) and new products.

To remain competitive, NN Group needs to align its revenues and cost base for all businesses. For example, for Netherlands Life, improving IT systems and efficiency is important both to keep cost levels in line with the run-off pace of the closed books and to further grow the profitably of the defined contribution (DC) portfolio. Overall, NN Group's business units faced continued higher inflation for procured services and higher salaries of our own staff due to inflation/Collective Labour Agreement increases.

NN reduces future expenses through projects related to digitalisation (IT simplification, deploying artificial intelligence), product rationalisation, simplifying/standardising business processes and the organisational set-up. We leverage scale where possible, combine data and digital capabilities, and employ an Agile Way of Working where beneficial.

Geopolitical instability

Escalation of geopolitical tensions in the world, which may lead to economic impacts (e.g. disruption of supply chains, trade tariffs, availability of resources) for Europe as well as diversion of resources to military goals (e.g. increased NATO spending).

Geopolitical risk is the risk associated with tensions or actions between states and political actors that affect the normal and peaceful course of international relations. Geopolitically, more and more alliances are forming or shifting worldwide, with less clear or stable demarcations between countries and different power blocks/international alliances.

Recent relevant events include:
- The outcome of the US presidential elections. With the Republicans winning the US elections, various US economic, social, foreign and military policies are being altered, which (could) lead to, for

Sustainability risks

NN Group Risk began developing a structural Climate Risk Assessment (CRA) in 2022, which allows for a more holistic, structured approach to identifying and assessing potential balance sheet vulnerabilities to physical and transitional climate-related risks. In 2023, NN Group progressed in further completing the mapping of its portfolio to climate-related risks, and in 2024 NN is able to produce its first Sustainability Statement disclosure concerning impacts, risks, and opportunities (IROs) related to environmental, social, and governance (ESG) matters that are material to the Group's activities and operations for the financial year 2024. See 'Sustainability Statement', p. 120.

Climate risks are inherently long-term, non-linear, non-stationary, and systemic, making them challenging to identify and measure. Regular re-evaluations of our sustainability risks are paramount to ensuring that our risk management practices remain robust and adaptive. By doing so, we aim to safeguard our long-term objectives and uphold our commitment to sustainable and responsible business operations. See 'Anticipated financial effects' on p. 159 for more details on our climate risk posture.

example, trade barriers (tariffs), or impact military conflicts (increasing uncertainty). The US seems to take a more transactional view of partnerships to maximise US interests, which may not be in the best interest of, for example, Europe. The continuing US-China tensions, both military and economic, could have potential side effects for their allies (for example, sanctions or other trade barriers). Furthermore, the US withdrawal from the Paris Agreement may create deviating policies with respect to sustainability matters between countries.

- Right-wing/populist parties have gained influence in Europe, potentially affecting EU policies around, among other things, immigration and green energy, causing uncertainty on how government policies in these areas will further develop.
- The Russia-Ukraine war continues, with the risk of a wider conflict remaining. In the meanwhile, there are increasing signals of Russian actions impacting European infrastructure by means of sabotage, cyberattacks and other criminal activity.
- The fragile military situation in the Middle East adds to existing geopolitical tensions, and further complicates international political relations and increases economic uncertainty.

NN does not have direct business activities in Ukraine, Russia, China or Israel, and has limited direct financial exposure to these countries. However, the impact on our operating environment and on NN will depend on how geopolitical tensions progress and/or escalate, which may coincide with other inflationary, governmental debt or recessionary developments.

So far, NN has experienced relatively modest impact from these adverse developments. NN manages its asset exposures via concentration limits on sovereign and country exposures that are regularly reviewed and monitored. We also monitor the credit quality of portfolios and deploy scenario analysis to better understand our sensitivity to financial market volatility.

Being outrun by competition

Risk of NN not meeting changing customers' expectations, or not being able to transform the business with respect to market trends (including, among other things, AI, customer expectations and changing markets).

The world in which we operate is rapidly changing. Technology, digitalisation, the shift to a platform economy and the use of data are all having a growing impact on our everyday lives. Customers expect a fast, transparent, direct and personalised experience, with tailored products and services offered by companies that act responsibly. AI is affecting the way we do business.
To maintain our strong position and remain relevant to all our stakeholders, we need to be able to outperform new and different kinds of competition (including aggregators and big-tech companies with a high investment potential), and enhance customer experience and engagement. NN has various programmes to strengthen the distribution strategy and the position within the value chain while mitigating potential risks at the same time, cost-efficiency initiatives, strategic pricing and data initiatives, and we are accelerating our digital strategy through partnerships with start-ups and Insurtech companies, as well as through our innovation labs.

Longevity risk

Risk of assumptions about life expectancy and mortality rates being inaccurate due to advances in medical research or improving health conditions.

NN Group's pension and guarantee product portfolios are exposed to longevity risk. Longevity risk is a relatively big consumer of capital besides market risk (which is the biggest) and mainly resides in NN Life & Pensions. In recent years, NN Group has taken active steps to manage longevity risk efficiently from a risk-return perspective and completed several longevity reinsurance transactions. We have moderate appetite for this risk, while we manage risk concentration. We manage our exposure by, among other things, using reinsurance where deemed necessary, and monitoring mortality assumptions in pricing, and using the most recent internal and external information for the longevity best estimate assumptions.

Inflation risk

Risk of persisting inflation levels, driven by a combination of geopolitics, higher energy and commodity prices, and scarcity in some production factors, leading to higher costs for households and businesses and anaemic economic growth.
Inflation rates decreased in 2024 compared to 2022-2023, due, among other things, to falling fuel and food prices, as well as the monetary policies of central banks. Price pressure is still present and visible in the price of various products and services. Uncertainties with regards to future inflation remain around, among other things, fiscal policy by newly elected governments, transitioning to a greener economy and extra expenditures by the EU to become strategically independent of US/China.

The impact of inflationary developments on our balance sheet and solvency position depends on the actual level of inflation itself, but also on how other market factors move, driven by, among other things, the response of central banks to inflation and the market expectations of investors. The risk of structural inflation can have a direct (through operating expenses and claims) or indirect (the effect on interest rates, equities, real estate and sales) impact on NN Group's business plans and financial position.

NN Group manages this risk by having a small exposure to inflation-linked liabilities, managing our cost base and product premiums, hedging benefit inflation risk and interest rate risk, adapting allocation to equity and other risky asset classes, and selectively de- or re-risking the balance sheet.

Impact story

AI – the opportunities and risks

The reach of AI is expanding fast, affecting all our lives and demanding from companies that they manage its impact effectively.

114
data scientists employed by NN

>85%
AI use cases are GenAI solutions, or involve GenAI tech

32
new production solutions created using GenAI in 2024

Finance is one of the world’s most data-driven industries. As a financial services provider, NN Group not only generates huge amounts of data, but is reliant on it too, which means that we will be significantly affected by AI.

AI brings with it a raft of opportunities and risks and to help us keep on top of both, NN is upskilling employees, see p.31. ‘That doesn’t just help them as individuals,’ says Tjerrie Smit, Chief Analytics Officer, ‘but it makes NN ‘future-ready’ too, while addressing the challenge that skilled AI specialists are often difficult and expensive to hire.’

GenAI

While AI models are improving processes in every corner of the organisation, often carrying out repetitive tasks that free up colleagues for more complex challenges, it is Generative AI (GenAI) in particular that is creating new opportunities for NN. ‘GenAI has the ability to create full digital processes that are easy and fast for customers to use, whenever and wherever they want.’ (Read how we are embedding GenAI in our business in ‘Strategy’, p.25.)

> **‘GenAI has the ability to create full digital processes that are easy and fast for customers to use, whenever and wherever they want.’**
>
> **Tjerrie Smit,** Chief Analytics Officer

Scaling up fast

GenAI tools (Chat GPT is probably the most widely used), can boost operational speed, reduce cost and help meet customers’ growing demands for seamless digital services. ‘If we execute correctly, we can boost market retention. As an early adopter of AI, NN understands how and where we can effectively apply current GenAI solutions. And, since everyone in our sector is racing to leverage this technology, we make scaling our AI applications a top priority.’

Improving accuracy

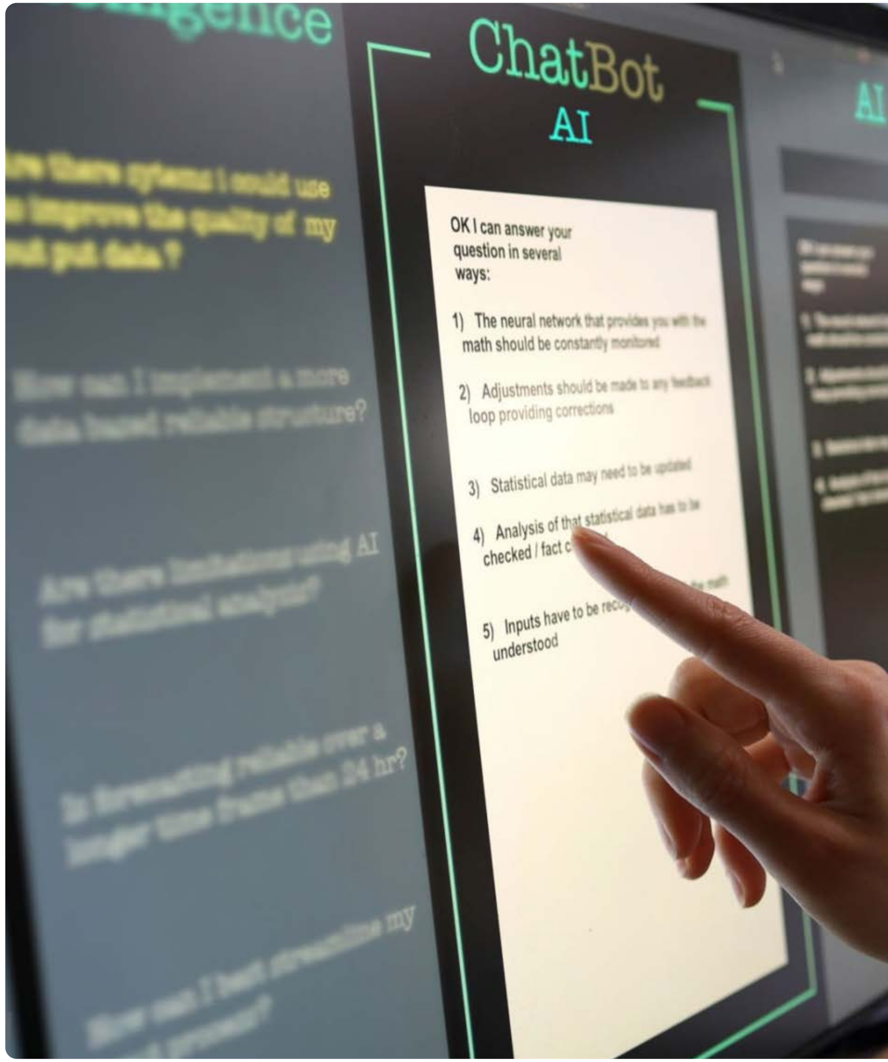
GenAI can improve accuracy in underwriting and fraud analytics and improve efficiency in claims processing, as well as simulate trends and risks to help us prepare for future scenarios. With today’s ageing population, and a higher percentage of people retiring within a short time span, AI can fill some of the gaps in the workforce.

New markets and threats

‘AI will also enable us to personalise products and services and open up new markets. And because of its potential to improve accuracy, many of our processes will be improved, leading to lower costs and higher profitability.’ NN also has its own ChatGPT environment, which is already being used by over 7,000 colleagues to test use cases and take them into production. But the predominance of ‘corporate AI’ is increasing the likelihood of threats from ‘bad actors’ who are using this technology to commit fraud or execute cyberattacks. Additionally, the EU is subject to extensive regulation around AI, which could hinder the pace of innovation, and escalating geopolitical tension could restrict access to the latest technologies.

NN AI Framework

It is for these reasons that we have established the NN AI Framework, to help ensure that whatever we do with AI is safe and trustworthy. The Framework makes sure our AI use cases comply not only with the developing regulations around AI but also our own ethical standards.



Governance

NN recognises the importance of good governance. We provide an overview of our governing bodies, namely our Executive Board, Management Board and Supervisory Board, and the other main elements of our governance.

Corporate governance

General

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

Executive Board

Duties

The Executive Board is entrusted with the management (including NN Group's culture), the strategy, operations and risk management of NN Group under supervision of the Supervisory Board.

In performing its duties, the Executive Board must carefully consider and act in accordance with the interests of NN Group and the business connected with it, taking into consideration the interests of all stakeholders of NN Group. When considering these interests, the Executive Board shall also take into account the continuity of NN Group, NN Group's view on sustainable long-term value creation, the impact the actions of NN Group have on people and the environment, as well as applicable legislation, regulations and rules of conduct.
The organisation, duties and working methods of the Executive Board are detailed in the charter of the Executive Board. This charter is available on the NN Group website.

The Executive Board is responsible for ensuring that the company has adequate internal risk management and control systems in place so that it is aware, in good time, of any material risks run by the company and that these risks can be managed properly. As part of its overall responsibilities for risk management, the Executive Board is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the annual accounts in accordance with generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that:

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

The Executive Board is also responsible for establishing and maintaining adequate internal controls for the reliability of the sustainability reporting included in the Sustainability Statement.

Because of its inherent limitations, internal control over financial reporting and sustainability reporting may not prevent or detect all misstatements.

Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In the performance of its duties, the Executive Board may gather information or seek advice from the Management Board, Supervisory Board, NN Group staff departments and/or external advisors.

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

Appointment, removal and suspension

Under the full large company regime, the members of the Executive Board are appointed individually by the Supervisory Board.

Prior to appointing a member of the Executive Board, the Supervisory Board must notify the General Meeting of such an intended appointment. An Executive Board member is appointed for a maximum of four years and may be reappointed for a term of not more than four years at a time.

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

Composition
The Executive Board must consist of two or more members, with the total number of members of the Executive Board determined by the Supervisory Board after consultation with the Executive Board. There is no representation of employees or other workers present in the Executive Board. Guiding principles for the appointment of members and the composition of the Executive Board are provided in the profile of the Executive Board and Management Board, and in the the Diversity and Inclusion Policy for the Executive Board, Management Board, Supervisory Board and senior management of NN Group (D&I Policy). The profile and the D&I Policy are available on the NN Group website.

Information on the composition and the members of the Executive Board can be found below and on p. 87.

Remuneration
Information on the remuneration policy for members of the Executive Board and on their individual remuneration can be found in the Remuneration Report on p. 107-113.

Management Board
Role and duties
The Management Board is entrusted with the day-to-day management (including NN Group's culture) and the overall strategic direction of NN Group.
In performing its duties, the Management Board must carefully consider and act in accordance with the interests of NN Group and the business connected with it, taking into consideration the interests of all stakeholders of NN Group. When considering these interests, the Management Board shall also take into account the continuity of NN Group, NN Group's view on sustainable long-term value creation, the impact the actions of NN Group have on people and the environment, as well as applicable legislation, regulations and rules of conduct. Notwithstanding the foregoing, the rights and obligations of the Executive Board under Dutch law, the Articles of Association and the Charter of the Executive Board remain in full force and effect. Each of the members of the Management Board is responsible and accountable to the Executive Board and within the Management Board for the specific tasks as assigned. Being comprised of the Executive Board members as well as key leaders with a divisional or functional responsibility, the Management Board allows for integral and holistic decision-making at the highest level of NN Group with functions, the businesses and Executive Board members represented. Besides providing balanced, effective and timely decision-making, NN Group having a Management Board also provides for flexibility in terms of composition, allocation of tasks and responsibilities, and required knowledge. In supervising the functioning of NN Group's corporate governance structure, including its checks and balances, the Supervisory Board pays specific attention to the dynamics and relationship between the Executive Board and the Management Board, as well as the way the Management Board operates.

As at 31 December 2024, the Executive Board consisted of the following persons:

Name	Position	Date of birth	Gender	Nationality	Appointment	Termination/ reappointment	Tenure
David Knibbe	Chair, Chief Executive Officer (CEO)	15 March 1971	Male	Dutch	1 October 2019, reappointment 2 June 2023	2027[1]	5 years
Annemiek van Melick	Vice-chair, Chief Financial Officer (CFO)	31 March 1976	Female	Dutch	1 July 2022[2]	2026[3]	2 years

1 David Knibbe's term of appointment will end at the close of the annual general meeting in 2027.
2 Annemiek van Melick joined NN Group as of 1 June 2022 as member of the Management Board.
3 Annemiek van Melick's term of appointment will end at the close of the annual general meeting in 2026.

The Supervisory Board will be provided with all the information necessary for the proper performance of its duties. In principle, members of the Management Board are present at meetings with the Supervisory Board where topics are discussed that relate to their area of responsibility. Next to that, the Supervisory Board regularly meets with the full Management Board.

In the performance of its duties, the Management Board may gather information or seek advice from the Executive Board, NN Group staff departments and/or external advisors.

The organisation, role, duties and working methods of the Management Board are detailed in the charter of the Management Board, which is available on the NN Group website.

Composition, appointment and removal

The Management Board consists of the members of the Executive Board and other members as appointed individually by the Executive Board after consultation with the Supervisory Board. The number of members of the Management Board is determined by the Executive Board. Guiding principles for the appointment of members and the composition of the Management Board are provided in the profile of the Executive Board and Management Board, and in the D&I Policy. The profile and the D&I Policy are available on the NN Group website.

The members of the Management Board may be suspended and removed by the Executive Board after consultation with the Supervisory Board. There is no representation of employees or other workers on the Management Board.

Information on the composition and the members of the Management Board can be found below and on p. 87-88.

Bernhard Kaufmann was appointed CRO and member of the Management Board as of 1 June 2020 and stepped down as of 1 October 2024. Mr Kaufmann was responsible for the overall risk framework with direct responsibility for the risk management departments. He was also responsible for the actuarial function, and reinsurance. Mr Kaufmann's previous positions include Group CRO and CRO Reinsurance at Munich Re Group.

Mr Kaufmann holds a PhD (Dr. rer. Nat.) in theoretical physics from the Technical University of Munich (Germany), an intermediate diploma in economics from the University of Hagen (Germany), and a diploma in theoretical physics from the Technical University of Munich (Germany).

As at 31 December 2024, the Management Board consisted of the following persons[1]:

Name	Position	Date of birth	Gender	Nationality	Appointment	Tenure
David Knibbe	Chair, Chief Executive Officer (CEO) (as of 1 October 2019)	15 March 1971	Male	Dutch	7 July 2014	10 years
Annemiek van Melick	Vice-chair, Chief Financial Officer (CFO) (as of 1 July 2022)	31 March 1976	Female	Dutch	1 June 2022	2 years
Tjeerd Bosklopper	CEO Netherlands Non-life, Banking & Technology (as of 1 June 2020)	3 March 1975	Male	Dutch	1 September 2018	6 years
Frank Eijsink	CEO International Insurance	17 March 1973	Male	Dutch	1 September 2023	1 year
Dailah Nihot	Chief People, Communications, and Sustainability Officer (CPCSO)	12 June 1973	Female	Dutch	1 September 2018	6 years
Wilbert Ouburg	Chief Risk Officer (CRO)	1 October 1985	Male	Dutch	1 October 2024	<1 year
Leon van Riet	CEO Netherlands Life & Pensions	2 September 1964	Male	Dutch	1 June 2020	4 years
Janet Stuijt	General Counsel	26 September 1969	Female	Dutch	1 September 2018	6 years

1 Bernhard Kaufmann stepped down as member of the Management Board and CRO as of 1 October 2024.

The Diversity and Skills matrix below provides an overview of the range of knowledge, experience and backgrounds of the individual Management Board members.

Diversity and Skills matrix	David Knibbe	Annemiek van Melick	Tjeerd Bosklopper	Frank Eijsink	Dailah Nihot	Wilbert Ouborg	Leon van Riet	Janet Stuijt
Year of birth	1971	1976	1975	1973	1973	1985	1964	1969
Gender: Male (M) or Female (F)	M	F	M	M	F	M	M	F
Nationality	Dutch	Dutch	Dutch	Dutch	Dutch	Dutch	Dutch	Dutch
Management of complex multinational enterprises	●	●	●	●	●	●	●	●
International economic, regulatory and public policy issues	●	●	●	●	●	●	●	●
Labour relations, human resources and management development	●	●	●	●	●	●	●	●
Insurance	●	●	●	●	●	●	●	●
Asset management	●	●	○	○	○	●	●	○
Retail banking	●	●	●	○	○	○	○	○
Audit, finance and control	●	●	●	●	○	●	●	○
Risk management	●	●	●	●	○	●	●	●
Legal affairs and corporate governance	●	●	○	○	●	○	○	●
Corporate integrity	●	●	●	●	●	●	●	●
Information technology and transformation	●	○	●	●	○	○	●	○
Marketing, in particular in the area of financial products and services	○	○	●	●	●	○	●	○
Sustainability matters	●	○	●	○	●	○	○	●

● Considered an expert given previous and/or current roles (other than non-executive roles)
○ Sufficient experience and knowledge to be able to take an informed decision

Committees of the Executive Board

The Executive Board may establish permanent committees other than the Management Board from among its members and senior management. The Executive Board has established among others the following committees: Crisis Committee, Disclosure Committee, Compensation Committee, Asset & Liability Committee (ALCO) and Model Committee.

The main responsibility of the Crisis Committee is handling financial and non-financial crisis situations as defined by the Management Board. The Crisis Committee is chaired by the CEO of NN Group.

The Disclosure Committee decides on disclosures related to material - corporate - events. The Disclosure Committee is chaired by the CFO of NN Group.

The Compensation Committee is responsible for assisting the Executive Board with remuneration topics as laid down in the NN Remuneration Framework Standard. The Compensation Committee is chaired by the CPCSO of NN Group.

The Asset & Liability Committee oversees the activities and market risks related to investments and the matching of assets and liabilities at NN Group level. The Asset & Liability Committee is chaired by the CRO of NN Group.

The Model Committee is responsible, among other things, for (i) approving the use of any Solvency Capital Requirement (SCR) model and any change to a Corporate SCR model, (ii) approving updates of pricing buckets, (iii) providing advice on any model or assumption change to a SCR model that exceeds certain thresholds, (iv) approving waiver requests for delayed model reviews, (v) accepting model validation reports and (vi) discussing the yearly plan for review of the Internal Model and Model Validation planning. The Model Committee is chaired by the head of Group Risk Models & Analytics.

Supervisory Board

Duties

The Supervisory Board is responsible for supervising the management (including NN Group's culture) of the Executive Board and the general course of affairs of NN Group and its businesses. The Supervisory Board may, on its own initiative, provide the Executive Board with advice.

In performing its duties, the Supervisory Board must carefully consider and act in accordance with the interests of NN Group and the business connected with it, taking into consideration the interests of all stakeholders of NN Group. When considering these interests, the Supervisory Board shall also take into account the continuity of NN Group, NN Group's view on sustainable long-term value creation, the impact the actions of NN Group have on people and the environment, as well as applicable legislation, regulations and rules of conduct.

In the performance of their duties, the Supervisory Board and the Committees of the Supervisory Board may gather information or seek advice from the Executive Board, Management Board, NN Group staff departments and/or external advisors.

The organisation, duties and working methods of the Supervisory Board are detailed in the charter of the Supervisory Board. The charter is available on the NN Group website.

Appointment, removal and suspension

The members of the Supervisory Board are appointed individually by the General Meeting upon nomination of the Supervisory Board. The General Meeting and the Central Works Council may recommend candidates for nomination to the Supervisory Board.

The Supervisory Board must simultaneously inform the General Meeting and the Central Works Council of the nomination. The nomination must state the reasons on which it is based. The Supervisory Board is required to nominate one-third of the Supervisory Board members on the enhanced recommendation (versterkt aanbevelingsrecht) of the Central Works Council, unless the Supervisory Board objects to the recommendation on the grounds that the recommended candidate is not suitable to fulfil the duties of a member of the Supervisory Board or that the Supervisory Board will not be properly composed if the nominated candidate is appointed. There is no representation of employees or other workers present on the Supervisory Board.

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

A member of the Supervisory Board is appointed for a maximum period of four years. A Supervisory Board member can be reappointed once for a term of four years. A Supervisory Board member can subsequently be reappointed again for another period of two years, which appointment can be extended by two additional years. In the event of a reappointment after an eight-year period, such reappointment shall be adequately motivated in the Supervisory Board Report. The members of the Supervisory Board retire periodically in accordance with a rotation schedule drawn up by the Supervisory Board. The rotation schedule is available on the NN Group website.

The Supervisory Board may suspend a member of the Supervisory Board. The suspension will lapse by law if NN Group has not submitted a petition to remove the suspended member of the Supervisory Board to the Enterprise Chamber of the Amsterdam Court of Appeal (Ondernemingskamer van het Gerechtshof te Amsterdam) within one month of commencement of the suspension.

The General Meeting can, by an absolute majority of votes cast, representing at least one-third of the issued share capital, resolve to abandon its trust ('het vertrouwen opzeggen') in the entire Supervisory Board.

A resolution to remove the Supervisory Board for lack of confidence cannot be adopted until the Executive Board has notified the Central Works Council of the proposal for the resolution and the reasons therefore. If the General Meeting removes the Supervisory Board members for lack of confidence, the Executive Board must request the Enterprise Chamber of the Amsterdam Court of Appeal to temporarily appoint one or more Supervisory Board members.

Composition

The Supervisory Board must consist of three or more members, with the total number of members of the Supervisory Board determined by the Supervisory Board. As at 31 December 2024, the Supervisory Board consisted of seven members, who are all independent (within the meaning of best practice provision 2.1.8 of the Dutch Corporate Governance Code), and there were no vacancies.

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

Information on the composition and the members of the Supervisory Board can be found below, on p. 90-91 and in the Report of the Supervisory Board on p. 95.

As at 31 December 2024, the Supervisory Board consisted of the following persons[1]:

Hans Schoen was appointed to the Supervisory Board as of 7 July 2014. Mr Schoen was reappointed on 31 May 2018 and on 19 May 2022. His term of appointment ended as of the close of the AGM on 24 May 2024. He was appointed pursuant to the enhanced recommendation right of the Central Works Council.

Mr Schoen's previous positions include partner at KPMG Accountants and chair of the EFRAG Insurance Accounting Working Group. Mr Schoen holds a degree in economics and a postdoctoral degree in accountancy from the University of Amsterdam (the Netherlands). In September 2015, he received a PhD from the Vrije Universiteit (VU) Amsterdam (the Netherlands).

Name	Position	Date of birth	Gender	Nationality	Appointment	Termination/ reappointment	Tenure[3]
David Cole	Chair (as of the close of the AGM on 29 May 2019)	2 October 1961	Male	Dutch and American	1 January 2019, reappointment 19 May 2022	2026	6 years
Pauline van der Meer Mohr	Vice-chair (as of the close of the AGM on 2 June 2023) (recommended by Central Works Council)	22 February 1960	Female	Dutch	1 January 2023	2026	2 years
Inga Beale	Member	15 May 1963	Female	British	20 May 2021	2025[2]	3 years
Robert Jenkins	Member	17 January 1951	Male	American	2 February 2016, reappointment 28 May 2020, 24 May 2024	2026	9 years
Rob Lelieveld	Member (recommended by Central Works Council)	29 September 1962	Male	Dutch	1 September 2021	2025[2]	3 years
Cecilia Reyes	Member	3 February 1959	Female	Filipino and Swiss	20 May 2021	2025[2]	3 years
Koos Timmermans	Member	12 March 1960	Male	Dutch	24 May 2024	2028	<1 year

1 Hans Schoen's term of appointment ended at the close of the annual general meeting on 24 May 2024.
2 The current term of appointment of Inga Beale, Rob Lelieveld and Cecilia Reyes will end at the close of the annual general meeting to be held on 15 May 2025 ('2025 AGM'). As announced on 20 February 2025, the Supervisory Board has decided to nominate each of them for reappointment for a term of four years. The respective proposals will be submitted for adoption at the 2025 AGM.
3 Tenure up to the date of publication of this Annual Report.

Remuneration

Information on the remuneration of the members of the Supervisory Board can be found in the Remuneration Report, on p. 113-114.

Committees of the Supervisory Board

The Supervisory Board has established three committees: the Audit Committee, the Risk Committee, and the Nomination, Remuneration and Governance Committee.
The organisation, duties and working methods of the Supervisory Board committees are detailed in a separate charter for each committee. These charters are available on the NN Group website.
Information on the duties and responsibilities of the respective committees and their composition can also be found in the Report of the Supervisory Board on p. 97-102.

Conflicts of interest

In 2024, no transactions were entered into in which the interest of Executive Board members and/or Supervisory Board members conflicted with the interests of NN Group which are of material significance to NN Group and/or to the relevant board members.

Self-assessment and education programme

The Executive Board, Management Board and Supervisory Board conduct an annual self-assessment, (periodically) facilitated by an external party. A questionnaire filled out by the members of the Boards and evaluation sessions between the Boards form the bases for discussions on their functioning. As additional input for their evaluation, the Executive Board and Management Board members also make use of a survey filled out by their direct reports. During the year, the members of the Boards engage in reflective sessions to reassess the findings of their evaluation.
The Boards are committed to continuous education and professional development, ensuring its members possess and maintain the requisite skills and expertise to fulfill their duties, including sustainability related expertise. In accordance with e.g. the outcome of the self-assessments, the yearly reviewed diversity and skills matrix, the double materiality assessment (DMA) and identified material impacts, risks and opportunities (IROs), a permanent education programme is set up for the Boards every year. Furthermore, the Boards have access to inhouse expertise and external advisors.

Diversity and inclusion

NN Group aims to have an adequate and balanced composition of its boards. In order to ensure such composition at all times, several relevant selection criteria are balanced and (re)appointments to these boards are made on the basis of harmonised policies, including the D&I Policy, and in accordance with legal and regulatory requirements.

The objective of the D&I Policy is to set forth our approach to reaching a diverse and inclusive composition of NN Group's boards and senior management. In order to get to a balanced composition of our Boards (and senior management), the appointment procedures for Executive Board members, Management Board members and Supervisory Board members, as well as the NN Group Human Resources Framework Standard, applicable to the Management Board members and (other) members of our senior management (excluding Executive Board members), include various principles and targets regarding the recruitment and appointment or nomination (where applicable) for these positions. These principles and targets, and the guiding principles included in the profile of the Executive Board and Management Board, and the profile of the Supervisory Board, as well as in the D&I Policy, are taken into account when (re)appointing board members.
This means that in board composition (and senior management) we strive for a balanced representation in nationality, nation of origin, race, ethnicity, languages spoken, belief system, gender, age, sexual orientation, neurodiversity and physical diversity.
In addition, there has to be a balance in the affinity with the nature and culture of the business of the company and its subsidiaries.
As of 1 January 2021, NN Group aims to have a gender diversity of at least 40% women and 40% men on its boards.

As of 2021, NN Group also has a target to have at least 40% women in senior management positions. Since 2022, these positions include the Management Board, managerial positions reporting directly to a Management Board member and senior managerial positions reporting to a business unit CEO.
With the application of ambitious gender diversity targets for its boards, and the target to have more than 40% women in senior management positions (by 2025), NN Group complies with the requirement to set ambitious gender diversity targets as included in the act on gender diversity in boards of Dutch companies *(Wet tot wijziging van Boek 2 van het Burgerlijk Wetboek in verband met het evenwichtiger maken van de verhouding tussen het aantal mannen en vrouwen in het bestuur en de raad van commissarissen van grote naamloze en besloten vennootschappen,* 'the Act on gender diversity') which entered into force on 1 January 2022.
In support of our ambitious gender diversity targets, NN Group has set an action plan, that has also been adopted by the (other) NN Group companies in scope of the Act on gender diversity. This action plan supports a healthy and diverse succession pool for senior management throughout the organisation, as part of our Diversity and Inclusion and Key Talent Management policy and processes.

We have set out various actions on the different drivers behind our Diversity and Inclusion roadmap such as: enhanced processes, data & monitoring, visibility & networks, and mindset & awareness.
Actions include the following:
- The 40% target must be taken into account in the succession planning and process for appointments of persons in board and senior management positions;
- At least once a year Talent Review & Succession Planning sessions for senior management positions are organised;
- Strive for a minimum of 50% females on shortlists for senior management positions;
- A list of female talent pool is kept and participation in succession planning sessions and leadership and development programmes is ensured;
- Engagement with female talent pool and increase

visibility, such as networking events, mentoring programme Women in Leadership Network, etc.
- Carrying out equal pay analysis.

Composition of NN Group's Executive, Management and Supervisory Boards and senior management

NN Group's aim to have a gender diversity of at least 40% women and 40% men for its boards, and the fact that its Executive Board consists of only two members, requires the Executive Board to consist of one female and one male. In 2023, the composition of the Executive Board was 50% female and 50% male, meeting this target. Considering the limited number of members in the Executive Board, achieving a well-rounded representation of the diverse criteria outlined in our D&I Policy is challenging.
As the Executive Board members are part of the Management Board as well, we prioritise attaining diversity balance in the Management Board. For the Management Board, NN Group also aims to have a gender diversity of at least 40% of both women and men. In 2024, the gender diversity of the Management Board was 37.5% female and 62.5% male. The succession of Bernhard Kaufmann, former CRO of NN Group, by Wilbert Ouburg as per 1 October 2024 has not altered the gender diversity of the Management Board. Mr Ouburg's appointment followed a thorough process, resulting in his selection as the preferred candidate. Mr Ouburg, the only Gen Y/Millennial in the Management Board brings generational diversity. Throughout 2024, the Management Board was diverse and inclusive, its members representing a broad diversity of thought. In addition, the affinity with the nature and culture of the business of the company and its subsidiaries was well balanced across the Management Board.

Although the act on gender diversity in boards of Dutch companies includes a statutory diversity quota of at least one-third for both women and men on supervisory boards of listed companies, NN Group aims to have a gender diversity of at least 40% of both women and men for its Supervisory Board.
As from 1 January 2024, the composition of the Supervisory Board is 43% female and 57% male.

As per the Supervisory Board's rotation schedule, the terms of appointment of Cecilia Reyes, Inga Beale and Rob Lelieveld will end as per the close of the AGM on 15 May 2025. As announced on 20 February 2025, the Supervisory Board has decided to nominate Inga Beale, Rob Lelieveld and Cecilia Reyes for reappointment as members of the Supervisory Board for another term of four years. The proposal will be submitted for adoption at the AGM to be held on 15 May 2025. If the proposed reappointments are adopted, the composition of the Supervisory Board as per the close of the AGM on 15 May 2025 will continue to be 43% female and 57% male.

In 2024, the composition of the Supervisory Board was diverse and inclusive. Despite many members belonging to the same age group, representation among other things of nationality, nation of origin, ethnicity, languages spoken, gender and sexual orientation was diverse, resulting in a board that is characterised by strong diversity of thought. In addition, the affinity with the nature and culture of the business of the company and its subsidiaries was well balanced across the Supervisory Board.

In future appointments of Executive, Management and Supervisory Board members, NN Group will continue to consider applicable laws and regulations, our D&I Policy and relevant selection criteria including but not limited to executive experience, experience in corporate governance of large stock-listed companies, and experience in the political and social environment in which NN Group operates.
As at 31 December 2024, 41% of senior management positions were held by women. More information on senior management positions and on inflow of employees can be found under 'Own workforce', p. 183-194 of this Annual Report, and is deemed to be incorporated by reference herein.

General meetings

Frequency, notice and agenda

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

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

Admission to general meetings

Each holder of shares in the share capital of NN Group entitled to vote, and each other person entitled to attend and address the general meeting, is authorised to attend the general meeting, to address the general meeting and to exercise voting rights.
For each general meeting, a statutory record date will, in accordance with Dutch law, be set on the 28th day prior to the date of the general meeting, to determine whose voting rights and rights to attend and address the general meeting are vested. Those entitled to attend and address a general meeting may be represented at a general meeting by a proxy holder authorised in writing.
The 2024 AGM of NN Group was held in hybrid form. Shareholders were able to attend in person or

virtually, or follow the meeting via a live webcast. Questions could be submitted in advance, as well as during the meeting in person or virtually. Voting rights could be exercised during the meeting in person or by electronic means. Shareholders could also exercise their voting rights by providing an electronic proxy with voting instructions in advance.

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

Powers of the General Meeting
The most important powers of the General Meeting are to:
- Appoint members of the Supervisory Board upon nomination of the Supervisory Board;
- Recommend persons to the Supervisory Board for nomination as a member of that board;
- Abandon its trust in the Supervisory Board;
- Release the members of the Executive Board and the members of the Supervisory Board from liability for their respective duties;
- Advise on the Remuneration Report;
- Adopt the remuneration policy for the members of the Executive Board and the remuneration policy for the members of the Supervisory Board, including the remuneration for the Supervisory Board members, upon a proposal of the Supervisory Board;
- Adopt the annual accounts;
- Appoint the external auditor;
- Approve resolutions of the Executive Board regarding important changes in the identity or character of NN Group or its business;
- Issue shares, restrict or exclude pre-emptive rights of shareholders and delegate these powers to the Executive Board, upon a proposal of the Executive Board which has been approved by the Supervisory Board;
- Authorise the Executive Board to repurchase shares;
- Reduce the issued share capital, upon a proposal of the Executive Board which has been approved by the Supervisory Board;
- Dispose the profit remaining after the payment of dividend on any outstanding preference shares and after a decision has been taken on the addition of all or part of the profits to the reserves, upon a proposal of the Executive Board which has been approved by the Supervisory Board;
- Amend the Articles of Association, upon a proposal of the Executive Board which has been approved by the Supervisory Board.

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

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

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

As at 31 December 2024, the board of NN Continuity Foundation consisted of three members who are independent from NN Group: Marc van Gelder (chair), Karin Bergstein (treasurer) and Steven Perrick (secretary).

Issuance of shares and pre-emptive rights
The General Meeting may resolve to issue shares in the share capital of NN Group, or grant rights to subscribe for such shares, upon a proposal of the Executive Board which has been approved by the Supervisory Board.
The Articles of Association provide that the General Meeting may delegate the authority to issue shares, or grant rights to subscribe for shares, to the Executive Board, upon a proposal of the Executive

Board which has been approved by the Supervisory Board.

If the Executive Board has been designated as the body authorised to resolve upon an issue of shares in the share capital of NN Group, the number of shares of each class concerned must be specified in such designation. Upon such designation, the duration of the designation shall be set, which shall not exceed five years. A resolution of the Executive Board to issue shares requires the approval of the Supervisory Board.
Upon the issue of new ordinary shares (or the granting of rights to subscribe for ordinary shares), each holder of ordinary shares in the share capital of NN Group has a pre-emptive right in proportion to the aggregate nominal value of his or her shareholding of ordinary shares.

Holders of ordinary shares have no pre-emptive right upon (a) the issue of new ordinary shares (or the granting of rights to subscribe for ordinary shares): (i) against a payment in kind, (ii) to employees of NN Group or of a group company or (iii) to persons exercising a previously granted right to subscribe for ordinary shares, and (b) the issue of preference shares.

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

Designation of the Executive Board at the 2024 annual general meeting

Share issuance in the context of issuing Contingent Convertible Securities

On 24 May 2024, the General Meeting designated the Executive Board for a term of five years, from 24 May 2024 up to and including 23 May 2029, as the competent body to resolve, subject to the approval of the Supervisory Board, on the issuance of ordinary shares in the share capital of NN Group (including the granting of rights to subscribe for ordinary shares) upon conversion of any Contingent Convertible Securities (CCS) instruments in accordance with its terms and conditions during the term of the CCS instruments.
This authority of the Executive Board is limited to a maximum of 30% of the issued share capital of NN Group as at 24 May 2024. This designation enables the Executive Board to issue CCS instruments and to set the terms and conditions for any CCS instrument, including the limitation or exclusion of pre-emptive rights, the mechanism for the conversion and the conversion price.

Share issuance and limitation of pre-emptive rights

On 24 May 2024, the General Meeting designated the Executive Board for a term of 18 months, from 24 May 2024 up to and including 23 November 2025, as the competent body to resolve, subject to the approval of the Supervisory Board, to issue ordinary shares in the share capital of NN Group and to grant rights to subscribe for such shares, and to limit or exclude the pre-emptive rights of existing shareholders with respect to such issue of ordinary shares in the share capital of NN Group and such granting of rights to subscribe for ordinary shares. The authority of the Executive Board is limited to a maximum of 10% of the issued share capital of NN Group as at 24 May 2024.

Rights issue

On 24 May 2024, the General Meeting designated the Executive Board for a term of 18 months, from 24 May 2024 up to and including 23 November 2025, as the competent body to resolve, subject to the approval of the Supervisory Board, to issue ordinary shares in the share capital of NN Group and to grant rights to subscribe for ordinary shares by way of a rights issue. This authority of the Executive Board is limited to a maximum of 20% of the issued share capital of NN Group as at 24 May 2024.
This authority to issue shares may be used for any purpose, including but not limited to safeguarding or conserving the capital position of NN Group and mergers or acquisitions.

Acquisition of own shares

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

On 24 May 2024, the General Meeting authorised the Executive Board for a term of 18 months, from 24 May 2024 up to and including 23 November 2025, to acquire in the name of NN Group, subject to the approval of the Supervisory Board, fully paid-up ordinary shares in the share capital of NN Group. This authorisation is subject to the condition that, following such acquisition, the par value of the ordinary shares in the share capital of NN Group which are held by NN Group or for which NN Group holds a right of pledge, or which are held by its subsidiaries for their own account, shall not exceed 10% of the issued share capital of NN Group as at 24 May 2024. Shares may be acquired, on the stock exchange or otherwise, at a price not less than the par value of the ordinary shares in the share capital of NN Group and not higher than 110% of the highest market price of the shares on Euronext Amsterdam on the date of the acquisition or on the preceding day of stock market trading.

Cancellation of own shares

On 24 May 2024, the General Meeting adopted the proposal to reduce the issued share capital of NN Group by cancellation of ordinary shares held by NN Group in its own share capital up to a maximum of 20% of the issued share capital of NN Group as at 24 May 2024.

The cancellation may be executed in one or more tranches. The number of ordinary shares to be cancelled shall be determined by the Executive Board. Capital reduction shall take place with due observance of the applicable statutory provisions and the articles of association of NN Group.

Transfer of shares and transfer restrictions

The transfer of ordinary shares in the share capital of NN Group included in the Statutory Giro System must take place in accordance with the provisions of the Dutch Securities Giro Act ('Wet giraal effectenverkeer').

The transfer of shares in the share capital of NN Group not included in the Statutory Giro System requires an instrument intended for that purpose. To become effective, NN Group has to acknowledge the transfer, unless NN Group itself is a party to the transfer. The Articles of Association do not restrict the transfer of ordinary shares in the share capital of NN Group, while the transfer of preference shares in the share capital of NN Group requires the prior approval of the Executive Board. NN Group is not aware of the existence of any agreement pursuant to which the transfer of ordinary shares in the share capital of NN Group is restricted.

Significant shareholdings

Substantial shareholdings, gross and net short positions

Under the Dutch Financial Supervision Act, each legal and natural person having a substantial holding or gross short position in relation to the issued share capital and/or voting rights of NN Group that reaches, exceeds or falls below any one of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%, must immediately give written notice to the Dutch Authority for Financial Markets.

These notifications will be made public via the Register substantial holdings and gross short positions ('Register substantiële deelnemingen en bruto short posities') of the Dutch Authority for Financial Markets.

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

In 2024, no legal or natural person held at least 10% of the shares in NN Group, therefore NN Group did not enter into any transaction with any such person.

Information on shareholders with an (indirect) holding and/or gross short position of 3% or more can be found on p. 48 and is deemed to be incorporated by reference herein.

Dutch Corporate Governance Code

NN Group is subject to the Dutch Corporate Governance Code (Code). The application of the Code by NN Group during the financial year 2024 is described in the publication Application of the Dutch Corporate Governance Code by NN Group, dated 12 March 2025, which is available on the website of NN Group.
This publication is to be read in conjunction with this chapter and is deemed to be incorporated by reference herein. The Code is available on the website of the Dutch Corporate Governance Code Monitoring Committee (www.mccg.nl).

VNO-NCW Tax Governance Code

NN Group endorsed the VNO-NCW Tax Governance Code and reports on the application of its principles in the 2024 TTC Report, available on the NN Group website.

Articles of Association

The General Meeting may pass a resolution to amend the Articles of Association with an absolute majority of the votes cast, but only on a proposal of the Executive Board, which has been approved by the Supervisory Board.

NN Group's Articles of Association were last amended on 28 May 2020.

Change of control

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

The assignment contracts with the members of the Executive Board stipulate that in the event of an involuntary termination of the contract, including involuntary termination in connection with a public bid as defined in article 5:70 of the Dutch Financial

Supervision Act, members of the Executive Board are eligible to a termination arrangement. Such termination arrangement is limited to a maximum of one year base salary, in line with the Code and the Dutch Financial Supervision Act.

External auditor

The external auditor is appointed by the General Meeting upon nomination of the Supervisory Board, after recommendation by the Audit Committee. On 28 May 2015, the General Meeting appointed KPMG Accountants N.V. (KPMG) as the external auditor of NN Group for the financial years 2016 through 2019. On 29 May 2019, KPMG was reappointed as the external auditor of NN Group for the financial years 2020 through 2022. On 19 May 2022, KPMG was further reappointed as external auditor of NN Group for the financial years 2023 through 2025.

The external auditor may be questioned at the AGM in relation to its audit opinion on the annual accounts. The external auditor will therefore attend and be entitled to address this meeting. In 2024, the external auditor attended the AGM. The external auditor also attended the meetings of the Audit Committee and the Risk Committee of the Supervisory Board in 2024, as well as part of the meetings of the Supervisory Board where relevant, such as the meeting in which the 2023 Annual Accounts were approved.
In 2023, NN Group initiated the process to select a new external auditor as of the financial year 2026. It will be proposed to the General Meeting to appoint Ernst & Young Accountants LLP as its new external auditor for the financial years 2026 through 2029 at the AGM on 15 May 2025. More information on NN Group's policy on external auditor independence is available on the NN Group website.

Sustainability governance

Strategy setting

The Executive Board is responsible for the formulation and execution of the company's strategy, consistent with its position on sustainable long-term value creation. As redefined in 2023, our five strategic commitments reflect our focus on transforming our business (read more on p. 25-34). Our strategy remains aligned with long-term trends including sustainability matters.

The strategy pursued by the Executive Board is supervised by the Supervisory Board. Each Supervisory Board Committee covers sustainability matters that fall within its responsibilities and area of expertise.

Reporting the main points of discussion and recommendations to the Supervisory Board safeguards an integrated approach with regard to sustainability matters at Supervisory Board level.

The Management Board is entrusted with the day-to-day management and overall strategic direction of NN Group. This includes the setting and achievement of the company's objectives, and any sustainability matters it deems relevant.

The responsibility for sustainability matters of the Executive Board, the Management Board and the Supervisory Board and its Committees is laid down in each of these bodies' charters. To ensure the material IROs are considered in decisions made by either the Executive Board, Management Board or the Supervisory Board, the material IROs are integrated into the respective decision sheet templates.

As the Management Board comprises the members of the Executive Board, resolutions of the Management Board include the votes in favour by the members of the Executive Board, unless explicitly stated otherwise in the minutes of the meeting in which the decision was taken.

The responsibility of the Executive Board's Committees as mentioned below is laid down in the charters of these committees and reflected in NN Group's Governance Manual. The charters of NN Group's dedicated committees around sustainability to support the strategy execution and monitoring of progress include their respective responsibilities. Reference is also made below to various sustainability-related policy frameworks.

For the roles and responsibilities of the Executive Board, the Management Board and the Supervisory Board in the DMA process, reference is made to p. 131 of the Sustainability Statement.

Within the Management Board, the CPCSO, who reports to the CEO, has Sustainability and Social Impact, previously Corporate Citizenship[1], in her portfolio and is the sponsor of topics related to sustainability, climate, responsible investment and responsible insurance underwriting discussed in the Management Board. The CRO, also a member of the Management Board, and reporting to the CEO, has day-to-day responsibility for NN Group's Risk Management function.

The CRO is tasked with ensuring both the Management Board and Supervisory Board are informed of and understand at all times the material risks NN Group is exposed to, which also includes sustainability risks.

The General Counsel, also a member of the Management Board, ensures that both the Management Board and Supervisory Board are informed and understand the legal and compliance risks related to sustainability matters.

The CRO is also the sponsor of the NN Group ORSA, in which outcomes of scenario analyses, including climate change, are evaluated on an annual basis. To assess NN Group adheres to regulations related to sustainability matters, the NN Group Control Functions, including Risk and Compliance, are tasked with overseeing proper implementation and monitoring compliance. In addition, each of our Management Board members is responsible for promoting and integrating sustainability into their respective businesses or functions as relevant.

Sustainability matters are regularly on the agenda of the Management Board, covering items such as

[1] The Corporate Citizenship department included Sustainability, Community Investment and Art, Culture and History.

(material) policy changes and updates, assessments of external benchmarks and ratings, and sustainability risks and opportunities.

Providing information on IROs, the implementation of due diligence, and the results and effectiveness of policies, actions, metrics and targets adopted to address them, is embedded in our regular governance. This includes a structured approach to informing and educating the Management and Executive Boards and relevant committees. There is an integrated process for reporting on, for example, the results of the DMA, the quarterly risk report, the annual ORSA report, the annual strategic target setting and quarterly strategy updates.

During their formal meetings, the Executive, Management and Supervisory Boards also receive regular comprehensive updates on sustainability matters that fall outside the scope of the examples outlined above. These can be presented by experts from NN Group's Sustainability and Social Impact department and help ensure board members are well-informed on current sustainability issues. As sustainability is an integral part of NN Group's strategy and business model, the topic often forms part of the Boards' offsite agendas.

Furthermore, sustainability matters are integrated into the permanent education programme for the Supervisory Board, in which Executive and Management Board members also participate. Sustainability is also one of the topics in the induction programmes for new board members.

This structure is in place to support the Management Board as the decision-making authority over the outcomes of the DMA, sustainability related policies and standards, and other significant matters in this domain. The Board can then in turn discuss with the Supervisory Board to take steps under their supervision on how to further translate sustainability matters into NN Group's targets and strategy.

NN Group has the following dedicated committees around sustainability to support the strategy execution and monitoring of progress. See also the visual on p. 80.

Group Sustainability Council

NN Group has installed a Group Sustainability Council per 1 October 2024, to emphasize our focus on sustainability matters. The Group Sustainability Council is chaired by the Head of Sustainability and Social Impact and includes the heads of the relevant staff departments (including the second line of defense functions) and business unit managers. The CPCSO has a standing invitation to this Council and is closely aligned with the Head of Sustainability and Social Impact.

The Group Sustainability Council is set up to assist the Management Board in relation to sustainability matters by:

- Facilitating strategy implementation and monitoring execution and performance, including steering regulatory implementation;
- Discussing and consulting on material changes and developments.

The Group Sustainability Council is a consultative body, covering overarching sustainability strategy implementation, plans and targets of NN Group as a whole. Decision-making on sustainability strategy and target setting remains the responsibility of the Management Board.

The Group Sustainability Council incorporates the sustainability and social impact responsibilities of the former Purpose Council[1] and the responsibilities of the Taskforce Sustainability in Business Steering Committee. Both have ceased to exist as of the effective date of the Group Sustainability Council.

Performance on strategic targets is reported via a Strategy Dashboard, which is evaluated in the Group Sustainability Council and subsequently in the Management Board on a quarterly basis (see p. 79-80 for an explanation on target setting and monitoring).

Responsible Investment Committee

NN's Responsible Investment (RI) Framework policy describes our approach to integrating sustainability factors, including climate change, in our investment process. NN Group has an RI governance structure to facilitate multidisciplinary discussions and exchange of information between the right people at the right time. The RI Committee is chaired by the Group Chief Investment Officer, who reports to the CEO. Other members include the CPCSO, the CRO, and representatives from the RI team and Investment Risk Management. Representatives of Group Compliance and Group Legal have a standing invite. The RI Committee advises the Management Board on the RI strategy and policies, and oversees the RI approach of NN Group. It defines the net-zero roadmap and related action plans, and targets and performs oversight and steering of the net-zero ambition for the proprietary investment portfolio. It is authorised to decide on RI standards, non-material policies and updates, and investment restrictions. Material policy proposals and updates, such as the changes to the norms based RI criteria for sovereign bonds (scope Proprietary Assets), require approval of the Management Board, while asset-class-specific strategies for Paris Alignment require approval of both the RI Committee and the NN Group Investment Office Investment Committee. The RI Committee reports on progress and challenges at least once a year to the Management Board.

Controversy and Engagement Council

The Controversy and Engagement Council plays a key role in monitoring and overseeing NN Group's direct, collaborative and delegated controversy engagement activities. The Council is chaired by a member of the RI team, with members from NN Group's Investment Office and Sustainability and Social Impact department. The Council meets quarterly to discuss progress on engagement activities and determine necessary steps to achieve engagement objectives at the individual company level.
In addition to its oversight and advisory function, the Council provides inputs and recommendations to the RI Committee, which validates whether engagement remains feasible or if a company should be added to the NN Group Restricted List.

[1] NN Group introduced its Purpose Council in 2019, consisting of several Management Board members, heads of relevant staff departments and business representatives, which was chaired by the CPCSO and sponsored by the CEO. The Purpose Council supported the Management Board in steering, measuring and reporting on targets related to customers, people and society.

Responsible Insurance Underwriting Committee

The RIU Committee is chaired by the CEO of NN Re, who reports to the CRO. Members include the Manager Group Sustainability and representatives of Group Risk, Netherlands Life, Netherlands Non-Life and NN Insurance International. Representatives of Group Compliance and Group Legal have a standing invite. This Committee strategically discusses sustainability matters for NN's insurance underwriting activities; drafts and keeps oversight on NN Group RIU-related policies, standards and guidelines; proactively aligns and guides responsible insurance throughout the company; and reports to the Management Board on progress. RIU-related policies and standards require approval of the Management Board. NN published its Responsible Insurance Underwriting Framework Policy in 2024. The RIU Framework Policy provides direction on the integration of sustainability matters in insurance underwriting and product development. It is intended to support NN Group in incorporating sustainability matters into insurance activities.

Strategy execution and integration in operating model

NN Group has a dedicated Sustainability and Social Impact department, with a Sustainability expert centre, to advise the Management Board on the implementation of the overall approach to sustainability. The experts work closely together with the different business units and functions to steer and advise on embedding sustainability matters into their business in accordance with the overall strategy. This includes our net-zero commitments, with a focus on accelerating the transition to a low-carbon economy, an RI strategy and sustainability-related strategic targets. Within NN Group, we have a dedicated RI team that consists of several ESG and RI professionals from within NN Group's Sustainability and Social Impact department and the NN Group Investment Office.
To meet regulatory requirements, further embed sustainability in our products and services, and build sustainability capabilities throughout the organisation, in 2022 we set up a Task Force Sustainability in Business (TFSB) for, in principle, a period of two years. With the additional dedicated resources, we have accelerated our efforts and provided our business units with guidance and support in implementation. The Taskforce's activities were transferred to the line organisation in the fourth quarter of 2024 and its Steering Committee's responsibilities have been taken over by the Group Sustainability Council.

Target setting

As part of its strategy, NN has defined strategic commitments. Each commitment is linked to targets, some are financial and some are not directly related to financial performance. The non-financial or strategic targets may include environmental, social and governance (ESG) goals, such as reducing carbon emissions, increasing employee diversity or building stronger communities. The sustainability targets are linked to policy objectives in the areas of responsible insurance underwriting, responsible investment, diversity and community investment, and to our net-zero strategies and climate action plans. NN Group recognises that achieving these targets is critical for creating sustainable long-term value for all stakeholders, including our customers, employees, investors, business partners and society at large.

Targets on sustainability matters

For our target setting we look at the material sustainability matters as outcome of the DMA we perform on a periodical basis. Through our DMA we gather views and insights from our internal and external stakeholders such as but not limited to customers, industry organisations and NGOs. The outcome is used as input for the company's strategy, helps to identify which sustainability matters are most material and provides the basis for target-setting. It must be noted that the long-term commitments, intermediary milestones and targets in place for 2024 and beyond have been set before the CSRD regulation was sufficiently developed.

Material matters have been identified through a sound impact materiality assessment that NN Group has been performing since 2014, by actively involving internal and external stakeholders, based on the Global Reporting Initiative standards (GRI). In the 2023 assessment, we applied GRI for the last time and changed approach to double materiality from a GRI to a CSRD approach.

NN Group's long-term commitments (e.g. Net-zero carbon proprietary investment portfolio 2050) have been made over recent years, and so have intermediary targets and milestones. The strategic targets in place have been developed mostly in 2022, when NN Group had its latest Capital Markets Day update, and since then updated and fine-tuned in line with relevant internal and external developments. For our current targets internal stakeholders have been involved in the target setting process; views of external stakeholders have been captured as part of our regular stakeholder engagement processes and the DMA. These views are taken into consideration in the target setting process. Going forward NN aims to further develop our processes to involve stakeholders in our target setting.

At the end of 2024, a Sustainability Target Setting Procedure document was created, which sets out the process, requirements, roles and responsibilities for sustainability matters target setting. The provisions of this procedure are to be observed for the target setting and updating for 2025 targets and beyond, and cover CSRD-specific requirements related to target setting.

Responsibility for target setting

The Management Board of NN (MB) is entrusted with the overall strategic direction of NN, more specifically with respect to the setting and achievement of NN's objectives. It is its responsibility to steer, measure and report on a number of sustainability matters that are relevant for the strategy, and related to customers, employees and society. In practice this means that the MB is responsible for deciding on strategic targets on sustainability matters. The Management Board each year sets the strategic targets that are linked to the commitments towards our customers, people and society. The Supervisory Board approves the NN Group strategic targets, as part of the annual Business Plan process.

Sustainability is embedded in our governance

Strategy setting

Supervisory Board
Supervises the strategy pursued by the Executive Board.

Executive Board
Is responsible for the formulation and execution of the company's strategy, which includes our net-zero ambition.

Management Board
Is responsible for the company's day-to-day management and overall strategic direction. This includes the setting and achievement of the company's objectives and any sustainability matter it deems relevant. The Management Board is responsible for risk taking and management.

Strategy execution and monitoring

Group Sustainability Council
Assisting Management Board in relation to sustainability matters, by:
- Facilitating strategy implementation and monitoring execution and performance, including steering regulatory implementation.
- Discussing and consulting on material changes and developments.
- Incorporates the sustainability and social impact responsibilities of the former Purpose Council[1] and the responsibilities of the Taskforce Sustainability in Business Steering Committee[2], both of which ceased to exist as of the effective date of the Group Sustainability Council.
- Chaired by Head of Sustainability and Social Impact, includes heads of staff and BU managers; CPCSO standing invitation.

Responsible Investment Committee
- Advises Management Board on RI strategy and material policies, including net-zero investment target.
- Decides on RI standards, non-material policies and updates, and investment restrictions.
- Chaired by CIO, members include CPCSO, CRO, RI Team and IRM.

Responsible Insurance Underwriting Committee
- Advises Management Board on RIU strategy, including net-zero insurance underwriting targets.
- Chaired by CEO NN Re, members include representatives Netherlands Life, Netherlands Non-life, and Risk Management; Compliance and Legal standing invitation.

Asset and Liability Committee
- Oversees the activities and market risks related to investments and the matching of assets and liabilities, including sustainability risks.

Operational implementation

Centre of Expertise Group Climate Risk Assessment
Develop necessary methodology for measuring climate risk and ensure delivery of regulatory requirements related to climate change.

Centre of Expertise Group functions Business units
Develop and implement sustainability policies and standards and embed in day-to-day operations.

Cross-functional working groups
Ensure there is internal alignment and oversight on specific topics (e.g. net-zero strategy, biodiversity).

Controversy and Engagement Council
- Monitoring and overseeing engagement activities, and advising the RI Committee on potential restrictions.
- Chaired by the RI team, members include representatives from NN Group's Investment Office and the Sustainability and Social Impact department.

2nd Line of defence

Enterprise Risk Management (ERM), Investment Risk Management (IRM)
Integrates sustainability in risk framework and policies, risk management and reporting, and helps mitigate strategic, financial and non-financial risks.

Compliance and Legal
The functions review, challenge and support management in setting and realising its sustainability strategy and targets, as well as identifying and assessing sustainability risks.

Pricing and underwriting
Pricing and underwriting, including sustainability aspects, are either a responsibility of the local management board, or a dedicated Product Risk Committee (PRC).

Executive Board compensation
Several strategic targets linked to the Executive Board's variable remuneration are related to sustainability, including the contribution to the transition to a low-carbon economy and the reduction of our direct environmental footprint. These climate-related targets set measurable reduction targets for a specific year.

Education and training
The Executive Board, Management Board, Supervisory Board and senior management attend knowledge sessions on our sustainability developments, the regulatory landscape, and our net-zero strategy from internal and external experts. We have introduced specific learning modules for specialists and a general sustainability training for all employees in 2023, further enhanced in 2024.

1 NN Group introduced its Purpose Council in 2019, consisting of several Management Board members, heads of relevant staff departments and business representatives, which was chaired by the CPCSO and sponsored by the CEO. The Purpose Council supported the Management Board in steering, measuring and reporting on targets related to customers, people and society.
2 In 2022 NN Group set up its Task Force Sustainability in Business (TFSB) and the Taskforce's Steering Committee for, in principle, a period of two years. With the additional dedicated resources, NN Group has accelerated our efforts and provided our BUs with guidance and support in implementation.

Risk governance

NN Group's risk governance follows the three lines concept, which outlines the decision-making, execution and oversight responsibilities for NN Group's risk management. This structure has been embedded at both Head Office and business unit level.

The three lines approach defines three levels, each with distinct roles, decision authorities, execution responsibilities and oversight responsibilities. This concept helps that risks are managed in line with the risk appetite.

First line: Executive Management

The first line consists of the CEO of NN Group and the CEOs of the business units, as well as their management. They make business decisions and take risks, with primary accountability for the performance, sales, operations, investments, compliance and risk management of the company. This happens both on the executive as well as process level of the organisation.

More information on the Executive Board, Management Board and the Supervisory Board and its committees, including their risk management responsibilities, can be found earlier in this chapter.

NN Group gives direction to business units around risk taking via the risk appetite framework and related policies and standards. NN Group's policies and standards ensure that risks are managed consistently and that NN Group as a whole aims to operate within the risk appetite and related risk limits and tolerances. The policies and standards focus on risk measurement, risk control and risk governance. Policies and standards have to be approved by the Management Board.

Business units may perform all activities independently and may make decisions that are consistent with the strategy of NN Group and the approved (three-year) business plan and NN Group's values, in line with the risk appetite and compliant with NN governance, policies, standards, laws and regulations. Decisions can be made by a business unit CEO, unless decisions require approval of, for example, the Management Board, specific Management Board members or the Supervisory Board, pursuant to the NN Group Decision Structure.

The business unit CEOs are responsible for:
- The profitability, as well as the business and operational activities, and as such the risk and control, in their respective areas;
- The execution in their respective areas of any strategies that conform to the strategic framework of NN Group;

Three lines[2]

Executive Management

First line

- Make business decisions
- Accountable for financial performance, sales, operations, investments, underwriting
- Accountable for risk taking

Risk, Actuarial, Legal and Compliance teams

Second line

- Support management in their decision-making and risk/return trade-offs
- Countervailing power to prevent risk concentrations and unwanted/excessive risk taking
- Developing policies for their specific risk and control areas
- Encouraging, challenging and monitoring sound risk management throughout NN
- Escalation power in relation to business activities that are judged to present unacceptable risks to NN

Corporate Audit Service

Third line

- Provides independent assurance on the effectiveness of NN Group's business and support processes, including governance, quality of risk management and quality of internal controls
- Assesses first line activities as well as second line activities

[2] The Risk Management, Compliance, Actuarial and Internal Audit functions are key functions under Solvency II and apply the regulatory requirements as part of their responsibility.

- Fulfilling their statutory responsibilities;
- Implementing and maintaining a sound control framework and operating in accordance with laws and regulations, NN Group governance, policies, standards and internal controls, and NN values;
- Sustainability of the corresponding business unit over the long term; and
- Sharing best practices across NN Group.

Regular oversight interaction between Head Office and business units takes place with respect to, among other things, product approval, mandate approval, risk-limit setting, risk reporting, ORSA, policy setting and implementation monitoring, model and assumption review and validation. These interactions cover all types of risks.

Ad-hoc interactions also take place when a business unit proposes a material business initiative for which any Management Board member has the right to initiate a risk review. A risk review can also be initiated to investigate a significant incident or unexpected significant adverse business performance. A risk review is an in-depth risk analysis of the object in scope concluding with a risk opinion and advice where relevant.

Risk-related committees for NN Group
The Executive Board has established the following risk-related committees: Crisis Committee, Disclosure Committee, Compensation Committee (CompCo), Asset & Liability Committee (ALCO) and Model Committee (MoC).

Second line: Risk Management, Compliance, Actuarial and Legal

Risk Management function
Within the Management Board, the CRO is entrusted with the day-to-day execution of the Risk Management function, while the Legal function and Compliance function fall within the responsibility of the General Counsel.

The NN Group CRO steers an independent risk organisation which supports the first line in its decision-making, but which also has sufficient countervailing power to prevent excessive risk taking. The NN Group CRO is also responsible for the organisation of Group Risk at Head Office level. The NN Group CRO must ensure that both the Management Board and the Supervisory Board are at all times informed of and understand the material risks to which NN Group is exposed.

Responsibilities of the Risk Management function include:
- Setting, and monitoring compliance with, NN Group's overall risk policies;
- Formulating NN Group's risk management strategy and ensuring that it is implemented consistently throughout NN Group's organisation;
- Supervising the operation of NN Group's risk management and business control systems, including NN Group's Partial Internal Model (PIM);
- Reporting on NN Group's risks, as well as the effectiveness of internal business controls;
- Making risk management decisions with regards to matters which may have an impact on the financial results of NN Group or its reputation, without limiting the responsibility of each individual member of the Management Board in relation to risk management;
- The NN Group Internal Model, including all internal-model-related activities such as model development and model validation; and
- Provide, together with the other second line functions, a second line opinion when first line business initiatives can materially impact the risk profile of a business unit or NN Group and/or provide additional assurance for presented key first line risk-related information.

The Group Risk function supports the NN Group CRO in the execution of his duties and responsibilities, and consists of four departments:
- CRO International Organisation (CRO IO): performs functional oversight and has regular involvement in BU risk management for International BUs, as well as sets policies, and provides expert support to the CRO on product, pricing and underwriting risks;
- Enterprise Risk Management (ERM): includes Emerging, Strategic, Operational & IT Risk Management, Business Continuity and GRC tooling, as well as risk integration and reporting;
- ALM & Investment Risk Management (A&I): includes risk management related to investments and ALM, as well as Solvency II risk modelling of market and counterparty default risks; and
- Risk Models & Analytics (RM&A): includes Internal Model governance and reporting (including related systems), as well as Model Validation.

In addition, the responsibility for non-market risks models lies within the business units.

The business unit CROs of NN Life & Pensions, NN Non-life and NN Bank report functionally to the NN Group CRO. The International business unit CROs, as well as CRO NN Re, report functionally to the Director CRO of IO. All business unit CROs report hierarchically to their respective business unit CEOs.

Model Validation

Model Validation aims to ensure that NN Group's models are fit for their intended use and is part of the Group Risk function. For this purpose, Model Validation carries out validations of risk and valuation models related to Solvency II and, among other things, IFRS regulation. Models are typically developed within first line teams, or within the second line risk team, separate from Model Validation. Any changes to models that have an impact larger than certain pre-set materiality thresholds require approval from either the NN Group CRO, NN Group CFO or the NN Group Management Board.

NN Group's Model Validation process ensures the design and operation of the models continuously and appropriately reflects the risk profile of the undertakings concerned. Any deficiencies identified must be mitigated in time to limit model risk, so Model Validation can perform different types of validations during the lifecycle of a model to assure the reliability of a model and mitigate the identified Model Risk.

The validation process covers a mix of developmental evidence assessment, process verification and outcome analysis. The validation cycle determines the maximum period between two model validations, which can be up to five years. This means that each model in scope will be independently validated at least once within the validation cycle. Model Validation can also start validating before the due date, for example following specific portfolio/market developments or regulatory changes. Materiality of a model is determined based on quantitative and qualitative criteria. Quantitative criteria relate to, among other things, a percentage of Market Value of Liabilities/Assets, or Solvency Capital Requirement. Qualitative criteria cover model complexity, strategic importance and other factors. Models with a higher materiality are validated more frequently. Depending on the materiality of the model, as well as the severity of findings resulting from a model validation, models receive a validation opinion. Models with severe findings require remediation actions by management, such as further adjustments of the model, with a set timeline.

Compliance function and Legal function

Within the Management Board, the General Counsel is entrusted with the day-to-day responsibility for NN Group's Legal function and the Compliance function. The General Counsel steers an independent compliance and legal organisation which supports and challenges the first line in its decision-making with sufficient countervailing power to prevent excessive risk taking.

The General Counsel is responsible for the organisation of Group Legal at Head Office level. At the business unit level, management establishes and maintains a Legal function and appoints a Head of Legal. The Head of Legal in principle reports hierarchically to the business unit CEO. The Heads of Legal have a functional reporting line to the General Counsel. The General Counsel must ensure that both the Management Board and the Supervisory Board are at all times informed of and understand the material legal and compliance risks to which NN Group is exposed.

To effectively manage business conduct risk, NN Group has an independent Compliance function headed by a Chief Compliance Officer who is the Key Function Holder for Compliance and who has a direct reporting line to the General Counsel. The Compliance function is positioned independently from the business it supervises. This independent position is, among other things, warranted by independent reporting, unrestricted access to senior management as well as structural, periodic meetings of the Chief Compliance Officer with the NN Group CEO and the chair of the Risk Committee of the Supervisory Board.

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

Within NN Group's broader risk framework, the Compliance function provides an independent second line function. Responsibilities of the Compliance function include to:

- Understand and advocate rules, regulations and laws for the effective management of risks in scope of the Compliance function;
- Proactively work with and advise the business to manage sound business conduct, people conduct and product suitability risk throughout our products' life cycle and our business' activities to meet stakeholder expectations;
- Develop and enhance tools to enable the three lines to detect, communicate, manage and report on business conduct risks;
- Support NN Group's strategy by independently and objectively challenging decision-making in relation to and management of risks in scope of the Compliance function whereby a risk-based approach is used to align business outcomes with NN Group's risk appetite;
- Foster a sound risk culture by encouraging a culture of trust and accountability and addressing non-compliant or otherwise non-constructive conduct in an appropriate manner;
- Develop and maintain a framework to advise and support the first line in adhering to material laws and regulations as described in the Compliance Function Charter; and
- Monitor that management and employees act in accordance with NN Group's policies and standards, as well as relevant material laws and regulation pertaining to integrity and conduct.

At the business unit level, management establishes and maintains an independent Compliance function and appoints a Head of Compliance. The Head of Compliance in principle reports hierarchically to the business unit CEO. In addition, the Head of Compliance has a functional reporting line to the Chief Compliance Officer. Moreover, the Compliance function keeps close contact with home and local supervisors via regular meetings in which current issues are discussed, as well as internal and external developments and their impact on NN Group and the Compliance function.

Actuarial function

The Actuarial function reports hierarchically to the NN Group CRO and has in addition a functional reporting line to the NN Group CFO for responsibilities outside the scope of the Actuarial function. The primary objective of the Actuarial function is to review whether technical provisions (under Solvency II and IFRS) are reliable and adequate, such that NN Group is able to meet its obligations towards policyholders. The Actuarial function operates within the context of NN Group's broader Risk Management System. Within this system, the role of the Actuarial function is to:

- Understand and advocate the rules, regulations and laws for effective management of the calculation process of technical provisions, covering elements such as data quality, assumption setting, models and methods, as well as underwriting and reinsurance arrangements;
- Proactively advise the business to manage the risk of unreliable and inadequate technical provisions;
- Inform management and the Supervisory Board on its opinion on the adequacy and reliability of the (calculation of) technical provisions, the adequacy of reinsurance arrangements and the underwriting policy on an annual basis at least through the Actuarial Function Report;
- Develop and enhance tools to strengthen the three lines to detect, communicate, manage and to report on risks related to unreliable or inadequate technical provisions;
- Support NN Group's strategy by establishing clear roles and responsibilities to help embed good (actuarial) practices throughout the organisation by using a risk-based approach to align insights with NN Group's risk appetite;
- Strengthen the culture of professional risk management by challenging management and experts to increase the culture of trust, accountability, transparency and integrity in evaluating, managing and reporting on risks to unreliable or inadequate technical provisions; and
- Provide a second line opinion when first line business initiatives can materially impact the risk profile of a business unit or NN Group and/or provide additional assurance for presented key first line risk-related information.

Third line: Corporate Audit Services

Corporate Audit Services (CAS) provides independent assurance on the effectiveness of NN's business and support processes, including governance, quality of risk management and quality of internal controls. They assess the first line and the second line activities. CAS supports NN Group in accomplishing its mission and objectives through a systematic, documented approach to examine, evaluate and improve the design and effectiveness of (NN Group's framework of) governance, risk (management) processes, and internal control.
CAS keeps close contact with home and local supervisors and regulators, as well as with the external auditor via regular meetings in which current (audit) issues are discussed, as well as internal and external developments and their impact on NN Group and CAS. CAS also provides information such as risk assessments and relevant (audit) reports.

The Head of CAS and all CAS employees are authorised to:

- Obtain without delay, from general managers within NN Group, information on any significant incident concerning NN Group's operations, including but not limited to security, reputation and/or compliance with regulations and procedures;
- Obtain without delay, from responsible managers within NN Group, a copy of all letters and reports received from external review agencies (e.g. external auditor, supervisors, regulators and other agencies providing assurance-related services);
- Have free, full, unrestricted and unfettered access – at any time deemed appropriate – to all NN Group departments, offices, activities, books, accounts, records, files, information. CAS must respect the confidentiality of (personal) information acquired;
- Require all NN Group staff and business management to supply such information and explanations, as may be needed for the performance of assessments, within a reasonable period of time;
- Allocate resources, set frequencies, select subjects, determine scope of work and apply appropriate techniques required to accomplish the CAS's objectives;
- Obtain the necessary assistance of personnel in various departments/offices of NN Group where CAS performs audits, as well as other specialised/professional services where considered necessary from within or outside NN Group. CAS exercises its authority with the minimum possible disruption to the day-to-day activities of the area being assessed; and
- In compliance with the Code, the Executive Board is responsible for the role and functioning of CAS, supervised by the Supervisory Board, supported by the Audit Committee of the Supervisory Board. The Head of CAS is accountable to the NN Group CEO and functionally (independent) to the chair of the Audit Committee of the Supervisory Board. On a day-to-day basis the Head of CAS reports to the NN Group CEO.

Sustainability risk management

Responsibilities for managing sustainability risks follow the overall risk governance of NN Group as described on p. 81 'Risk governance'. The main responsibilities around sustainability risks are described below, and are based on the three lines model. Integration of sustainability risks in our regular risk governance is still developing, among other things driven by the emerging character of the related risks. Over time they will become a regular part of (risk) management activities.

First line: Executive Board, management boards and other managers

The Executive Board and other managers are responsible for setting sustainability-related targets, policies and actions, as well as risk taking and mitigation. The basis for defining material sustainability IROs is the DMA, informed by other (risk) management processes.

Investments are managed in the first line through a dedicated Central Investment Office (CIO), which is among other things responsible for the investment strategy (including our net-zero strategy), Strategic Asset Allocation, and managing/monitoring the investment mandates and asset managers. This includes managing related market risks, including sustainability risks.

The Asset & Liability Committee (ALCO) oversees the activities and market risks related to investments and the matching of assets and liabilities, including sustainability risks. This includes approving related policies, monitoring performance of the investment portfolios and setting/monitoring adherence to several financial risk limits and tolerances.

Product management is typically locally arranged, given the local characteristics of the market and customers. Pricing and underwriting, including sustainability aspects, are either a responsibility of the local management board, or a dedicated Product Risk Committee (PRC). Centrally and across all NN Group business units, a Product Approval and Review Process (PARP) is applied for proper product design, product suitability, sound underwriting and claims management, and adequate pricing of existing and new products. As part of the PARP procedure, sustainability risks are assessed as part of overall pricing, as well as to what extent product information properly reflects sustainability characteristics.

Second line: Risk, Actuarial, Compliance and Legal teams

The Risk, Compliance and Legal functions have dedicated resources working on sustainability matters. The functions review, challenge and support management in setting and realising its sustainability strategy and targets, as well as identifying and assessing sustainability risks. Our Risk, Compliance and Legal functions support our business lines with implementing sustainability related regulations, including integrating this into NN's own risk and control framework. As such, second line teams are represented in different committees mentioned elsewhere in the Corporate Governance section, as well as different project bodies. Reference is made to those paragraphs for more details.

In 2022, NN established a Centre Of Expertise (CoE) on Climate and Sustainability Risks, that brings together experts from the first and second line to share knowledge and ensure delivery of mandatory deliverables, with a specific focus on climate risks. Since 2023, an overall dedicated steering committee, representing different teams from first and second line, meets regularly and discusses/approves methodologies, risk assessment results and other documents relevant to managing NN Group's climate risks.

Tasks within the second line are:

- The Enterprise Risk Management team coordinates the overall CoE on climate risks, coordinates a materiality assessment into climate risks, delivers input into the DMA, develops methodologies to assess and monitor climate risks and coordinates the yearly ORSA, which includes stress testing and scenario analysis of climate risks;
- The Investment Risk team issues second line opinions on investment (risk) proposals. Furthermore, the team is involved in developing further understanding how sustainability risks might impact value of assets and develop risk mitigation strategies for this;
- The CRO International Office team coordinates the Product & Underwriting CoE, which owns several product, pricing and underwriting related policies;
- The Chief Actuary Office is involved in assessing sustainability risks that might impact pricing and underwriting assumptions, as well as the overall technical provisions of NN;
- Group Legal and Compliance are involved in the relevant sustainability committees and projects, supporting and challenging from their respective areas of responsibility. They provide second line views and, where applicable, second line opinions, deliver input into relevant parts of the DMA, and, together with Risk, coordinate and oversee the PARP;
- Group Compliance is involved in the sustainability risks that might impact the risks in scope of the Compliance function and certain strategic risks, with a focus on commitments, conduct, and potential impact on customer or society; and
- Group Legal is involved in monitoring legislative developments arising from new and changing laws and regulations, as well as disclosures, including the potential risk of greenwashing.

Third line: Corporate Audit Services (CAS)

CAS, as internal audit department, incorporates ESG elements (e.g. CSRD reporting) into the annual risk assessment and audit planning process to define a proper audit response. In 2023 CAS performed an assignment on the SFDR implementation throughout NN Group and in 2024 an assignment on the set-up of the CSRD dataflows.

System of Governance evaluation in 2024

In 2024, various elements of NN Group's System of Governance were reviewed and discussed by the Management Board. Where appropriate improvements were implemented.

Corporate Governance Statement

This chapter also serves as the corporate governance statement referred to in section 2a of the Decree contents of the management report (Besluit inhoud bestuursverslag). This includes parts of this Annual Report incorporated by reference, together with the separate publication 'Application of the Dutch Corporate Governance Code by NN Group', dated 12 March 2025 and available on the NN Group website.

From left to right:
Frank Eijsink
Janet Stuijt
David Knibbe
Annemiek van Melick
Tjeerd Bosklopper
Wilbert Ouburg
Dailah Nihot
Leon van Riet

Our Management Board

David Knibbe
Chief Executive Officer

Appointment

Appointed to the Executive Board and designated as Chief Executive Officer (CEO) of NN Group and as a result chair of the Executive Board and Management Board effective 1 October 2019 and was reappointed on 2 June 2023.

Role and experience

Mr Knibbe is responsible for the business strategy, performance and day-to-day operations of NN Group. He has been a member of the Management Board since 7 July 2014, at which time he served as CEO Netherlands. His previous positions include CEO of ING Insurance Europe. Mr Knibbe holds a Master's degree in monetary economics from the Erasmus University in Rotterdam (the Netherlands). He is member of the board and treasurer of the Confederation of Netherlands Industry and Employers (VNO-NCW), member of the Federative Board VNO-NCW and MKB NL, member of the board of the Johan Cruyff Foundation, member of the advisory board of JINC, member of the Hoogeschoolraad of Vereniging Trustfonds Erasmus University, member of the Geneva Association, member of the Pan-European Insurance Forum, member of the World Economic Forum's Alliance of CEO Climate Leaders and Governors meeting Financial Sector, supervisory board member of Stichting Erasmus Trustfonds, and societal member of the KHMW.

Annemiek van Melick
Chief Financial Officer

Appointment

Appointed to the Executive Board and designated as Chief Financial Officer (CFO) and as a result vice-chair of the Executive Board and Management Board effective 1 July 2022.

Role and experience

Ms van Melick is responsible for NN Group's finance departments and investor relations. Her previous positions include CFO at a.s.r.. She holds a degree in business administration from Nyenrode Business University (the Netherlands) and a law degree from Utrecht University (the Netherlands). She is member of the supervisory board and chair of the audit committee at Royal Swinkels Family Brewers Holding N.V., and member of the CFO Forum.

Tjeerd Bosklopper
Chief Executive Officer Netherlands Non-life, Banking & Technology

Appointment

Appointed CEO Netherlands Non-life, Banking & Technology and member of the Management Board as of 1 June 2020.

Role and experience

Mr Bosklopper is responsible for the Dutch Non-life and Banking business segments, Customer & Digital, NN Ventures, IT and procurement globally. He was CEO Netherlands ad interim from 17 December 2019 until 1 June 2020. He was appointed to the Management Board of NN Group as Chief Transformation Officer on 1 September 2018. Mr Bosklopper's previous positions include Head of Integration of Nationale-Nederlanden Netherlands and Belgium. He holds a Master of Science in Business Information Technology from the University of Twente (the Netherlands). He is member of the board and vice-chair of the Dutch Association of Insurers (Verbond van Verzekeraars) and member of the Steering Committee of National Coalition Financial Health (Nationale Coalitie Financiele Gezondheid).

Frank Eijsink
Chief Executive Officer International Insurance

Appointment

Appointed CEO International Insurance and member of the Management Board as of 1 September 2023.

Role and experience

Mr Eijsink is responsible for Insurance Europe, NN Group's European insurance businesses excluding the Netherlands. His previous positions include CEO of several NN Group International Insurance business units, such as NN Belgium, Japan Life, NN Life and Pensions Turkey, and ING Life Luxembourg. He holds a Master of Science in Physics and a Master of Science in Business Engineering and Management Science from the University of Technology in Eindhoven (the Netherlands).

Dailah Nihot

Chief People, Communications, and Sustainability Officer

Appointment

Appointed Chief Organisation & Corporate Relations and member of the Management Board as of 1 September 2018. To better reflect the portfolio managed by her, her title changed to Chief People, Communications and Sustainability Officer with effect from 1 December 2022.

Role and experience

Ms Nihot is responsible for NN Group's overall corporate relations, sustainability, branding, human resources and facility management functions, with a specific focus on the company's role in society. Her previous positions include Managing Director of Corporate Relations for NN Group. She holds a Master's degree in European Studies from the University of Amsterdam (the Netherlands) and an Executive Master's in Corporate Communication from the RSM Erasmus University in Rotterdam (the Netherlands). Ms Nihot is member of the supervisory board of WOMEN Inc.

Wilbert Ouburg

Chief Risk Officer

Appointment

Appointed Chief Risk Officer (CRO) and member of the Management Board as of 1 October 2024.

Role and experience

Mr Ouburg is responsible for the overall risk framework with direct responsibility for the risk management departments. He is also responsible for the actuarial function and reinsurance. Mr Ouburg's previous positions include CRO at Nationale-Nederlanden Life & Pensions. Mr Ouburg has an Executive Master's degree in Actuarial Science and Mathematical Finance from the Amsterdam Business School (the Netherlands), a Master's degree in Mathematical Sciences from Utrecht University (the Netherlands), and he is a qualified actuary. Besides being a member of the Management Board, Mr Ouburg is a member of the Dutch Actuarial Society and member of the CRO Forum.

Leon van Riet

Chief Executive Officer Netherlands Life & Pensions

Appointment

Appointed CEO Netherlands Life & Pensions and member of the Management Board as of 1 June 2020.

Role and experience

Mr van Riet is responsible for the Life and Pension businesses in the Netherlands, as well as for Japan Life as of 1 September 2023. His previous positions include CEO of Nationale-Nederlanden Non-life in the Netherlands. He holds a degree in electrical engineering from Delft University of Technology (the Netherlands).
Mr van Riet is chair of the sector life insurances of the Dutch Association of Insurers (Verbond van Verzekeraars) and member of the board of Stichting Dienstverlening VoV. He is also member of the supervisory board of the Dutch Terrorism Claims Reinsurance Company (Nederlandse Herverzekeringsmaatschappij voor terrorismeschaden) and member of the supervisory board of the Netspar Foundation.

Janet Stuijt

General Counsel

Appointment

Appointed to the Management Board as General Counsel as of 1 September 2018.

Role and experience

Ms Stuijt is responsible for NN Group's legal function, the group compliance function and Corporate Security & Investigations department, and holds the position of Company Secretary.
Her previous positions include General Counsel & Head of Compliance of NN Group. She holds a Master's in Civil law, from the University of Leiden (the Netherlands). Ms Stuijt is vice-chair of the supervisory board of Nederlandse Spoorwegen N.V., chair of its remuneration & nomination committee and member of its risk & audit committee. She is also member of the advisory board of the Master Law & Finance of the University of Amsterdam.

From left to right:
David Cole
Cecilia Reyes
Rob Lelieveld
Koos Timmermans
Robert Jenkins
Pauline van der Meer Mohr
Inga Beale

Our Supervisory Board

David Cole
Chair

Appointment

Appointed to the Supervisory Board on 31 May 2018, effective from 1 January 2019. As of the close of the AGM on 29 May 2019, Mr Cole serves as chair of the Supervisory Board. He was reappointed on 19 May 2022.

Skills, competence and experience

Mr Cole's previous positions include CFO and CRO of Swiss Re Ltd. He holds a Bachelor of Business Administration degree from the University of Georgia (United States) and attended the International Business Programme at the Nyenrode University (the Netherlands). He is also member of the board of directors of Vontobel Holding AG, member of the European Financial Roundtable (EFR), chair of the supervisory board of IMC Global Holdings LLC and member of the board of directors of COFRA Holding AG.

Pauline van der Meer Mohr
Vice-chair

Appointment

Appointed to the Supervisory Board on 19 May 2022, effective from 1 January 2023. As of the close of the AGM on 2 June 2023, Ms van der Meer Mohr serves as vice-chair of the Supervisory Board. She is considered appointed pursuant to the enhanced recommendation right of the Central Works Council as of the close of the AGM on 24 May 2024.

Skills, competence and experience

Ms van der Meer Mohr's previous positions include CHRO of ABN AMRO Bank N.V., chair of the executive board of Erasmus University of Rotterdam and chair of the Dutch Corporate Governance Code Monitoring Committee. She holds a Master's degree in Advanced Dispute Resolution, University of Amsterdam (the Netherlands), and in Dutch Law, Erasmus University Rotterdam (the Netherlands). She is also chair of the supervisory board of ASM International N.V. and member of the supervisory board of Koninklijke Ahold Delhaize N.V.

Inga Beale
Member

Appointment

Appointed to the Supervisory Board on 20 May 2021.

Skills, competence and experience

Ms Beale's previous positions include CEO of Lloyd's of London. As a reinsurance underwriter, she attained a degree equivalent insurance qualification as an Associate of the United Kingdom Chartered Insurance Institute and became Chartered in 2016. She also completed the Manager Development Course and higher-level Business Management Course as part of the Executive Education programme at GE's Stamford-based University (United States). She is non-executive director of Crawford & Company Inc., member of the board of Willis Towers Watson and chair of the board of South Pole.

Robert Jenkins
Member

Appointment

Appointed to the Supervisory Board on 6 October 2015, effective from February 2016. Mr Jenkins was reappointed on 28 May 2020 and on 24 May 2024.

Skills, competence and experience

Mr Jenkins' previous positions include head of trading at various international Citibank offices, CEO of several asset management firms, and a policy-making role at the Bank of England. He has chaired the Investment Association UK, the AQR Asset Management Institute, and CFA Institute. He holds a Master's degree in International Studies with the focus on International Economics and European Area Studies from Johns Hopkins University (United States). He is currently member of the Advisory Council to the Research and Policy Center of the CFA Institute.

Rob Lelieveld
Member

Cecilia Reyes
Member

Koos Timmermans
Member

Appointment

Rob Lelieveld: Appointed to the Supervisory Board on 20 May 2021, effective from 1 September 2021. Mr Lelieveld was appointed pursuant to the enhanced recommendation right of the Central Works Council.

Cecilia Reyes: Appointed to the Supervisory Board as of 20 May 2021.

Koos Timmermans: Appointed to the Supervisory Board as of 24 May 2024.

Skills, competence and experience

Rob Lelieveld: Mr Lelieveld's previous positions include chair of the managing board of EY Accountants in the Netherlands and member of the board of directors of EY in the Netherlands. He holds a degree in accountancy but deregistered as a chartered accountant from the register of accountants held by the Koninklijke Nederlandse Beroepsorganisatie van Accountants (NBA) when he left EY in June 2021. He is vice-chair of the supervisory board and chair of the audit committee of the Mauritshuis and member of the supervisory board at Stichting Atlantische Commissie.

Cecilia Reyes: Ms Reyes' previous positions include group CIO and group CRO at Zurich Insurance Group Ltd. In both roles she was a member of the group executive committee until her retirement from the company in February 2018. She holds a Bachelor of Science degree in Management Engineering from the Ateneo de Manila University (Philippines), an MBA in Finance from the University of Hawaii (United States), and a PhD in finance from London Business School (United Kingdom). Ms Reyes serves as managing director of Pioneer Management Services GmbH, non-executive director and member of the audit, risk, remuneration and nominations committees of Beazley plc, and non-executive director of RiverStone International Holdings Limited.

Koos Timmermans: Mr Timmermans' previous positions include CRO of the Executive Board and CFO at ING Groep N.V. At ING, he was also responsible for the areas of sustainability, international relations and regulatory affairs. Mr Timmermans has a Master's degree in economics from the Erasmus University in Rotterdam (the Netherlands). He is chair of the supervisory board of Havenbedrijf Rotterdam N.V., member of the supervisory board of PostNL N.V., member of the supervisory board of Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V., and member of the supervisory board of Stichting Koningin Wilhelmina Fonds voor de Nederlandse Kankerbestrijding.

David Cole, Chair:

‘It was a successful year in which NN showed good progress in strategy execution with high levels of customer satisfaction and employee engagement, and made a positive contribution to society.’

A conversation with our Supervisory Board chair

Supervisory Board chair David Cole looks back on 2024. He addresses the trends that affected our business as well as the opportunities we seized and the progress we continue to make in our strategy execution.

How do you look back on 2024?

The turbulent geopolitical environment continues to cause a lot of uncertainties. It is affecting the lives of many people and it poses a threat to financial stability and the global economy. For an internationally operating company like NN Group, it is important to understand these global trends and assess the potential impact, as it will allow us to successfully navigate this environment and keep supporting customers and the things that matter to them.

Throughout the year, we worked to support the Management Board in navigating this uncertainty. For example, we discussed how NN is positioned to absorb potential shocks caused by financial market volatility, such as sudden changes in interest rates or sovereign bond markets. We were pleased to see the company continues to show financial strength, thanks to its diverse footprint, strong client retention, risk management capabilities and high-quality investments.

How do you reflect on NN Group's performance?

Overall, we look back on a good year, both from a strategic and financial perspective. Across European markets, we made good headway in further developing the protection business, partly thanks to the successful integration of recent acquisitions in Poland and Greece. The business in Japan is also showing signs of improvement. The Dutch life and pensions business continued to improve its operating performance, positioning itself for the new pension regulations that will come into effect over the next couple of years. The Dutch non-life business made good progress in further improving its market position while maintaining strong profitability, and the banking business also continued to perform well. So altogether, it was a successful year in which NN showed good progress in strategy execution, with high levels of customer satisfaction and employee engagement, and made a positive contribution to society.

What were the focus areas of the Supervisory Board in 2024?

As always, in our meetings with the Management Board, we spent a lot of time discussing strategy execution and monitoring performance. One of NN's strategic priorities is to further improve the customer experience, which is a key driver for long-term growth. Insurers typically have fewer touchpoints with customers than, for example, banks or retailers, so it's important to get each interaction right.

We are pleased to see continued progress in this area, but there is still work to be done as customer expectations continue to evolve.

Secondly, the settlement on unit-linked insurance products at the start of 2024 was a main focus.

The settlement was an important milestone in what has been a long-standing issue, and it brought a positive outcome for everyone involved. However, the settlement still needs to be finalised in 2025, and therefore it will continue to be an area of attention for us.

Thirdly, we dedicated a lot of time on dialogue around sustainability, also in light of the new requirements under the Corporate Sustainability Reporting Directive (CSRD). We not only discussed the importance of setting clear objectives and how to track progress, but we also focused on ensuring proper reporting on these data.

Finally, as in previous years, we continued to focus on talent development and succession planning during 2024. In these fast-changing times, it is crucial the company has a strong and diverse leadership team to steer the company in the right direction. We are pleased to see NN is still able to attract and retain the talent we need.

NN Group aims to become a digital and data-driven organisation. How does the Supervisory Board view these developments?

We all see how the world is changing rapidly as a result of the current technological advancements, particularly in the area of artificial intelligence (AI). At the end of 2023, NN refined its strategy with a focus on becoming more digital and data-driven. Now that a year has passed, we are witnessing the benefits, for example in the administration of the company's closed life insurance book, but also in insurance underwriting, and customer engagement.

We had regular meetings with the Management Board to discuss how further digitalisation can make NN ready for the future, as long as it is deployed in an effective and ethical fashion. Of course, the breakneck pace of innovations nowadays poses a challenge for any management team or supervisory board. To keep ourselves up to speed and maintain full awareness of the developments and the impact, we dedicate a lot of time to education. We also conducted technology deep-dives across the organisation and invited internal and external speakers.

What are the priorities for 2025?

As the Supervisory Board, our priorities will remain focused on supporting the Management Board and NN Group in executing the strategy, which enables it to continue to create sustainable long-term value for stakeholders.

Looking ahead, the upcoming Capital Markets Day in May will be in focus. As Supervisory Board, we look forward to engaging with the Management Board and discussing the next steps for the company. On behalf of the Supervisory Board, we thank the Management Board and all employees at NN Group for their commitment and strong performance in 2024, and we look forward to supporting them in 2025.

> **'We all see how the world is changing rapidly as a result of the current technological advancements, particularly in the area of artificial intelligence.'**

Report of the Supervisory Board

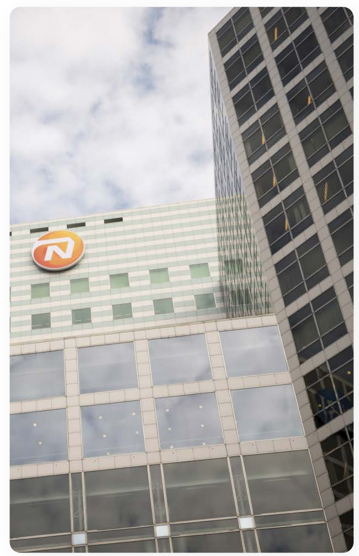
The Supervisory Board is responsible for supervising the management of the Executive Board (including NN Group's culture) and the general course of affairs of NN Group and its businesses. The Supervisory Board also advises the Executive Board.

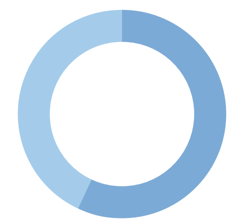
7
Supervisory Board meetings

3
Supervisory Board Committees

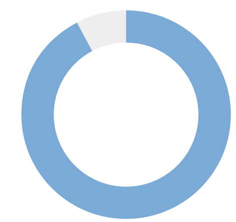
20
hours spent on Permanent Education sessions arranged by NN Group

Attendance rate: 96%





4:3
Male
Female
Supervisory Board composition



98%
overall attendance of Supervisory Board meetings

Taking into consideration all stakeholder interests, the Supervisory Board monitors and evaluates the management of the Executive Board and advises the Executive Board on matters such as (i) establishing and reaching NN Group's strategic commitments, (ii) sustainable long-term value creation by NN Group and (iii) sustainability matters that are relevant to NN Group.

This Supervisory Board Report should be read in conjunction with the sections on Our Supervisory Board (p. 89-91), Corporate governance, (p. 66-85) and the Remuneration Report (p. 103-114) of this Annual Report. The information in these sections regarding the positions of the Supervisory Board members, their date of first appointment and term of appointment are considered an integral part of this Supervisory Board Report.

Profile of the Supervisory Board

The composition of the Supervisory Board is such that its members are able to act critically and independently from each other, the Executive Board and any particular interests. The Supervisory Board works as a collegial body and the individual members' knowledge, experience and background are attributed to the Supervisory Board as a whole. In the composition of the Supervisory Board, there is a balanced representation in members' (a) nationality, nation of origin, race, ethnicity, languages spoken, belief system, gender, age, sexual orientation, neurodiversity and physical diversity; (b) affinity with the nature of the businesses and culture of NN Group; and (c) executive experience, experience in complex multinationals, and the political and social environment they operate in.

This ensures a broad range of relevant perspectives and opinions on NN Group, and the opportunities and challenges it faces today and will face in the future.

All members of the Supervisory Board are independent, within the meaning of best practice provision 2.1.8 of the Dutch Corporate Governance Code.

The Diversity and Skills matrix on p. 102 provides the range of knowledge, experience and backgrounds of the individual Supervisory Board members.

Supervisory Board meetings

The Supervisory Board convened seven times in 2024, including one meeting held in Japan as part of the Supervisory Board's official visit to NN Group's offices in Tokyo. The attendance rate for these meetings averaged 98%, reflecting the dedication and capacity of the members to allocate sufficient time and focus to NN Group. None of the Supervisory Board members were frequently absent from meetings, ensuring that quorum requirements were met at each session. In addition, there were four virtual meetings scheduled during the year to address ad hoc topics. Beyond formal meetings, the chair and other Supervisory Board members maintained ongoing communication with NN Group's Executive Board, Management Board and senior management. Furthermore, the Supervisory Board engaged with regulatory authorities, (representatives of) the Central Works Council, and the external auditor, KPMG.

Discussion topics

Every conversation between the Supervisory Board and the Executive Board and Management Board regarding the general affairs of the company, included a focus on the geopolitical and economic environment NN Group operates in. It is imperative that the boards are aware of the international geopolitical and economic circumstances that influence NN's operations. The financial services industry is inherently linked to global stability and economic trends, and NN's ability to adapt and respond to these external factors is crucial for sustaining growth and ensuring resilience in volatile times. In reflecting on the past year and preparing for the future, the Supervisory Board continuously addresses these challenges, leveraging its collective expertise to navigate the ever-evolving landscape and advise the Executive Board and Management Board. This commitment helps position NN Group to meet the needs of NN's stakeholders effectively and responsibly.

Strategy

Although the Executive Board has primary accountability for formulating NN's strategy and specific objectives, the Supervisory Board is much involved. Its role is to challenge and advise the Executive Board and Management Board on the strategy and its implementation for sustainable long-term value creation and the underlying drivers thereof. For this reason, strategy discussions are a recurring, prominent topic on the Supervisory Board agenda. In 2024, the boards collectively agreed to allocate more time to strategy discussions and enhance the quality and robustness of the dialogues in this regard, also in preparation for the Capital Markets Day on 27 May 2025, when NN Group will provide a strategic update.

The strategic and financial objectives, as included in NN's business and capital plans, received formal approval from the Supervisory Board. The Supervisory Board maintained close oversight of business performance and received at least quarterly updates on NN's performance towards these objectives. Besides monitoring business performance, the Supervisory Board demonstrated a strong interest in the various challenges and successes of the business units, thereby requesting comprehensive updates by the responsible Management Board members throughout the year.

Financials

A major theme in the Supervisory Board meetings was the integrity and quality of the financial and sustainability reporting, assessed by the Audit Committee. During 2024, the Supervisory Board discussed and approved the 2023 annual accounts as well as the proposed final dividend payment for the year, both adopted by the AGM in 2024, the share buyback programme, and NN Group's 2024 interim dividend.

Other

Society is changing due to digitalisation. To adequately fulfil its monitoring role, the Supervisory Board spent time on regular updates and education on this topic. Moreover, NN Group is becoming a digital and data-driven company, and digitising, standardising and industrialising processes as a means to deliver on strategy. It is therefore a topic the Supervisory Board has to stay closely informed on.

The Supervisory Board also maintained close oversight of the execution of the settlement agreement reached between NN and various interest groups in January 2024, concerning unit-linked insurance products sold in the Netherlands. Regular updates were provided to the Supervisory Board to enable thorough monitoring.

At the beginning of 2025, the Supervisory Board discussed NN Group's Corporate Culture Report 2024. Where the Executive Board and Management Board are responsible for NN's culture and values 'care, clear, commit', which serve as a compass for conduct and decision-making, the Supervisory Board is eager to discuss the developments in this area with management on an annual basis. This time, the introduction of the NN Behaviours was also part of the discussion.

Additionally, the succession planning for managerial positions reporting to the Management Board, also as part of the key talent management process, is a yearly recurring topic for discussion by the Supervisory Board. The Supervisory Board is deeply engaged in ensuring the quality and diversity of the succession plans and the talent employed by NN.

Moreover, sustainability subjects, such as the Responsible Insurance Underwriting Framework Policy, designed to incorporate sustainability into NN's insurance underwriting, and updates to the Sustainability Bond Framework, which allows NN Group to issue green, social or sustainability bonds, were particularly highlighted and discussed with the Supervisory Board during their meetings.

Lastly, the Supervisory Board evaluated the functioning of the Executive and Management Board, including the performance of individual members, an exercise which is performed every year.

Note that a diverse range of other topics were diligently pre-discussed and prepared within one of the three Supervisory Board Committees: the Audit Committee, Risk Committee or Nomination, Remuneration & Governance Committee. The respective committee chairs have thoroughly reported to the Supervisory Board on the subjects delegated to their respective committee. Detailed information can be found in the section on committee activities.

Self-assessment

The Supervisory Board conducted an evaluation of its performance for the year 2024. The self-assessment was centered around five main questions: (i) How can the Supervisory Board improve? (ii) Thinking about all relevant areas, where should the Supervisory Board increase its focus for 2025 and 2026? (iii) What can the Supervisory Board do to help management to be more effective? (iv) Are there any other matters worth mentioning? (v) Is there any feedback for the chair of the Supervisory Board? Furthermore, the Supervisory Board gathered insights into its performance through evaluation sessions with the Executive Board and Management Board members. This comprehensive approach ensured the identification of forward-looking priorities.

In conclusion, the Supervisory Board functions well. Members are committed to continuous improvement by proactively addressing strategic topics and ensuring clear communication with the Executive Board and Management Board. The dedication to transparency and constructive dialogue is appreciated by all members and effectively navigates future challenges and opportunities.

Education programme

The Supervisory Board is committed to continuous education and professional development, ensuring its members possess and maintain the requisite knowledge and skills to fulfill their duties. In accordance with the outcomes of the Supervisory Board self-assessment, the yearly reviewed Diversity and Skills matrix of the Supervisory Board members, the Double Materiality Assessment (DMA), and input from the business units and management, a permanent education programme is crafted for the Supervisory Board every year. This programme covers a wide variety of topics in which the Executive Board and Management Board members also participate. Certain topics are covered by experts from outside the company, providing the boards with access to external perspectives and advice.

The 2024 permanent education programme incorporated deep dives into two business units. The Supervisory Board received a detailed update on NN Group's Non-life business in the Netherlands and the Life business in Japan, and visited Japan as part of their offsite. These deep dives were designed to enhance the members' understanding of local challenges, opportunities, strategic initiatives, products, customer bases and corporate cultures.

The programme also included sessions on economic and market trends, and, as recurring bi-annual components of the programme, educational sessions focused on NN Group's partial internal model (PIM), including anticipated Major Model Changes (MMCs). Moreover, and given the importance of operational resilience, specific training was provided on the Digital Operational Resilience Act (DORA) and NN's implementation efforts. Additionally, the Supervisory Board received training on sustainability matters, including on specific topics such as measuring and monitoring greenhouse gas (GHG) emissions and ways for NN to reduce them, and NN Group's community investment initiatives.

Furthermore, the Supervisory Board placed significant emphasis on advancing their technological proficiency, particularly their knowledge of artificial intelligence and its beneficial impact on the company, alongside the legal aspects associated with it.

The Supervisory Board is confident that the permanent education programme in 2024 has further enhanced and maintained the members' expertise.

In addition, NN Group has a thorough induction programme, which is mandatory as an onboarding process for NN Group's Supervisory Board members. It consists of meetings with Executive Board, Management Board and (other) Supervisory Board members, management teams of the Dutch business units, and other key staff, as well as sessions on sustainability, governance, compliance, and finance and risk topics, including financial reporting and NN Group's PIM.

Supervisory Board Committees

The Supervisory Board has three formal committees that support it in performing its supervisory role: The Audit Committee, the Risk Committee and the Nomination, Remuneration & Governance Committee. The Supervisory Board Committees assist the Supervisory Board in its decision-making by reporting their considerations and recommendations on the topics delegated to them, with the underlying discussion documented.

With the expiry of the term of appointment of Hans Schoen and the appointment of Koos Timmermans as Supervisory Board member, as of the close of the 2024 AGM, the composition of the committees changed, as is shown in the graphic on p. 102. The topics that were included in the three Committee agendas in 2024 are outlined in detail in the following paragraphs.

In addition to the Supervisory Board committee members, the committees were attended by the following people:

The Risk Committee meetings were attended by NN Group's CEO, CFO, CRO, General Counsel (GC), Head of Corporate Audit Services (CAS), Head of Group Enterprise Risk Management, Chief Compliance Officer (CCO) and the external auditor.

The Audit Committee meetings were attended by NN Group's CEO, CFO, CRO, GC, CPCSO (when appropriate), Head of CAS, Head of Group Finance, Head of Performance & Analytics, Head of Financial Accounting & Reporting, Chief Actuary and the external auditor.

The Nomination, Remuneration & Governance Committee meetings were attended by NN Group's CPCSO and when appropriate the CEO and the Head of Reward.

Often, subject-matter experts participated in committee meetings, and throughout the year, the chairs of the committees stayed in regular contact with the respective members of the Executive Board and Management Board and other experts to discuss various topics.

Audit Committee

The Audit Committee assists the Supervisory Board in the performance of its duties. To this end, the Audit Committee prepares items for discussion and decision-making by the Supervisory Board, and recommends actions in various areas, including (i) the design, operation and effectiveness of the internal risk management and control systems related to financial and sustainability reporting, (ii) the integrity and quality of the financial and sustainability reporting process, (iii) periodic financial reports and any ad-hoc financial information, (iv) the findings and outcomes of any audit work, by both the external auditor (KPMG) and CAS, NN Group's internal audit department (e.g. as contained in the quarterly and annual audit reports), including the findings and observations on the key audit matters identified by the external auditor, and (v) the procedure for the selection and recommendation of the (re)appointment of the external auditor by the Supervisory Board.

The Audit Committee works closely with the Risk Committee, not only to avoid omissions and duplication in its activities, but also to provide holistic insight into the risks in the reporting of financial and non-financial results. The chair of the Audit Committee is therefore also a member of the Risk Committee, and vice versa. In 2024, the chair of the Audit Committee regularly met with the CFO, Head of CAS, subject-matter experts and KPMG to discuss various topical issues.

In addition to the regular Audit Committee meetings, the Audit Committee also held closed sessions attended by the Audit Committee members, Head of CAS and KPMG.

The topics discussed and assessed during the Audit Committee meetings included:

- NN Group's quarterly performance reviews, including financial results;
- Financial reporting: NN Group's annual accounts, interim financial information and financial press releases;
- The implementation of CSRD at NN Group;
- The 2024 Audit Plans of CAS and KPMG;
- Audit findings and observations as included in the quarterly internal and external reports of CAS and KPMG;
- The rotation process towards appointment of a new external auditor for NN Group as of financial year 2026;
- Accounting and other regulatory developments;
- IFRS and Solvency II reporting, including a second line review opinion on the Own Funds and the SCR; internal controls on financial reporting and changes in financial reporting processes and systems;
- Tax-related topics: the current tax positions and (legislative) developments impacting the tax function such as Pillar II; NN Group's tax strategy; Tax Policy and Principles of Conduct; developments in the area of public tax reporting;
- Various other topics: (interim) dividend payment to shareholders and the share buyback programme; appointment and remuneration of the new Head of CAS; evaluation, independence and remuneration of KPMG; an evaluation of the IFRS 9 and 17 implementation.

The quarterly performance review reports provided updates on business performance and financial results, both at NN Group level and at the level of the various business segments. In addition, these reports further provided the Audit Committee with meaningful insights into, among other things, NN Group's OCG and expectations, the status of the financial targets, and expected financial outlooks and attention points going forward for NN Group and its business segments. Throughout the year, the Audit Committee closely monitored NN Group's performance and financial results in light of the changing regulatory landscape, major geopolitical developments and resulting impact on the macro-economic environment.

As per 1 June 2024, a new Head of CAS was appointed, approved by the Dutch Central Bank. The Executive Board consulted the Audit Committee on the proposed candidate and the Audit Committee informed the Executive Board of its support for the proposed appointment. The Audit Committee was also consulted about the proposed remuneration package of the new Head of CAS, and advised positively in this regard.

The Audit Committee discussed the 2024 audit plan of CAS. The main drivers behind the CAS audit priorities for 2024 were (i) coverage needs, (ii) strategic importance and key change initiatives, and (iii) ongoing key remediations. The quarterly CAS reports include findings and observations regarding governance, risk management and internal control, focusing on performed activities during the period, significant internal control weaknesses noted in ongoing audit activities, and follow-up by responsible management on agreed actions of noted CAS weaknesses. The Audit Committee discussed and monitored the follow-up on financial reporting risks throughout the year. As of August 2024, the quarterly CAS reports were added to the agenda of the Risk Committee, while also remaining a quarterly agenda topic of the Audit Committee. The chair of the Audit Committee, chair of the Risk Committee and the Head of CAS agreed that, as of August 2024, the Audit Committee would discuss findings and observations resulting from the CAS reports pertaining to CAS internal matters and financial reporting risks. As of the same date, all other findings and observations resulting from the CAS reports were discussed in the Risk Committee, to ensure an integral discussion of operational and financial risks in the Risk Committee. Both the Audit Committee and the Risk Committee highly appreciated the change in set-up and will continue this approach going forward.

The Audit Committee further discussed the 2024 KPMG audit plan, including their assessment of the risk of error and fraud. KPMG's areas of focus in 2024 included (i) valuation of insurance contract liabilities for life and disability insurance contracts, (ii) valuation of the liability for incurred claims for non-life insurance contracts, (iii) valuation of illiquid investments, and (iv) risk of management override of controls.

KPMG reports its findings and observations on NN Group's internal controls over financial reporting in each quarterly KPMG report, and as part of its year-end Audit Report, and as a consequence KPMG no longer issues a separate management letter at year-end. The quarterly reported key findings and observations and those included in the year-end Audit Report were discussed in the Audit Committee. Examples of topics discussed are the valuation of the insurance liabilities and illiquid investments, the unit-linked settlement, and the CSRD and DORA implementation status.

In 2024, the Audit Committee discussed the CSRD implementation on a quarterly basis. The DMA, as mandated by the CSRD, has been an annual agenda item for the Executive Board and Management Board since 2023. They deliberated on which sustainability matters are material to NN Group from both impact and financial materiality perspectives, considering potential and actual impacts, risks and opportunities (IROs). Midway through 2024, the Audit Committee reviewed the outcomes of the DMA, including the material sustainability topics and IROs for the year for NN Group as a whole, which were climate change adaptation, climate change mitigation and customer needs and satisfaction. The chair of the Audit Committee reported on these discussions at the subsequent Supervisory Board meeting, which resulted in the final list of sustainability matters.

In light of the mandatory rotation of the external auditor as of the financial year 2026, NN Group initiated a process to select a new external auditor. For this purpose, an Auditor Selection Committee (ASC) was established, chaired by the chair of the Supervisory Board and including the chair of the Audit Committee, the CFO and the Head of Financial Accounting & Reporting. The ASC conducted a thorough process whereby candidate audit firms were evaluated on a broad number of criteria, including experience with large listed companies in the Netherlands, experience in the financial services industry (particularly insurance), the proposed audit plan and approach, knowledge and experience, lead partner and lead audit team, quality of the local international teams and international experience of the lead partner, the (level and structure of) audit fees and auditor independence and reputation. The ASC reported on the outcome of their meetings in four Audit Committee meetings in 2024 and the Audit Committee provided their feedback and views. The final decision on the proposal to the General Meeting was taken by the full Supervisory Board in February 2025, where Mr Lelieveld and Ms Van der Meer Mohr refrained from voting to avoid any appearance of conflict of interest, given their roles in the past in one of the two candidate firms. For further details on the auditor selection process, evaluation and final conclusions, please refer to the convocation for the 2025 AGM.

Risk Committee

The Risk Committee assists the Supervisory Board in performing its duties. To this end, it prepares items for discussion and decision-making by the Supervisory Board, and recommends actions in various areas, including (i) NN Group's key risks and risk appetite statements, risk strategy and policies, (ii) risk exposures resulting from the business strategies and plans of NN Group and its affiliated businesses, (iii) the design, operation and effectiveness of the risk management and internal control systems of NN Group (the Risk Control Framework), (iv) NN Group's public disclosures on risk and risk management, and (v) Material Transactions.

The Risk Committee works closely with the Audit Committee, not only in order to avoid omissions and duplication in activities but also to give insights into the risks in the reporting of financial and non-financial results. The chair of the Risk Committee is therefore also a member of the Audit Committee, and vice versa. In 2024, the chair of the Risk Committee regularly liaised with the CRO, Head of CAS, CCO and GC, and met with the external auditor and relevant subject-matter experts.

During the Risk Committee meetings, management provided regular updates on strategic, financial and non-financial risks, including legal and compliance risks. These updates encompassed a range of topics, including solvency, liquidity, credit and capital markets, sustainability, IT, data and AI, funding, sound business conduct including financial economic crime, product suitability, operational risks and employee conduct. The discussions in the Risk Committee were supported by analyses that evaluated the potential impact of these events on NN Group's credit investment portfolio, capital and liquidity position, and credit developments in specific countries and portfolios.

During the year, the Risk Committee discussed its regular agenda topics, including:
- The performance and appropriateness of NN Group's PIM;
- The Enterprise Risk Management (ERM) reports covering strategic, financial and non-financial risks (including legal and compliance risks);
- Financial economic crime updates;
- The risk appetite statements which are foundational to the Group's risk strategy;
- NN Group's Own risk and solvency assessment (ORSA);
- The NN Group Systematic Integrity Risk Assessment (NN Group SIRA);
- The quarterly reports on IT risk and security, as of May 2024;
- The quarterly CAS reports (pertaining to operational risks), as of August 2024;
- NN Group's Strategic Asset Allocation (SAA) and investment-related risks;
- Annual operational work plans of Group Risk, Actuarial and Compliance functions.

The quarterly ERM reports provided updates, including measures taken and planned, on the current and forward-looking risks emanating from uncertainty in the operating environment. This uncertainty was driven by geopolitical instability, characterised by more volatile financial markets, more persistent inflation, higher levels of interest rates and risk of recession (especially in Europe). As of May 2024, the Risk Committee also discussed the IT Risk and Security report, providing a more comprehensive risk view and integrating IT risk into the quarterly ERM report discussions. The Risk Committee considered it a positive development to link these key risks.

As also mentioned in the Audit Committee paragraph, the quarterly CAS reports were newly added to the agenda of the Risk Committee as of August 2024, while also remaining a quarterly agenda topic of the Audit Committee.

Each year, the PIM's performance is assessed in the first quarter. This covers all relevant information from the preceding calendar year, including all risk models that are part of NN Group's PIM used to calculate the Basic Solvency Capital Requirement (SCR). The Risk Committee extensively discussed the outcome of this assessment, which for example also takes into account results from stress testing in the ORSA and includes the key priorities for the year going forward. The Risk Committee agreed with the main conclusion of the 2023 report on the PIM's performance that, given the assumptions used and understanding of their implications, the internal model is appropriate for its intended use.

The Risk Committee was pleased with the broad scope of the scenarios that were included in the 2023 ORSA. Although the Risk Committee considered it reasonable to assume that liquidity shocks occur gradually over a one-year period rather than overnight, the Risk Committee considered that severe interest rate spikes and resulting liquidity requirements can still happen in a short period of time. The Risk Committee therefore suggested that the Management Board look at more longer-term fundamental liquidity impacts going forward, which the Management Board will take into account for the 2024 ORSA.

The Risk Committee also regularly discussed the MMCs submitted by the relevant business units, as well as the approvals granted by the Dutch Central Bank (DNB) and terms and conditions attached to them. In 2024, NN Group submitted to DNB for approval major model changes to its PIM, for example relating to (the redevelopment of) non-market risk aggregation, which proposed model change was approved by DNB and implemented in time for the 2024 year-end SCR calculation.

Nomination, Remuneration & Governance Committee

The Nomination, Remuneration & Governance Committee is entrusted with the preparation of its mandated nomination-, remuneration- and goverance-related matters. The Nomination, Remuneration & Governance Committee prepares the Supervisory Board's decision-making on such topics and reports on its deliberations and findings in regard to these duties. All relevant topics are included in the committee's annual agenda as recurring items and during the year the chair of the committee engages in dialogue with stakeholders to ensure their interest is considered.

The Nomination, Remuneration & Governance Committee is in charge of preparing topics regarding the composition of the boards, ensuring the formal and transparent selection and (re)appointment procedures of the members of the Executive Board, Management Board and Supervisory Board are in place, and it reviews the board profiles as part of the annual review of the respective charters. In 2024, the charters of the Supervisory Board, Executive Board and Management Board were aligned with the CSRD and DORA and there was no need to amend the profiles. In addition, where the Supervisory Board as a whole is committed to the succession plans for staff below board level, the Nomination, Remuneration & Governance Committee focuses on sound succession plans for the boards themselves, with a particular emphasis on diversity aspects. To this end, it also annually prepares a retirement schedule for the Supervisory Board members, which indicated that for the Supervisory Board members Inga Beale, Rob Lelieveld and Cecilia Reyes the four years of their appointment will end in 2025. The Nomination, Remuneration & Governance Committee prepared the decision of the Supervisory Board to nominate each of them for reappointment for a term of four years, which will be submitted for adoption at the 2025 AGM. Likewise, it prepared the appointment of Koos Timmermans as Supervisory Board member last year, as well as the reappointment of Robert Jenkins by the AGM in 2024. Reasons given for this reappointment were his extensive knowledge in the field of financial policy making and asset management, his broad experience as board member in executive and non-executive positions in the financial services sector, the professional manner in which he fulfils his membership of the Supervisory Board and that with his reappointment continuity in the composition of the Supervisory Board could be safeguarded.

The Nomination, Remuneration & Governance Committee also takes responsibility for developing the approach for the annually performed evaluation of the Executive Board and Management Board, and the self-assessment of the Supervisory Board. It also reviews the external positions of all board members to ensure that each member can devote sufficient time to its tasks and repsonsiblities and avoid conflicts of interest.

With respect to remuneration topics, the Nomination, Remuneration & Governance Committee advised the Supervisory Board on the formulated objectives for the Executive and Management Board members for 2024, which are a translation of NN's targets. In this context, the committee also evaluated the members' performance against the 2023 objectives and the corresponding remuneration proposals for the respective board members. In February 2025, it also reviewed and endorsed the remuneration proposals for the Executive and Management Board for 2024. The remuneration policies for the Executive Board and Supervisory Board were also assessed in the first quarter of 2024, as these policies were due for renewal. The policies were adopted by the shareholders at the AGM in 2024. In addition, the committee assessed the remuneration proposals for identified staff, including high earners, as well as positively recommended on the proposal for positions on the identified staff list for the year 2025. It also reviewed and agreed on NN Group's remuneration framework, which forms the basis for all remuneration policies and which remained unchanged, as well as the extensive risk assessment performed on this framework. It was concluded that the remuneration framework operates within the limits as defined in NN Group's risk appetite. Furthermore, the committee reviewed and discussed NN Group's equal pay analysis and fully supported the commitment to ensure fair and equitable pay across the organisation.

In February 2025, the Nomination, Remuneration & Governance Committee reviewed and discussed NN Group's application of and compliance with the Dutch Corporate Governance Code for the financial year 2024.

Closing remarks

The Supervisory Board extends its heartfelt gratitude to everyone who contributed to NN's performance throughout the year. Their dedication, hard work and commitment have been instrumental in achieving collective goals. The efforts of the Executive Board, Management Board and all staff members have been invaluable in navigating the complexities of the the world and industry and striving towards excellence. The Supervisory Board appreciates the support from all stakeholders, whose engagement has ensured that initiatives are aligned with broader interests. The Supervisory Board looks forward to continuing this journey of success and innovation.

Attendance

As of the close of the AGM on 24 May 2024:
- Hans Schoen's term of appointment as Supervisory Board member ended;
- Koos Timmermans was appointed as Supervisory Board member, and member of the Risk Committee and Audit Committee;
- David Cole stepped down as member of the Audit Committee and was granted a standing invitation;
- Pauline van der Meer Mohr stepped down as member of the Risk Committee to join as member of the Audit Committee.

Composition and attendance overview	Inga Beale	David Cole	Robert Jenkins	Rob Lelieveld	Pauline van der Meer Mohr	Cecilia Reyes	Hans Schoen	Koos Timmermans	Overall attendance average
Supervisory Board	7/7	7/7	7/7	7/7	7/7	7/7	4/4	2/3	98%
Audit Committee	–	3/3	5/5	5/5	2/2	5/5	3/3	2/2	100%
Risk Committee	6/6	–	6/6	6/6	3/4	6/6		2/2	96.7%
Nomination, Remuneration & Governance Committee	5/5	5/5	–	5/5	5/5	–	3/3	–	100%

Diversity and Skills matrix	Inga Beale	David Cole	Robert Jenkins	Rob Lelieveld	Pauline van der Meer Mohr	Cecilia Reyes	Koos Timmermans
Year of birth	1963	1961	1951	1962	1960	1959	1960
Gender: Male (M) or Female (F)	F	M	M	M	F	F	M
Nationality	British	American, Dutch	American	Dutch	Dutch	Filipino, Swiss	Dutch
Management of complex multinational enterprises	●	●	●	○	●	●	●
International economic, regulatory and public policy issues	●	●	●	●	●	○	●
Labour relations, human resources and management development	●	●	●	●	●	○	●
Insurance	●	●	○	●	○	●	○
Asset management	○	●	●	○	○	●	●
Retail banking	○	●	○	○	○	○	●
Audit, finance and control[1]	○	●	●	●	○	○	●
Risk management	●	●	●	○	●	●	●
Legal affairs and corporate governance	○	●	○	○	●	○	●
Corporate integrity	●	●	○	○	●	○	●
Information technology and transformation	○	○	○	○	○	○	○
Marketing, in particular in the area of financial products and services	○	○	○	○	○	○	○
Sustainability matters	○	●	●	●	●	○	○

[1] Financial expert as defined in article 39 (1) of Directive 2014/56/EU of the European Parliament and of the Council of 16 April 2014 amending Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts.

● Considered an expert given previous and/or current roles (other than non-executive roles).
○ Sufficient experience and knowledge to be able to take an informed decision.

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

Remuneration Report

A conversation with the NRG Chair

How do you look back on the year 2024?
Reflecting on 2024, I am happy to note that NN Group remains well on track to deliver on its targets, driven by a continued solid financial and strategic performance in 2024. In a year in which the global economy is still facing ongoing challenges, NN Group has demonstrated strong business performance despite these challenges. The Nomination, Remuneration and Governance (NRG) Committee has carefully considered these factors, ensuring our compensation decisions are in line with the company performance, the broader economic landscape and current labour market conditions.

We were pleased with the General Meeting's positive advice on the 2023 Remuneration Report at the 2024 annual general meeting of shareholders. The proposal was adopted with 97.3% of the votes granted in favour, once again slightly above the previous years' support level.

The remuneration policies for the members of the Executive Board and the Supervisory Board were submitted for adoption to the General Meeting as well. At the 2024 annual general meeting the remuneration policies were adopted with 94.5% of votes in favour for the proposed remuneration policy for the members of the Executive Board and 99.5% of votes in favour for the proposed remuneration policy for the members of the Supervisory Board.

During 2024, the Supervisory Board also performed an assessment of the Executive Board's remuneration, taking into account, among other things, the position compared to the market, internal pay relativities and the interests and opinions of stakeholders. Based on the outcome of the overall assessment, and balancing the interests of all stakeholders, it was decided to increase the base salary of the members of the Executive Board. The external feedback provided on these topics is highly valued, and stakeholders have indicated they appreciate the background of our remuneration-related decisions. More information is provided in the Remuneration Report.

Both the remuneration policies and the decision related to the increase of the base salary of the members of the Executive Board were established after a comprehensive engagement process with our stakeholders. The feedback we received during this engagement process, as well as the approval rates during the 2024 annual general meeting, illustrate we are on the right track.

Pauline van der Meer Mohr, Chair of the Nomination, Remuneration and Governance Committee:

Stakeholders appreciate our focus on aligning executive remuneration with the broader strategy of NN Group.

You have had several conversations with stakeholders of NN Group. What are your most important insights?
After the update of the remuneration policies and related compensation decisions, the Supervisory Board remains committed to continuing the consultation sessions with a diverse group of stakeholders on a recurring basis, to gather feedback on our remuneration policies and practices. Feedback was obtained from investors, shareholder representatives, proxy advisors and our Central Works Council. In general, we feel that the path that we have chosen was received positively and any feedback was discussed in a constructive manner. These sessions took place throughout 2024 and the discussions provided valuable insights and highlighted several key areas.

Stakeholders appreciated our focus on aligning executive remuneration with the broader strategy of NN Group. The emphasis on having performance objectives for the Executive Board that have more focus, are simpler and more measurable was well-received. At the same time, our ambition is to retain the strong elements from our previous framework. We frequently discussed sustainability matters, as these were high on the agenda for both the Supervisory Board and many stakeholders.

There are several legislative changes in remuneration entering into force in the future. What is your take on the current developments?
First of all, I fully support the objective of the European Pay Transparency Directive. The NRG Committee stands behind NN Group's efforts to contribute to an inclusive working environment by ensuring equal opportunities, working conditions and equal pay for equal work for all employees.

NN Group's start with the implementation of the Pay Transparency Directive and ongoing analyses to understand and address any (unexplained) differences were positively noted by the Supervisory Board. NN Group has published the gender pay gap for many years, and analyses the gap internally on an annual basis. However, the Pay Transparency Directive will require additional actions from all companies.

Needless to say, the implementation of the Pay Transparency Directive will remain high on the agenda for the Supervisory Board in the coming years to ensure that appropriate actions are taken and equal work is remunerated equally.

The NRG Committee is also closely involved in the remuneration-related disclosures as prescribed by the European Sustainability Reporting Standards. The 2024 Remuneration Report includes several additional disclosures in comparison with previous years.

What would you like to share on the year 2025?
The Supervisory Board has decided to maintain the alignment between the performance objectives for the members of the Executive Board and the overall company strategy when determining the performance objectives in 2025. There are no substantial changes in the characteristics of the objectives in comparison with previous years, which means we align the performance objectives with the longer-term targets and ambition of the company.

As chair of the NRG Committee, it is my privilege to present NN Group's 2024 Remuneration Report. I extend my gratitude to all stakeholders for their valuable contributions and look forward to continuing our constructive dialogues in the coming year.

Pauline van der Meer Mohr
Chair of the Nomination, Remuneration and Governance Committee

Remuneration at a glance

— Target 2024   Outcome: Sustainability Finance Other strategic

Our purpose We help people care for what matters most to them

Our ambition We want to be an industry leader, known for our customer engagement, talented people, and contribution to society

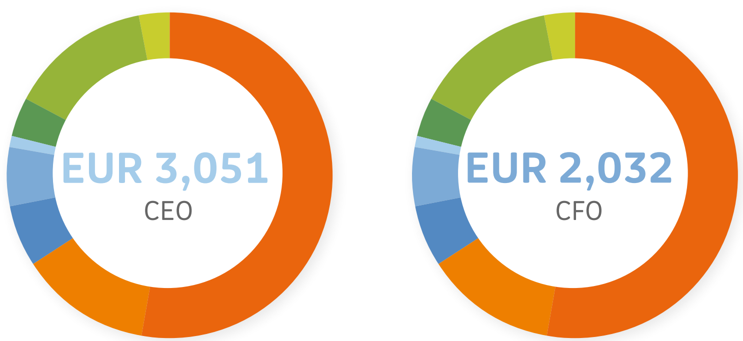
Our commitments

	Engaged customers	Talented people	Contribution to society	Financial strength	Digital & data-driven organisation
	We see our customers as the starting point of everything	We empower our colleagues to be their best	We contribute to the well-being of people and the planet	We are financially strong and seek long-term returns for shareholders	We develop and provide attractive products and services
Weighting CEO	20%	15%	15%	40%	10%
Weighting CFO	35%	15%	15%	25%	10%

Target

Composition of the Executive Board's remuneration

(in EUR 1,000 and gross)



	CEO %	CFO %
Base salary in cash	53	54
Base salary in shares	13	14
Variable remuneration in cash	6	7
Variable remuneration in shares	6	7
Pension	1	1
Other emoluments	4	1
Individual savings allowance	15	14
Employer cost social security	2	2

Introduction

This Remuneration Report describes NN Group's remuneration policy and methodology, and provides details on the remuneration of the Supervisory Board and the Executive Board. This Report is divided into the following subsections:
I Remuneration in general
II Remuneration of the Executive Board
III Remuneration of the Supervisory Board

Reference is made to Note 45 'Key management personnel compensation' in the Consolidated annual accounts for more information on the remuneration of the Executive Board, Management Board and Supervisory Board, including loans and advances provided to the members of these Boards. This Remuneration Report serves as the report referred to in article 2:135b of the Dutch Civil Code and Best Practice Provision 3.4.1 of the Dutch Corporate Governance Code. The information provided in this Remuneration Report is based on the remuneration policies of NN Group as applicable in 2024.

Remuneration in general

NN Group has an overall remuneration policy, as described in the NN Group Remuneration Framework, which sets out guidelines and principles for all country and business unit remuneration policies within NN Group. On an annual basis, the NN Group Remuneration Framework is reviewed and updated in line with legislative changes and other relevant internal and external developments. NN Group aims to apply a clear and transparent remuneration policy that is adequate to attract and retain expert leaders, senior staff and other highly-qualified employees. The NN Group strategy sets out our goals and how we will achieve them through our shared purpose, our ambition and our five strategic commitments. These strategic commitments are embedded in the remuneration policies within NN Group. The remuneration policy is also designed to support NN Group's employees to act with integrity and to carefully balance the interests of our stakeholders. It supports doing business with the future in mind, and aims to focus on creating sustainable long-term value for all stakeholders.

At the same time, NN Group is conscious of its role in society, which is considered and embedded in the remuneration policies and practices as applicable to NN Group employees. These policies promote robust, balanced and effective risk management, including risk management of sustainability risks - risks related to environmental, social, and governance (ESG) factors, and the integration thereof in the risk management system and procedures. This is supported by, among other things, performance objective setting processes.

NN is committed to providing market-competitive rewards through this clear and transparent remuneration framework. This framework is built on several key elements, including a total compensation approach that aligns pay with relevant local market conditions and considers the competencies and experience required for each role. Differentations are based on business needs and individual performance. The remuneration system is designed to attract, hire, and retain talent while ensuring consistency with NN's strategic positioning and development goals, reflecting the company's values and its role in society. This focus on competitive pay supports financial stability for employees, which is essential for long-term job satisfaction and retention. Based on our annual assessment of the hourly wage per individual, it is concluded that all NN Group employees are paid an adequate wage in 2024. For this assessment, the compensation per individual based on a full-time equivalent is compared to 60% of the median income per country, aligning with the disclosure requirements in the European Sustainability Reporting Standards and using data available from Eurostat to the extent possible.

NN Group's remuneration policy for executives and senior staff is based on a total compensation approach, and is benchmarked on a regular basis with relevant national and international peers, both within and outside the financial sector. Clear financial and strategic performance objectives are set which are aligned with the overall strategy of NN Group, both in the short term and the long term, to ensure that remuneration is properly linked to individual, team and NN Group performance. The remuneration policy supports a focus on the company's long-term interests and the interests of our customers and various stakeholders by ensuring that, by linking remuneration to the company's long-term objectives, staff are not encouraged via remuneration to take excessive risk. In addition, the remuneration policy ensures that NN Group complies with all the relevant (inter)national regulations on remuneration as relevant to our business, such as the Act on Further Remuneration Measures for Financial Undertakings (Wet nadere beloningsmaatregelen financiële ondernemingen) that entered into force on 1 January 2023.

Gender and equal pay

Gender equality contributes to an inclusive working environment by ensuring equal opportunities, working conditions and equal pay for equal work. NN Group constantly strives to promote and achieve equal pay for equal work, or work of equal value, for all employees, as this is a key component of supporting equal opportunities for all genders.

To this end, NN Group has implemented remuneration policies that do not differentiate on gender. This means that, in principle, all aspects of NN Group's remuneration policies and processes are aimed at being gender inclusive, such as the determination of salary levels for our employees and the process in relation to setting the award and pay-out levels for variable remuneration.

NN Group's pay is analysed annually with a focus on gender equality. Our gender pay gap analyses show that there is an overrepresentation of women in lower pay grades, and an underrepresentation in higher pay grades. This leads to a gender pay gap but does not mean that our employees do not receive equal pay for equal work. In general, men and women performing similar jobs, with similar experience and age, receive fair and equal pay.

To further accelerate the process of closing the gender pay gap, we are working on our talent management, succession planning and diversity and inclusion initiatives. We are closely monitoring compensation packages for new hires and recently promoted women, ensuring a balanced pay structure for all NN colleagues.

Gender pay gap

	2024	2023
Gender pay gap (%)	29%	28%

The gender pay gap is determined by dividing the difference between the average gross hourly pay level of male and female employees by the average gross hourly pay level of male employees. In 2024, more subsidiaries were included in the annual analysis to comply with the reporting requirement as prescribed by the European Sustainability Reporting Standards. The developments in the composition of the workforce and entities included in the analysis are influencing the outcomes of the gender pay analysis. Our work on achieving greater equity and becoming an even more inclusive and fair workplace is not done yet. We will therefore continue with conducting annual analyses of our gender pay gap and equal pay for equal work as part of our commitment to promote equal pay for work of equal value. Together, we will continue on our path of building and fostering a diverse, inclusive, healthy and safe workplace for all colleagues.

With respect to performance year 2024, the total number of staff of NN Group eligible for variable remuneration is 5,803. The total approved variable remuneration budget is EUR 38.6 million, which will be paid in March or April 2025. In 2024, 9 persons employed within NN Group received a total remuneration of more than EUR 1 million. For this calculation, the individual base salary, awarded variable remuneration and, where applicable, life course savings schemes, individual saving allowances, severance payments and pension contributions were included.

Remuneration of the Executive Board

The members of the Executive Board have a commission contract (in Dutch: overeenkomst van opdracht) with NN Group N.V. David Knibbe was appointed to the Executive Board and designated as Chief Executive Officer (CEO) of NN Group and as a result chair of the Executive Board effective 1 October 2019. After notification to the General Meeting of NN Group at the AGM on 2 June 2023, David Knibbe was reappointed as member of the Executive Board and again designated as CEO of NN Group and as a result chair of the Executive Board for a term of four years, which term will end at the close of the 2027 AGM.

Annemiek van Melick was appointed member of the Executive Board and designated as Chief Financial Officer (CFO) and as a result vice-chair of the Executive Board effective 1 July 2022. Her term of appointment will end at the close of the AGM of NN Group in 2026.

Members of the Executive Board can be reappointed by the Supervisory Board for consecutive periods of up to four years after notification to the General Meeting of NN Group.

The remuneration policy for the members of the Executive Board was adopted by the General Meeting on 24 May 2024, effective as from 1 January 2024. The data presented in this report relate to remuneration awarded to the members of the Executive Board in respect of the whole of 2024. The 2024 total remuneration as provided to the members of the Executive Board is in line with the applicable remuneration policy. The Supervisory Board has not applied any deviation from the procedure for the implementation of the remuneration policy or derogation from the remuneration policy for the members of the Executive Board.

The remuneration policy for the members of the Executive Board is required to be submitted for adoption by the General Meeting at least every four years.

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

Composition EB remuneration

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

The total compensation of the members of the Executive Board is benchmarked on a regular basis against market data that includes peers both inside and outside the financial sector in the Netherlands and abroad. Based on a fundamental review of the peer group approach, the Supervisory Board decided in 2024 that this approach is still future-proof and fit for purpose. The peers are selected with reference to asset base, market capitalisation, revenue and number of employees. In 2024, the peer group has been validated and consisted of ABN AMRO Bank, Achmea, Ageas, Akzo Nobel, a.s.r., Aviva, Hannover Rueck Se, Koninklijke Philips, Legal & General Group, Munich Re, Rabobank, Randstad, Swiss Life Holding, Talanx and Wolters Kluwer.

In line with the remuneration policy for the members of the Executive Board, the Supervisory Board aims to set the remuneration levels below market median. If, based on the annual benchmark, the remuneration level is not in line with the approved policy, appropriate measures will be considered. The Supervisory Board also takes into account all stakeholders' interests, including social context and the results of scenario analyses, before finalising executive pay levels.

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

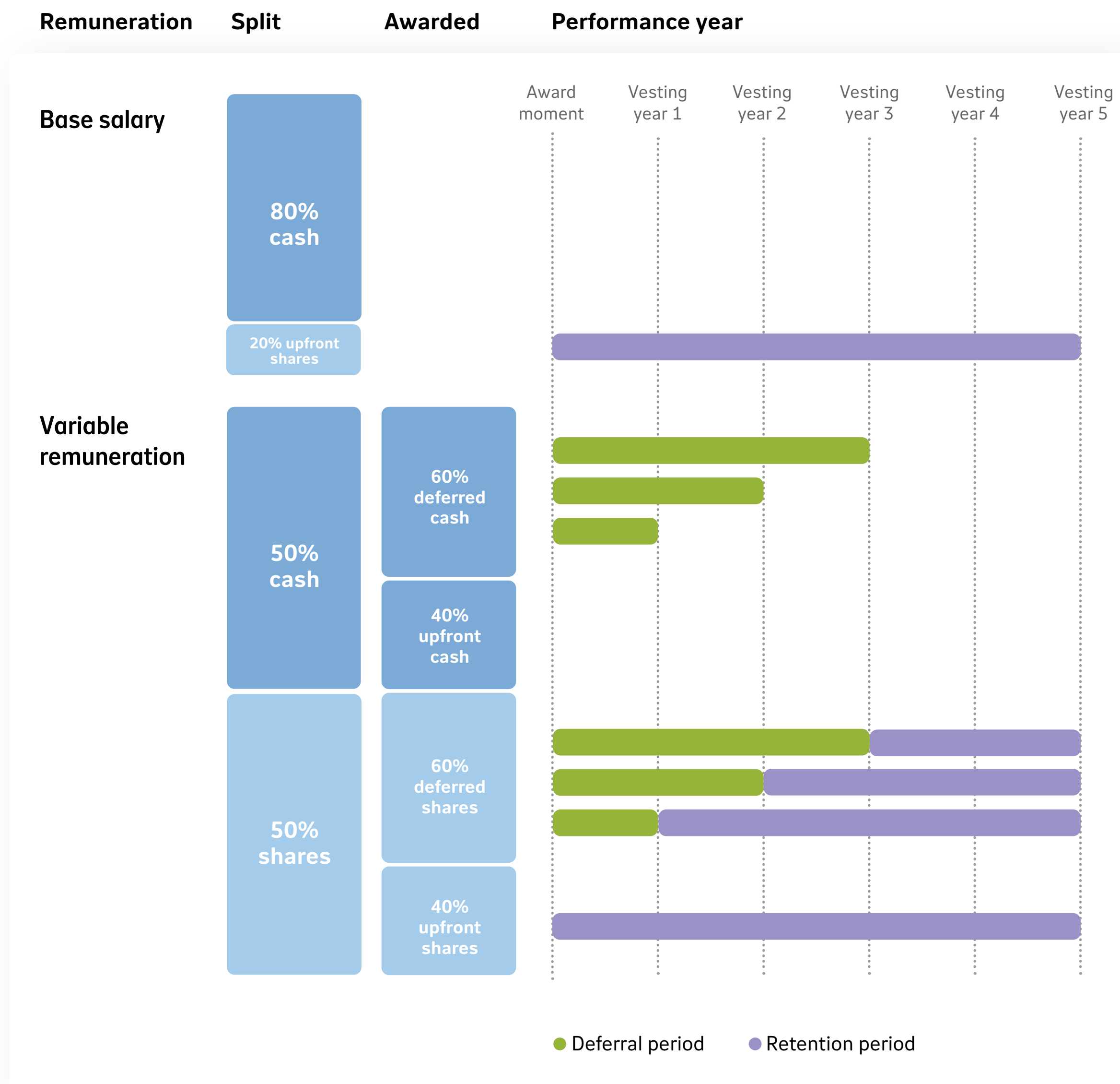
Executive Board base salary

The Executive Board base salary is based on the remuneration policy for the Executive Board, which aims at retaining highly qualified leaders and positioning the Executive Board total direct compensation (i.e. the total of the base salary and variable remuneration) below the market median. Aligned with this remuneration policy, the Supervisory Board evaluates the remuneration of the members of the Executive Board each year in comparison with the remuneration at NN Group's peer companies. The Supervisory Board also consults external experts to provide relevant benchmark insights.

In 2024, the Supervisory Board performed an assessment of the Executive Board's remuneration, taking into account the result of the benchmark analyses as performed by an independent advisor as well as the internal pay relativities and the interests and opinions of stakeholders. Input was obtained from various stakeholders and consideration has been given to relevant remuneration developments in and outside NN Group.

When assessing the individual and company performance, the Supervisory Board concluded that the members of the Executive Board have consistently shown strong leadership. NN has shown good progress in implementing its strategy and achieving strong commercial and financial performance under the leadership of the Executive

Remuneration of the Executive Board



Board. This has laid a strong foundation for long-term growth and sustainable value creation for all stakeholders.
After a balanced and thorough assessment, the Supervisory Board has decided to increase the base salary of the members of the Executive Board with 9%, with effect from 1 June 2024. The new base salaries amount to EUR 2,108,878 gross for David Knibbe and EUR 1,428,990 gross for Annemiek van Melick.

The increased remuneration packages continue to be positioned well below the market median and continue to be in line with the requirements resulting from the Executive Board Remuneration Policy. During the decision-making process, a scenario analysis has been performed and taken into consideration by the Supervisory Board.

Executive Board variable remuneration

The remuneration policy for the members of the Executive Board combines the short- and long-term variable components into one structure. This structure supports both sustainable long-term value creation and short-term company objectives. Performance objectives reflect NN Group's medium-term strategic priorities as communicated to the market, and as such contribute to the long-term strategy of NN Group. Variable remuneration is based on both the financial and strategic performance of the individual and the company. The Supervisory Board annually determines the performance objectives at the start of the performance year and defines the relevant 'at target' level. Following the performance year, the Supervisory Board determines the extent to which the financial performance objectives are met based on the full-year financial results. The extent to which strategic performance objectives are met is also assessed by the Supervisory Board.

The emphasis on long-term performance within the variable component of the compensation package is realised by means of deferral of 60% of the total variable remuneration. Furthermore, an annual re-evaluation by the Supervisory Board takes place with the option to hold back (i.e. prevent from ever vesting) and/or claw back vested and paid variable remuneration. The Supervisory Board has the authority to reclaim any variable remuneration allocated to a member of the Executive Board based on inaccurate data and/or behaviour that led to significant harm to the company. In addition, the Supervisory Board has the authority to adjust variable remuneration in the event that the application of the predetermined performance criteria would result in an undesired outcome.

The maximum variable remuneration of the members of the Executive Board for performance year 2015 onwards has been capped at 20% of the base salary and the on-target level of the annual variable remuneration has been set at 16% of the base salary. This is in line with the requirements of the Dutch regulatory regime as applicable to NN Group. Additionally, the short-term component of variable remuneration (the so-called 'Upfront Portion') is 40% of the total variable remuneration and is equally divided between an award in cash and an award in stock. The deferred portion is also equally divided between an award in deferred cash and an award in deferred stock. Both the deferred cash and the deferred stock awards are subject to a tiered vesting on the first, second and third anniversary of the grant date (one-third per annum). Similar to the shares awarded as fixed remuneration, a retention period of five years starting from the date of award is applicable to all stock awards (both upfront and deferred), with the exception that part of the stock will be withheld at the relevant date of vesting to cover any income tax liability arising from the vested share award (withhold-to-cover). In addition to the general principles described above, more specific details on the 2024 variable remuneration of the members of the Executive Board are provided below.

Performance for the year 2024 was assessed based on a number of objectives, as outlined in the following pages. Estimated risks and capital adequacy were also taken into account when determining the award of variable remuneration.

Performance objectives of the members of the Executive Board

The performance of the members of the Executive Board is assessed annually against their financial and strategic objectives as set by the Supervisory Board. When determining the objectives for a specific performance year, the Supervisory Board takes into account the medium-term financial, as well as strategic company targets which contribute to the long-term strategy of NN Group. When determining the relative weighting between the financial and strategic performance objectives, the Supervisory Board takes into account the requirements of the Dutch regulatory regime as applicable to NN Group and the Executive Board remuneration policy. At the end of the year, the Supervisory Board executes a performance assessment to determine to what extent the objectives have been met. The Supervisory Board is supported by various departments, such as Finance, Sustainability & Social Impact, Business Strategy, Compliance, Corporate Relations, Risk and HR, to provide relevant input.

The ambition of our company describes what we want to achieve in the years to come. We want to be an industry leader, known for our customer engagement, talented people, and contribution to society. All our different business entities are expected to contribute to the delivery of our ambition. To realise this ambition, five strategic commitments have been identified and the performance objectives of the members of the Executive Board were structured around these commitments. The financial and strategic performance objectives of the members of the Executive Board over the year 2025, as set by the Supervisory Board in January 2025, remain to be aligned with the strategic framework.

Targets related to the reduction of GHG emissions are recognised in the Society commitment.
Over performance year 2024, two out of three performance objectives in the Contribution to society commitment are linked to climate-related considerations. The performance of the members of the Executive Board and Management Board in relation to the Society commitment are reflected for 15% in the total annual variable remuneration target level.

— Target 2024   Outcome: Sustainability Finance Other strategic

Our commitments

Engaged customers

We see our customers as the starting point of everything

Weighting
CEO 20%
CFO 35%

Objectives & Achievements

Relational net promoter scores (NPS-r) for the Netherlands on par with market average and for Insurance International above market average.
Above target: customer satisfaction scores continue positive trend with 8 out of 10 countries ranking at or above market average; number 1 broker satisfaction scores at Dutch life and pension businesses as well as P&C commercial lines.

Expand DC capabilities in Life, implement Non-Life strategy 2025, implement Digital Retail Bank strategy and continue to shift to protection products for International.
On track: overall good performance supported by strong commercial momentum on business specific strategic and commercial objectives. Better than expected results on the implementation of the Non-Life strategy programme, combined with strong performance in Insurance Europe, both on the shift to protection as well as continued development of the Bancassurance channel. The net expansion of the DC capabilities in Life has come in just below target but the overall DC AuM development is solid. On the Digital Retail Bank strategy some of the key milestones have been met, but others are facing some delay in implementation.

Talented people

We empower our colleagues to be their best

Weighting
CEO 15%
CFO 15%

Objectives & Achievements

Employee engagement of ≥ 7.9 for NN Group
At target: the 2024 year-end employee engagement survey showed an upward trend and resulted in a score of 7.9.

Women in senior management positions ≥ 39.5%
Above target: at the end of 2024, 41% of senior management positions in NN Group were held by women.

Contribution to society

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

Weighting
CEO 15%
CFO 15%

Objectives & Achievements

Continue to drive action plans to reduce GHG emissions of the corporate investment portfolio by 25% by 2025 and by 45% by 2030, further substantiate actions plans to meet carbon reduction targets of Dutch residential mortgages and insurance underwriting in 2030, set targets for real estate portfolio. Net additions to climate solutions on average between EUR 550-750m annually to be on track to reach at least EUR 11bn investments in climate solutions by 2030.
On track: continued progress in reducing carbon footprint of corporate investment portfolio. Several measures are implemented that aim to motivate borrowers to enhance their homes' energy-efficiency ratings, reduce GHG emissions and provide access to financing. The Responsible Insurance Underwriting (RIU) Framework Policy was published in 2024. In 2024, net-zero audits were largely completed for the standing assets in the real estate portfolio. Total investments in climate solutions increased to EUR 12.8 billion, ahead of target.

Reduce GHG emissions of our facilities/offices and business air travel by at least 35% in 2024 (vs 2019), implement local plans to reduce GHG emissions to meet 35% reduction target in 2025
Below target: 2025 ambition is still feasible but does becomes more challenging as the reduction is slowing down. Additional focus is needed on reducing scope 3 business air travel emissions. Moving towards becoming net zero for our own operations, our progress is continuously monitored across the value chain and the effectiveness of our reduction strategies and actions is assessed.

Support the financial, physical and/or mental well-being of 700 thousand people by 2024 (cumulative 2022-2024)
Above target: around 766 thousand people were supported through NN's community investment programmes.

Financial strength

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

Weighting
CEO 40%
CFO 25%

Objectives & Achievements

Operating capital generation
(in EUR million)

Threshold	Target	Outcome	Cap
1,397	1,862	1,922	2,328

Free cash flow to the holding
(in EUR million)

Threshold	Target	Outcome	Cap
1,126	1,501	1,519	1,876

Digital & data-driven organisation

We develop and provide attractive products and services

Weighting
CEO 10%
CFO 10%

Objectives & Achievements

Successfully deliver on ambitions on IT simplification, Data and AI, Digital and Frictionless Journeys, Standardising support processes and Profitable growth.
Above target: the digitalisation programme is well-established and progressing as planned, with full-scale execution of numerous initiatives driving standardisation, automation, and reusability, while maintaining a strong commitment to CX and growth.

2024 Variable Remuneration award

The Supervisory Board concluded that, under the leadership of the members of the Executive Board, NN Group continued to deliver a strong business performance throughout the year 2024. This is supported by a consistently strong performance in both financial and strategic objectives, which is showcased by the overall outcome of the objectives related to all strategic commitments resulting above target.

On the basis of the assessment of the Supervisory Board, it was concluded to award David Knibbe in his capacity of CEO and chair of the Executive Board a variable remuneration of 17.6% of his base salary, which is EUR 358,109 and 110% of his variable remuneration target (2023: 108% of target) and Annemiek van Melick in her capacity of CFO and vice-chair of the Executive Board a variable remuneration of 19.1% of her base salary, which is EUR 263,412 and 119% of her variable remuneration target (2023: 108% of target). This award is based on the realisation of objectives on financial and strategic objectives, and consideration has been given by the Supervisory Board to significant additional efforts of the CFO in relation to corporate initiatives and strategic projects.

In 2024, there was no hold back applied to unvested deferred variable remuneration nor was claw back applied to paid or vested variable remuneration for any of the Executive Board members.

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

	David Knibbe		Annemiek van Melick	
	2024	2023	2024	2023
Base salary in cash	1,629	1,548	1,104	1,049
Base salary in shares	407	387	276	262
Total base salary	**2,036**	**1,935**	**1,380**	**1,311**
Variable remuneration	358	334	263	227
Total direct remuneration	**2,394**	**2,269**	**1,643**	**1,538**
Employer contribution to pension fund	29	27	29	27
Individual savings allowance[1]	442	421	289	275
Other emoluments	126	106	23	33
Employer cost social security[2]	60	79	48	59
Relative proportion base salary versus variable remuneration	85.0% / 15.0%	85.3% / 14.7%	84.0% / 16.0%	85.3% / 14.7%

1 The individual saving allowance scheme is applicable to both the Executive Board and staff of NN Group in the Netherlands.
2 The employer social security contributions do not impact the overall remuneration received by Executive Board members.

2024 Variable remuneration of the Executive Board members (in EUR 1,000 and gross)

	Upfront cash paid	Deferred cash granted	Upfront shares granted	Deferred shares granted	Total
David Knibbe	72	107	72	107	358
Annemiek van Melick	53	79	53	79	263

The total remuneration as disclosed in the table on the left hand side (for 2024: EUR 5.1 million) includes all variable remuneration related to the performance year 2024. Under IFRS-EU, certain components of variable remuneration are not recognised in the profit and loss account directly, but are allocated over the vesting period of the award. The comparable amount recognised in staff expenses in 2024 and therefore included in 'Total expenses' in 2024, relating to the fixed expenses of 2024 and the vesting of variable remuneration of 2024 and earlier performance years, is EUR 4.9 million.

Executive Board pension arrangements

The pension arrangement for the members of the Executive Board is the same as the pension arrangement that is applicable to all staff of NN Group in the Netherlands and as of 1 October 2022 comprises an individual defined contribution (IDC) plan up to the annual tax limit (EUR 137,800 for the year 2024) and a taxable individual savings allowance on pensionable fixed remuneration exceeding the tax limit.

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

Executive Board: other emoluments

The members of the Executive Board were eligible for a range of other emoluments, which may include healthcare insurance, life cycle saving scheme, transportation and external tax advice. The Executive Board members were also able to obtain banking and insurance services from NN Group in the ordinary course of business and on terms that apply to all employees of NN Group in the Netherlands. As at 31 December 2024, the Executive Board members did not have loans outstanding with NN Group regulated entities. No guarantees or advanced payments were granted to the Executive Board members. The remuneration overview provides details on the amount of emoluments that was paid by NN Group to the benefit of the Executive Board members. Long-term incentives awarded in previous years and in 2024 to the Executive Board members.

The Executive Board members receive deferred cash and upfront and deferred share awards under NN Group's Aligned Remuneration Plan (ARP). The table on the right hand side provides a summary of the number of NN Group shares awarded and vested for the Executive Board members during 2024 under the ARP.

Long-term incentives awarded in previous years and in 2024 to the Executive Board members

The Executive Board members receive deferred cash and upfront and deferred share awards under NN Group's Aligned Remuneration Plan (ARP). The table below provides a summary of the number of NN Group shares awarded and vested for the Executive Board members during 2024 under the ARP.

Overview of number of NN Group shares awarded and vested for the Executive Board members during 2024

	Plan	Award Date	Outstanding and unvested per 1 January 2024	Awarded during 2024	Vested during 2024	Outstanding and unvested per 31 December 2024	Vesting Price in euros
David Knibbe	Deferred Shares Plan	15 March 2021	784		784		40.70
	Deferred Shares Plan	14 March 2022	1,291		645	646	40.85
	Deferred Shares Plan	13 March 2023	2,099		699	1,400	41.03
	Deferred Shares Plan	25 March 2024		2,433		2,433	
	Upfront Shares Plan	25 March 2024		1,622	1,622		41.52
Annemiek van Melick	Deferred Shares Plan	13 March 2023	904		301	603	41.03
	Deferred Shares Plan	25 March 2024		1,648		1,648	
	Upfront Shares Plan	25 March 2024		1,099	1,099		41.52

The table below shows a summary of the (vested) NN Group shares held by the Executive Board members on 31 December 2024 (including the shares vested during 2024) and 31 December 2023.

The total of shares is broken down into shares that may be sold (free) and shares that remain subject to the retention period (restricted). The shares are either awarded as part of base salary or variable remuneration.

NN Group shares held by the Executive Board members

	Total		Free		Restricted	
	2024	2023	2024	2023	2024	2023
David Knibbe	62,163	54,828	25,948	21,248	36,215	33,580
Annemiek van Melick	10,965	6,609	0	0	10,965	6,609

Remuneration of the Executive Board members, company performance and average employee remuneration

	2024	2023	2022	2021	2020
Executive Board remuneration (amounts in Euro 1,000 and gross)					
Total direct remuneration Mr Knibbe	2,394	2,269	2,113	2,102	2,059
Total direct remuneration Mrs. van Melick	1,643	1,538	760		
Total direct remuneration Mr Rueda[1]			820	1,682	1,669
Company performance (amounts in euro million)					
Operating capital generation	1,922	1,902	1,711	1,584	993
Operating result	2,574	2,528	1,743	2,036	1,889
Solvency II ratio	194%	197%	197%	213%	210%
Average remuneration (amounts in Euro 1,000 and gross)					
Average employee remuneration	97.3	92.6	84.3	88.9	90.3
CEO pay ratio (average)	31:1	31:1	32:1	30:1	30:1
CEO pay ratio (median)	38:1				

1 Delfin Rueda stepped down as member of the Executive Board and CFO of NN Group as of 1 July 2022. His remuneration in the capacity of CFO of NN Group is shown in the table above.

NN Group is dedicated to aligning the interests of the members of the Executive Board with those of the company and its stakeholders. For shareholders, this is realised through various ways, including awarding 50% of the variable remuneration in NN Group shares and applying a five-year retention period as from the award date, during which period the shares cannot be sold. Furthermore, 20% of the base salary of the Executive Board members is delivered in the form of NN Group shares, again with a mandatory retention period of five years as from the award date. This way, the Executive Board members build up a substantial interest in NN Group shares, without having formalised share ownership guidelines. As at 31 December 2024, the total value of the shares, based on the year-end share price, equals 15 months of the gross base salary held by the Chief Executive Officer and four months of the gross base salary held by the Chief Financial Officer.

Pay ratio

The pay ratio compares the total CEO compensation and the remuneration of all staff ('pay ratio') as stated in the Dutch Corporate Governance Code. For the CEO, the total remuneration used in the pay ratio is the total remuneration as disclosed in the Remuneration Report. For the staff members, the total remuneration used in the pay ratio is the total remuneration as disclosed in the Consolidated annual accounts Note 26 'Staff expenses'. In order to provide a meaningful comparison, the total remuneration of the staff population excludes the remuneration of the CEO of NN Group.

NN Group aims to align with the pay ratio calculation method as prescribed in the Dutch Corporate Governance Code. The pay ratio calculation excludes external staff costs and includes all variable remuneration related to the performance year.

In light of the reporting requirements as prescribed in the European Sustainability Reporting Standards (ESRS), NN Group discloses the pay ratio based on the median remuneration of all staff as of 2024, in addition to the calculation method as prescribed in the Dutch Corporate Governance Code. The median CEO pay ratio is the ratio between the annual total remuneration of NN Group's highest paid individual (the CEO) and the median remuneration of its employees (excluding the total remuneration of the CEO). The calculation method based on the median remuneration aims to align with the calculation method as described in the ESRS. The difference between the two pay ratios is mainly triggered by the fact that the average employee remuneration at NN Group is higher than the median employee remuneration. In addition, the pay ratio calculation method based on average employee remuneration includes more salary components compared to the median employee remuneration calculation. This is due to the fact that not all employee (benefit) costs can be broken down or attributed to individual employees, and as such can not be included in the remuneration as used to determine the median as the middle value in a sorted list of all individual employees.

The Supervisory Board considers trends in the pay ratio in its assessment of the compensation of the members of the Executive Board, while HR closely monitors the pay ratio.

Remuneration of the Supervisory Board

On 31 December 2024, the Supervisory Board was comprised of the following members: Mr Cole, Ms Beale, Mr Jenkins, Mr Lelieveld, Ms Reyes, Mr Timmermans and Ms Van der Meer Mohr. See more information on the composition of the Supervisory Board and its Committees in 'Corporate governance' on p. 90-91 and in 'Report of the Supervisory Board', on p. 102. The 2024 total remuneration as paid to each of the members of the Supervisory Board is in line with the applicable Supervisory Board Remuneration Policy effective as of 1 June 2024.

The Supervisory Board remuneration policy needs to be submitted to the General Meeting of NN Group for adoption every four years based on Dutch law. The Supervisory Board remuneration policy, including an amendment to the level of the fixed annual fee for the members of the Supervisory Board has been adopted by the General Meeting on 24 May 2024.

NN Group does not grant variable remuneration, shares or options to the Supervisory Board members. This ensures the independence of the Supervisory Board and is in line with the Dutch Corporate Governance Code. In line with this principle, there are no sustainability-related performance objectives related to the members of the Supervisory Board. Supervisory Board members may obtain banking and insurance services from NN Group subsidiaries provided that such services are amongst others in line with the ordinary course of busines and on terms that are customary in the sector. As at 31 December 2024, the Supervisory Board members did not have loans outstanding with NN Group regulated entities. No guarantees or advanced payments were granted to Supervisory Board members.

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

The remuneration for the members of the Supervisory Board (in EUR)[1]

	Chair	Vice-chair	Member
Fixed Annual fee Supervisory Board	125,000	85,000	75,000
Fixed annual fee for position in Committee	20,000	n/a[2]	15,000
Fixed annual expense allowance to cover out of pocket expenses (travel and lodging will be paid)	9,000	9,000	9,000

[1] The level of the fixed annual fee for the members of the Supervisory Board is shown in the table above and is effective as from 1 June 2024.
[2] There are no vice-chair positions in Supervisory Board Committees.

Fees and allowances of Supervisory Board members (in EUR and gross)[1]

	Fixed annual fees		Total fixed gross expense allowance		Total	
	2024	2023	2024	2023	2024	2023
D.A. (David) Cole (Chair)[3]	142,225	143,708	9,000	9,000	151,225	152,708
P.F.M. (Pauline) van der Meer Mohr (vice-chair)	117,292	104,542	9,000	9,000	126,292	113,542
I.K. (Inga) Beale	103,333	97,250	9,000	9,000	112,333	106,250
R.W. (Robert) Jenkins	103,333	97,250	9,000	9,000	112,333	106,250
R.J.W. (Rob) Lelieveld	123,333	114,542	9,000	9,000	132,333	123,542
C.G. (Cecilia) Reyes[3]	108,333	107,250	9,000	9,000	117,333	116,250
J.V. (Koos) Timmermans[2]	63,374		5,440		68,813	
J.W. (Hans) Schoen[5]	40,234	104,333	3,585	9,000	43,819	113,333
H.M. (Hélène) Vletter-van Dort[4]		42,917		3,750		46,667

[1] This table shows the fixed fees and expense allowances for the members of the Supervisory Board of NN Group for 2024 and 2023. Mr Schoen was appointed as Supervisory Board member of Nationale-Nederlanden Levensverzekering Maatschappij N.V. as from 21 January 2020 and Nationale-Nederlanden ABN AMRO Verzekeringen Holding B.V. and ABN AMRO Schadeverzekering N.V. as from 15 September 2021. Ms Beale has been appointed as Supervisory Board member of Nationale-Nederlanden Schadeverzekering Maatschappij N.V. as from 8 June 2022 and Mr Lelieveld has been appointed as Supervisory Board member of NN Re Netherlands N.V. as from 14 June 2022. In 2024, the total fees for these roles were EUR 106,000.
[2] Mr Timmermans was appointed as Supervisory Board member as from 24 May 2024.
[3] Mandatory social security and occupational disability contributions in relation to the NN Group Supervisory Board fees are due for Mr Cole, for Ms Beale and for Ms Reyes on the basis of specific local requirements as applicable to the Supervisory Board members. The mandatory employer contributions in relation to 2024 that are made to relevant local institutions amount to EUR 19,760 for Mr Cole and EUR 6,268 for Ms Reyes. The relevant employee contributions are fully borne by Mr Cole and Ms Reyes themselves, and the Supervisory Board members are not compensated for that in any way.
[4] At the close of the 2023 AGM on 2 June 2023, Ms Vletter-van Dort's term of appointment as NN Group Supervisory Board member ended.
[5] At the close of the 2024 AGM on 24 May 2024, Mr Schoen's term of appointment as NN Group Supervisory Board member ended.

Our Code of Conduct and other policies

Business conduct policies and corporate culture

In this chapter, we describe our approach to promoting and safeguarding our corporate culture, values and related behaviours. We structure this approach around three key areas:

Prevention: The NN Code of Conduct and awareness initiatives support and promote our NN Values and beliefs. They are both designed to foster a positive corporate culture and good business conduct.

Detection: We use dashboards and our Risk Management Framework (RMF) to monitor business and employee conduct. Our RMF involves risk assessment by our first and second lines on items using tools such as dashboarding and maturity reflection. The maturity reflection is a self-assessment by first and second line on items from our RMF. This facilitates dialogue with management on managing and improving our compliance culture. Together, these tools help us assess the effectiveness of our policies and identify areas for improvement.

Response: We have reporting and investigation mechanisms in place to address instances of misconduct. These include clear policies and processes for reporting unethical behaviour and protecting whistleblowers.

The NN Code of Conduct

Founded on our company values, the NN Code of Conduct and Manager Annex are directly linked to the NN statement of Living our Values and other relevant underlying policies and standards. The Manager Annex includes additional expectations for our business leaders, including managers and board members so they can help everyone to embody our values and meet our standards. Together, the NN Code of Conduct and Manager Annex include guidelines for how we interact with colleagues and customers, handle information and (personal) data, manage conflicts of interest, fraud, bribery and corruption, address financial economic crime, use equipment, the internet and AI, and report and deal with breaches.

Each year, we review and update the NN Code of Conduct and Manager Annex, along with the underlying policies and standards. All internal employees must formally acknowledge their understanding of the NN Code of Conduct and their commitment to applying the underlying policies and standards each year. All managers also need to formally acknowledge the Manager Annex annually. Formal acknowledgement has been mandatory for several years and in 2024 we achieved a 100% acknowledgement score (excluding staff on long-term or sick leave). External employees and contingent workers are to comply with the NN Code of Conduct as part of their contract.

Awareness and e-learnings

We raise engagement and awareness among employees on people- and business conduct-related topics through e-learnings. Our internal SharePoint, Conduct Matters, which is available in all local languages, supports our NN Code of Conduct by providing e-learnings around conduct as well as additional conduct-related resources such as lists of contacts in particular situations and dilemma exercises. To improve employees' understanding of the NN Code of Conduct and improve their ability to recognise and act on integrity-sensitive situations, we also introduced The Code, the Basics e-learning. We also offer mandatory e-learnings on different topics to raise risk awareness around confidential and price-sensitive information. These include Confidential Matters, on confidentiality, Trading Matters, for all NN insiders, which focuses on market abuse/insider trading, Conflicting Matters, which covers bribery, corruption and conflicts of interest, Speaking Up Matters, which encourages speaking up, and Data Matters on the use of data and confidential information. The Code, the Basics, Conflicting Matters, Speaking Up Matters and Data Matters are available in all local languages.

In 2023, we launched an e-learning on financial economic crime (FEC) in the Netherlands for all NN employees. We also introduced additional e-learnings on FEC and sanctions for specific employee groups. At the start of 2024, these were rolled out to all international business units in local languages.

These e-learnings are mandatory for all NN Group employees and are integrated into the onboarding process of new joiners and will be regularly updated. The Integrity Dashboard monitors employee participation in these mandatory learnings.

Digital compliance dashboards

In 2024, we continued developing the Integrity Dashboard and Compliance Dashboard, used by all NN business units to facilitate a more data-driven Compliance function. Initially rolled out in 2023, the Integrity Dashboard provides detailed information for first line management to raise and monitor awareness among team members on compliance topics and related behaviour. Similar to the Compliance Dashboard, it includes a clear overview of outstanding tasks regarding mandatory e-learnings, the mandatory Oath for all employees, and other compliance topics such as the numbers of insiders, approvals of received and offered gifts and entertainment, potential conflicts of interest, and NN Code of Conduct acknowledgment percentages.

In 2024, we introduced the Pre-Employment Screening Dashboard for monitoring pre-employment screening. We also enhanced our Integrity and Compliance Dashboards to improve usability and integrated relevant compliance risk metrics into the Group Risk Dashboard at business unit level, providing a better overview of compliance status and integrity-related activities. This year, we added new data sources for our risk management system, business continuity management system, and the system that presents legal structures. These additions are important for compliance with the Digital Operational Resilience Act (DORA) , which mandates the disclosure of certain information. By incorporating these additional data sources, we have enhanced our reporting capabilities, providing a more comprehensive view of how we monitor our compliance with policies and standards across the organisation.

Risk Maturity Reflection

The Risk Maturity Reflection is the integrated framework of the Risk Culture Check-in[1] and the Maturity Assessment of business unit control functions. It forms the basis for constructive dialogue with NN senior management on how we manage the risk culture within the company and where we can improve. Feedback from this dialogue underpins the People Conduct & Business Culture statement. The process is led by Group Risk in close cooperation with Group Legal and Group Compliance. The Risk Maturity Reflection is performed across business units every two years. It was last executed in 2024.

Reporting misconduct (whistleblowing)

By living up to our values, we aim to create a safe working environment for colleagues and business partners, where everyone feels welcome, valued and respected. In doing so, we build and protect the reputation and integrity of our company while adhering to applicable laws and regulations. At NN Group, we encourage the internal reporting of (potential) concerns and breaches of local and European Union (EU) regulations, NN Core Values and NN policies through various channels. Whenever (potential) work-related concerns or breaches are reported, NN Group takes them seriously and carefully assesses each report to determine whether further investigation or action is needed. The report includes work-related issues around human rights and equal treatment and opportunities for all.

NN Group uses the Speak Up system, which allows every employee and certain external parties (contractors, subcontractors, suppliers), to report concerns and breaches rising from within our organisation outside the regular reporting channels. Speak Up allows reports to be made anonymously and in the reporter's preferred language. The system is designed, established, and operated securely to ensure the confidentiality of a reporter's identity if so desired, with access restricted to a very limited group of authorised NN Group staff members, who are well trained reporting officers, NN Group Reporting Officer/Chief Compliance Officer or delegated person, Global Head Security and Investigation NN Group or delegated persons. The Speak Up system also supports (anonymous) communication between the reporter and the reporting officers when needed. NN takes appropriate measures, like maintaining the confidentiality of the reporter, educating relevant staff about retaliation during the process, ensure proper follow up with the reporter, to prohibit any form of retaliation against reporters and to protect individuals. Additionally, NN Group also defines forms of retaliation and strict disciplinary measures against employee who attempts retaliation.

Through the Speak Up system, reporters are always informed of their rights and how they are protected against potential retaliation. They are also reminded of their obligation to report in good faith and to maintain the confidentiality of their report. We give reporters feedback on whether their report falls within the scope of the International Whistleblower Policy or the Whistleblower Standard for Dutch Business Units and Head Office of NN Group. If it does, we investigate further and take follow-up actions or disciplinary measures as appropriate. These measures are designed to ensure that the remedy is effective and to incorporate key learnings into our existing processes and policies. The Speak Up system keeps reporters informed and updated on the progress of their report; if the report is outside the scope of any of the above-mentioned Standards, then the reporter is directed to other internal procedures. Reports are recorded and periodically reported by the Chief Compliance Officer to the NN Group Management Board and Risk Committee of the NN Group Supervisory Board.

In 2023, changes to the whistleblowing regulation in the Netherlands narrowed the scope of concerns that can be reported. Consequently, we follow up reports that fall outside the new scope through alternative but aligned channels. In 2024, the Compliance function continued to raise awareness to foster a culture of open dialogue and speaking up through training and communication, both in the Netherlands and internationally, in close cooperation with the HR and Communication departments. This training and communication gives clarity on different reporting channels, processes and protection against retaliation. The Speak Up e-learning is mandatory for all employees. Additionally, reporting officer receive regular training on how to handle reports.

The NN Group engagement survey 'Peakon' is conducted twice a year. The survey asks employees to give a score for the statement: 'If I experienced any kind of misconduct or unethical conduct at work,

[1] Business units perform a self-assessment of the risk culture within their unit (including the independent view of local control functions) in cooperation with Head Office control functions.

I'm confident NN Group would take action to address the situation.' This data point, along with other assessments, enables us to evaluate the perceived effectiveness of our reporting channels by employees and identify areas for improvement. See 'Social' on p. 179 for more information on the survey.

Corporate security and investigations

NN Group's Investigation Standard outlines requirements for reporting, investigating, and settling (material) incidents in the organisation consistently, transparently and professionally. The standard is owned by the independent NN Group Corporate Security & Investigations department (CSI), which must always be consulted in cases of material (suspected) breaches of the NN Code of Conduct. CSI determines if and how an investigation should be conducted. Investigations can be conducted by CSI or under local responsibility, with CSI approving the local proposal in terms of scope and manner of the investigation. Only members of the NN Group Management Board, their direct reports, or members of the NN Group Supervisory Board may commission investigations.

The way in which an investigation is conducted must be proportional to the nature of the incident, consider the rights and interests of employees and other parties involved, and comply with local laws and regulations, particularly in the field of privacy and data protection, data retention and labour legislation. The results of an investigation should be reported to the commissioner of the investigation. In cases where disciplinary actions may be necessary, a Settlement Council, consisting of, among others, the commissioner and representatives of HR, CSI, Compliance and Legal, should be convened as soon as possible. The members of this Settlement Council will advise the commissioner on the next steps and measures, including possible disciplinary actions.

2024 reported whistleblower cases

In 2024, we received whistleblower reports from within various parts of NN Group, both in the Netherlands and internationally. Reports are recorded and numbers are periodically reported by the Chief Compliance Officer to the NN Group Management Board and Risk Committee of the NN Group Supervisory Board.

Whistleblower cases

	2024	2023	2022
Total reported	34	29	17
Investigated by CSI	6	3	2
Disciplinary actions taken on reported whistleblower cases	8	5	1

Other incidents and concerns

CSI was involved with 42 cases in 2024 (in 2023 the figure was 48). In 4 of these, disciplinary measures were taken (warning, reprimand, termination of employment or instant dismissal). Three disciplinary cases are overlapping with the disciplinary actions taken on reported whistleblower cases. Employees are informed in writing of any disciplinary measures.

CSI cases involving disciplinary measures

	2024	2023	2022
Fraud-related	1	3	1
Unethical behaviour	3	2	1
Conflict of interest	0	0	0
Total	**4**	**5**	**2**

Product approval and review process (PARP) and customer golden rules

We want to provide customers with value for money, transparency, and products and services that align with societal expectations and legislative developments. For instance, new or modified products or services are subject to a product approval and review process (PARP) to safeguard they are transparent and meet customer needs. Our 'customer golden rules' are an integral part of the PARP. These are:

- We strive to meet customers' needs throughout their life cycle.
- Offer fair value to customers.
- Explain the risks, returns and costs of our products and services.
- Regularly assess products, services and distribution practices.
- Only work with professional and licensed distributors.

Product insight

In response to the Sustainable Finance Disclosure Regulation (SFDR) and related Insurance Distribution Directive (IDD) in 2023, we developed a centralised data platform. This platform is developed for making SFDR calculations to support SFDR disclosures throughout NN Group. A SFDR Guidance Committee and User Board were set up to further mature the reporting process and address any required regulatory changes to current processes or methodology.

For our investment products, we optimised our Unit-Linked dashboard, which gives insights into Unit-Linked Asset Managers, as well as improving understanding of funds offered on risk levels, SFDR classification, fund returns, and the performance of funds available within NN.

Data privacy

NN Group is aware of the need to strike an appropriate balance between individual choices, privacy and social responsibility. With digitalisation continuing rapidly, we are conscious that to safeguard the privacy of our customers, it is more important than ever to secure their personal data and handle it responsibly. We are subject to legislative data protection requirements, the most important being the EU General Data Protection Regulation (GDPR). In our privacy statement we explain how we have translated the GDPR into our day-to-day operations. We raise awareness about the careful processing of (personal) data by providing training for our employees and regularly updating information on our intranet.

Our Data Protection Office (DPO) Charter provides a mandatory framework that establishes the function of Data Protection Officer. Both NN Group and our individual business units within the EU have appointed a DPO, who is assigned a clear mandate and responsibilities in line with the DPO Charter and the GDPR. Our Data Protection Officers monitor compliance with the GDPR, and act as contact points for supervisory authorities and data subjects. The DPOs monitor the number of complaints and data breaches, which are currently within an acceptable range.

Artificial intelligence

We have established the NN AI Framework to safeguard that we use trustworthy AI. This framework includes AI assessments validated by an AI Working Group, addressing key aspects such as lawful data processing, bias prevention and ethical considerations. The AI Act entered into force on 1 August 2024, with most of its rules coming into effect on 2 August 2026. To meet the initial obligations effective from February 2025, we have incorporated the prohibition of specific AI systems into NN's AI Framework and promoted AI literacy through the NN Data Literacy programme. The next steps will involve the categorisation of NN's AI systems according to the AI Act's risk-based approach. To support these efforts, we have implemented a governance structure and are training our employees on AI applications and assessments. This initiative supports our workforce to manage AI systems ethically and effectively. We will continue to contribute to regulatory initiatives aimed at establishing guidelines for complying with the AI Act and keep a close watch on other upcoming legislation regarding AI, like the proposed AI Liability Directive.

NN successfully rolled out Microsoft 365 Copilot across the organisation, which aims to boost productivity by automating routine tasks and offering intelligent insights. To make employees more proficient with these new AI tools, we introduced three e-learnings: AI Essentials at NN, Perfect Prompting, and Get Started with M365 Copilot. These are designed to familiarise employees with AI tools and teach effective prompting techniques, ultimately increasing their productivity and confidence in leveraging AI technology. The pilot phase has shown promising results, facilitating access to internal knowledge and process automation, aiming to enhance productivity and reduce operational costs. Building on this success, we launched a centralised Generative AI platform (GAIA) in collaboration with Group IT and Customer & Digital. GAIA enables teams to integrate their own data and use out-of-the-box generative AI capabilities, such as Retrieval Augmented Generation (RAG) and AI Agents.
This platform supports NN's ambition to improve operational efficiency and drive innovation. These initiatives have shown promising results, enhancing access to internal knowledge and enabling our operational departments to provide more efficient customer support, contributing to our goals of increased efficiency and cost reduction.

Financial economic crime

For NN, combating financial economic crime (FEC) is not just a legal obligation, it is a way to protect society, including customers, against criminal activity. FEC covers the risk of money laundering, financing of terrorism and breaching applicable sanctions regimes. As a corporate citizen, NN Group takes its gatekeeper role to protect the integrity of the financial system seriously. This commitment is reflected in our Risk Appetite Statement regarding sound business conduct and in the NN Group FEC Policy. Our FEC framework sets out mandatory minimum requirements for detecting and preventing FEC, and is based on applicable international, European, Dutch and local laws, regulations and guidelines.
In 2024, NN focused on implementing the updated FEC Policy and the new governance structures introduced in 2023, effectively integrating these changes across all levels of the organisation.

This year we also set up a programme in the Netherlands to further strengthen the framework and overarching processes of the Dutch business units. Looking ahead, we will continue our efforts to maintain a robust FEC framework by training relevant employees, conducting a Group-wide FEC risk assessment and performing deep dives where necessary.

Conformity statement

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

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

- The NN Group N.V. 2024 annual accounts, as referred to in section 2:361 of the Dutch Civil Code including the relevant additional information as referred to in section 2:392 paragraph 1 of the Dutch Civil Code, give a true and fair view of the assets, liabilities, financial position and profit or loss of NN Group N.V. and the enterprises included in the consolidation taken as a whole.
- The NN Group N.V. 2024 Report of the management board (bestuursverslag), as referred to in section 2:391 of the Dutch Civil Code, gives a true and fair view of the position at the balance sheet date, and the development and performance of the business during the 2024 financial year of NN Group N.V. and the enterprises included in the consolidation taken as a whole, together with a description of the principal risks NN Group N.V. is confronted with.

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

- NN Group N.V.'s description of its risk management organisation and framework as described in the Report of the management board (bestuursverslag) including Note 48 Risk management to the Consolidated annual accounts provides sufficient insights into any material failings in the effectiveness of the internal risk management and control systems with regard to, in any case, the strategic, operational, compliance and reporting risks as referred to in best practice provision 1.2.1 of the Dutch Corporate Governance Code.
- Based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis.
- The NN Group N.V. 2024 Report of the management board (bestuursverslag) includes the material risks as referred to in best practice provision 1.2.1 of the Dutch Corporate Governance Code, and the uncertainties, to the extent that they are relevant to the expectation of NN Group N.V.'s continuity for the period of 12 months after the preparation of the report.

The Executive Board of NN Group N.V. assessed the effectiveness of the internal control over financial reporting during 2024. Based on the Executive Board's assessment, with reference to best practice provision 1.4.3(ii) of the Dutch Corporate Governance Code, the Executive Board of NN Group N.V. concluded that the risk management and control systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies.

The Hague, 12 March 2025

David Knibbe
CEO, chair of the Executive Board

Annemiek van Melick
CFO, vice-chair of the Executive Board

Sustainability Statement

We believe our business has a role to play in the transition to a sustainable economy and are committed to doing what we can to contribute to the well-being of people, the planet and society.

General disclosures

Contents

At NN Group, sustainability has long been an integral part of our strategic vision. We view sustainability from both an outside-in and inside-out perspective, enabling us to address the challenges posed by sustainability risks, as well as opportunities, and the impact they may have on people and the environment, while also tapping into new market segments and fostering innovation.

Similar to previous annual reports, we comply with the Non Financial Reporting Directive (NFRD). In 2024, the new EU Corporate Sustainability Reporting Directive (CSRD) and the accompanying European Sustainability Reporting Standards (ESRS) were issued. These new requirements are not yet transposed into Dutch law and, therefore, not yet applicable to NN. In this year's Annual Report we have voluntarily used the ESRS as basis for preparation for the Sustainability Statement.

As part of our commitment towards enhanced transparency, NN Group discloses information concerning impacts, risks and opportunities (IROs) related to environmental, social, and governance (ESG) matters that are material for our own operations and our value chain for the reporting year 2024. Recognising the complexity of the task, and reflecting on the important role of stakeholder engagement, we performed a Double Materiality Assessment (DMA) in 2023 to identify any gaps and to develop our CSRD-enhanced reporting strategy. This resulted in a first mapping of our material topics. This year, leveraging the insights we gained from the 2023 DMA, we continued our efforts to further improve our DMA process and reporting practices. The DMA forms our basis for sustainability matters and related IROs disclosed in this Sustainability Statement.

The Sustainability Statement aims to inform our stakeholders, including customers, investors, employees, business partners and regulators, as well as broader society, about our sustainability objectives and the progress we have made on them. It underscores our ongoing commitment to creating sustainable long-term value for stakeholders.
The outcomes of our DMA are detailed on pp. 20 and 21, and inform this Statement, including our topical disclosures. In alignment with our purpose to be an industry leader, known for customer engagement, talented people and our contribution to society, we have also identified entity-specific disclosures (ESDs) providing additional context to the material sustainability matters identified through the DMA.

General basis for preparation

NN Group's Sustainability Statement for the year ended 31 December 2024 is prepared on a consolidated basis, consistent with the scope of the consolidated annual accounts, unless specifically stated otherwise alongside the indicator.

All subsidiaries included in this Sustainability Statement are exempt from individual sustainability reporting (including EU Taxonomy), except for NN Bank. Since NN Bank is a public-interest entity with bonds listed on an EU regulated market, it prepares a standalone Sustainability Statement, including EU Taxonomy reporting. See Annual Accounts, note 1, p. 253 for more information on the scope of consolidation.

Our Sustainability Statement has been prepared using the ESRS as basis of preparation. NN Group continues to report under the EU Taxonomy, Article 8 of EU Regulation 2020/852.

Throughout the Statement, all information needed to understand the quantitative disclosures, such as the methodology, assumptions, estimations, etc., is presented alongside the metrics. Our external auditor KPMG has provided limited assurance on this Sustainability Statement (see the independent auditor's report on p. 392); there was no additional validation by other external assurance providers on any metrics presented in this Sustainability Statement.

Within our Sustainability Statement the most significant assumptions, estimations and uncertainties relate to financed emissions, see p. 150 onwards 'Important note on the results', Climate Risk Assessment (CRA) from p. 161 onwards Climate Risk Assessment results, and EU Taxonomy disclosures, see, p. 172 onwards 'Assumptions'.

Since 2017, we have externally disclosed that we align our climate action approach to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Our net-zero approach is described on p. 136, and included in a TCFD reference table on p. 398.

Time horizons

We define time horizons as follows:

- short/medium term is less than or equal to five years,
- long term is more than five years.

Combining the short- and medium-term horizons differs from the ESRS 2 General Requirements, but this deviation does not impact our report, or the results of the analysis, and is a suitable basis for discussing time horizons in our sustainability reporting. We have aligned the time horizons with those applied to existing processes, where the business planning period is five years. Hence 'short/medium term' is five years or less, 'long term' more than five years.

Disclosing on minimum disclosure requirements

We disclose on our policies, actions, targets and metrics throughout this Sustainability Statement. We disclose information related to the minimum disclosure requirements for our policies in a dedicated policy table in the Annex, see p. 215 The minimum disclosure requirements related to actions and metrics are disclosed in 'Environment', from p. 134 , and 'Social', from p. 179. Target-related requirments are disclosed in 'Governance', see p. 207.

Integrating sustainability into our strategy

We aim to be an industry leader, known for our customer engagement, talented people and contribution to society. Employing some 16,439 people (see p. 191 for a country overview), NN provides retirement services, pensions, insurance, mortgages and investments to around 19 million customers across Europe and Japan. We have integrated sustainability into our overall strategy, including our strategic commitment to society whereby we aim to contribute to the well-being of people and the planet. This commitment guides our activities and operations. We do business with the future in mind and aim to contribute to a world where people can thrive for generations to come.

With our DMA we have identified our material IROs. The detailed overview of sustainability matters in this chapter includes the IROs we consider material from a DMA perspective, and how we address them with an aim to enhance the well-being of people and the planet. For this year we apply the phase-in provision for revenue and segment reporting. The phase-in provision gives room to not disclose information in the first three years of applying ESRS where that information is hard to obtain, or not available. Therefore, this information is not disclosed here.

In relation to our strategic commitment to society, we took a closer look at our key products, services, markets and customer groups. By considering material sustainability matters from the perspective of our four main activities – our own operations, products and services, investments and business partners, we aim to enhance our strategic commitments to society. We used the material sustainability matters to identify opportunities and risks, and (positive and negative) impacts related to ESG factors. The ESG factors identified include climate change, nature, sustainable repair, employee and human rights, business conduct and corruption and bribery.

With the ambitions and strategic targets we have set, we aim to create impact on the real economy to help enable a transition to a sustainable economy for all. However, to reach net-zero targets and meet our strategic commitments we need to overcome several challenges. These include our reliance on external actors, complex nature-related financial risks, visibility issues in the value chain, new regulations and rapidly changing data availability. To address these, we collaborate with stakeholders, keep up with changing regulations, invest in data management systems, enhance transparency in the value chain and aim to support vulnerable communities. Effort is also needed from society. Given the speed of the transition and the actions it demands, it will impact people and communities and may disproportionately affect vulnerable groups. We aim to support all groups, leaving no one behind.

The two key focus areas in our sustainability approach are our commitment to achieving net-zero emissions and respecting human rights.

Our approach to net zero

NN Group is committed to becoming a net-zero company by 2050 for our proprietary investments, insurance and banking activities, and net zero for our own operations by 2040. We are concerned about the effects of climate change on society and therefore apply science-based principles to contribute to a low-carbon future that meets the needs of the next generations. We have developed several strategies to decarbonise our assets, liabilities and own operations. For more on our ambition, agenda and action plans to reduce greenhouse gas (GHG) emissions, see p. 135.

Our approach to the material sustainability matters that relate to our net-zero ambition include:

- Helping accelerate the transition to a low-carbon economy to limit the rise in average global temperature to 1.5°C through our proprietary investments, insurance and banking activities. We aim to do this through, for example, engagement, capital allocation to, and insurance of, climate solutions, and by employing phase-out and/or restriction criteria as a last resort.
- Developing and offering products and services that address environmental challenges that our customers might face, (e.g. by contributing to a low-carbon economy or helping insure our customers against climate-related impact).
- Effectively managing our direct environmental footprint by reducing our use of natural resources, seeking green alternatives and offsetting the remainder of our GHG emissions.

Respecting human rights

NN Group believes that companies have a responsibility to respect human rights. This belief impacts our business activities and interactions with stakeholders across our value chain.

Our policy commitment to human rights is described in the NN Group Human Rights Statement, which sets out what we expect from ourselves and our business relationships in this area. The Statement outlines how we implement this commitment in line with international standards, including the UN Guiding Principles on Business and Human Rights (UNGPs) and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct.

As part of our commitment to the UNGPs, we have identified our salient human rights issues, (i.e. human rights that are at risk of the most severe and likely actual or potential negative impact on people through our activities and business relationships). Following the salience assessment, we developed a social roadmap with actions defined for our various roles for the coming years. For more information about our approach to human rights and the social roadmap, see 'Social', p. 179.

Our contribution to the SDGs

The SDGs were set as part of the global agenda for sustainability in 2015. We strongly believe the public and private sector should work together to help achieve the SDGs. For this year we aligned our DMA outcome to the SDG selection to show the relation between our IROs and SDG selection. We have better aligned the efforts we take on managing our sustainability IROs and on contributing to the SDGs.

In the table in 'Annex', p. 213 we visualise the connection between our material sustainability matters, the SDGs and how we contribute to the SDGs through our strategy and activities. The last column shows where further information can be found on this contribution, and where possible we include our targets and progress on those targets. We acknowledge that we have not yet set targets on every material topic for enhancing our positive impact and minimising our negative impact. In the visual we mention the contribution we made in 2024 to show our efforts.

Within our topical chapters we have further described the policies we have developed, the targets we have set, and the actions we have identified to meet these targets. As we are continuously developing our sustainability strategy to show the progress and contribution we have made, we acknowledge that, currently, we do not have concrete targets to contribute to each selected SDG. However, we have the ambition to identify how we can help accelerate their achievement going forward.

In our ambition to be an industry leader, we recognise the importance of partnerships in driving meaningful change. Our dedication to SDG 17 is integrated into our extensive collaborations and partnerships to achieve broader sustainability goals. This year, we increased our contributions to communities by focusing on the financial, mental and physical well-being of individuals in our communities.

Moreover, by taking an active role in partnerships such as the PCAF, we are committed to assessing and reducing our carbon footprint guided by internationally recognised standards.

Our value chain

NN Group's value chain consists of four main activities: our own operations, products and services (insurance, pensions and banking), investments and business partners. As a financial institution, we recognise that our investments and insurance services impact the real economy; we collaborate with many business partners in our procurement processes, as well as with financial advisors and repair networks, and finally, we have the value chain associated with our products and services.

Within this report we have integrated a combination of value chain elements and value chain roles throughout our report. This means that the terms are used interchangeably in this report. Hear you can read the terms that we assess as equivalents:

- Our own operations and our role as employer;.
- Our products and services and our role as service provider;
- Our investments and our role as investor; and
- Our business partners and our role as business partner.

We have included both references in the visual, which gives a simple depiction of our value chain.

Our defined value chain forms the basis of our DMA. We have identified material topics in all parts of our value chain. We discuss these in more detail on p. 128.

	Upstream Our role as business partner	NN Group Own operations Our role as employer	Downstream Our role as business partner	
Own operations Our role as employer	Suppliers related to own operations[1]	Our workforce Our offices		
Products and services Our role as service provider		Life Non-life Bank	Repair networks[1] Claims managers[1] Distribution partners[1]	Corporate clients SME clients Retail clients
Investments Our role as investor	Asset managers[1]	Investment office	Proprietary assets	Client assets

[1] Is considered a business partner.

Own operations

NN Group's own operations and our role as employer consist of our people, offices, insurance and banking entities, investment office and subsidiaries. As the visual shows, they form the core of our value chain. The scope of our own operations is in line with the consolidation scope we use for the annual accounts.

Products and services

In our downstream value chain we identify the products and services we provide to our clients as a financial institution. In our role as service provider, we provide our clients with insurance and banking products. Our clients can be grouped into three main categories: corporates, SMEs and households (retail clients). The property, casualty, assets and activities that we insure for them are considered part of our value chain.

Investments

Our investments cover the investment activities we carry out for our client assets and proprietary assets. In our role as investor we act on the IROs for the investments we have.

Business partners

By developing and offering products and services, we collaborate with insurance and banking partners such as external claims managers and repair networks. Downstream of our own operations, we work together with distribution partners to deliver products and services to our clients. Our external asset managers are seen as are our key suppliers in the investment value chain. Additionally, we purchase goods and services from our suppliers for our own operations.

Our material sustainability matters

In the connectivity table (see p. 126) we visualise the current and expected effects of sustainability matters and their associated IROs on our business model, value chain, strategy and decision-making by connecting them to our business model and strategic commitments. Actions identified to address these issues are detailed in the respective sections and sub-sections of the Sustainability Statement.

We have disclosed our sustainability matters in line with the structure of the topical disclosure sections from the ESRS. The entity-specific sustainability matters ‘Community investment’ and ‘Sustainable repair’ are covered by NN Group-specific disclosures. While estimations on financial effects can be calculated using the figures for the returns on our investments, it is not straightforward to report on this for our role as investor in the market, given the sensitivity of the methodology and because we feel that our target for euros invested gives more relevant information for this sustainability matter. See ‘Environment’, p. 134 for more information on this.

In the table ‘Changes in material topics’, the outcomes of the DMA 2024 have been compared with the outcomes of the DMA 2023. The column ‘Change’ lists changes to the associated sustainability matters and associated topics between the DMA 2023 outcome and the DMA 2024 outcome.

Changes in material topics

Sustainability matter	Change
Climate change	– When no targets are set, the potential negative impact of our own operations is no longer material – Only financial opportunity for our investments – The potential negative impact of our business partners is no longer material
Nature (biodiversity and water)	– For the topic ‘water’ the actual negative impact of our investments on ‘marine resources’ and the sub-topics ‘extraction and use of marine resources’ are no longer material – For the topic ‘biodiversity’, the actual negative impact of our investments on ‘sea-use change’, ‘direct exploitation’, ‘invasive alien species’ and ‘pollution’ are no longer material
Sustainable repair	– The potential positive impact of the entity-specific disclosure ‘sustainable repair’ has been identified as a new material impact – The financial opportunity related to products and services is no longer material – The potential negative impact of our products and services on ‘waste’ and ‘resource outflows related to products and services’ is no longer material
Workers in the value chain	– Following the salience assessment, the potential negative impact of our business partners on ‘freedom of association, including the existence of work councils,’ ‘collective bargaining,’ and ‘gender equality and equal pay for work of equal value’ have been integrated into the DMA – Following the salience assessment, the potential negative impact of our investments on ‘living wage’ and ‘diversity’ have been integrated into the DMA for our role as an investor. The topic ‘diversity’ specifically concerns ‘non-discrimination and equality’ – The potential negative impact of our investments on ‘adequate housing’ and ‘privacy’ is no longer material
Community investment	– The actual positive impact of NN-specific topics ‘financial well-being,’ ‘physical well-being,’ and ‘mental well-being’ have been identified as new material topics
Financial inclusion	– The potential negative impact of our products and services on social inclusion is no longer material
Clear and secure data	– The potential negative impact of our products and services on ‘quality and security of data’, this includes ‘privacy’, ‘access to (quality) information’ and ‘security of a person’ have been identified as new material impacts – The potential negative and positive impact of our products and services on customer needs and satisfaction is no longer material
Corruption and bribery	– The potential negative impact of ‘corruption and bribery’ in our own operations has been identified as new material impact

Connecting our sustainability matters to our strategy and business model

Value chain role	Sustainability matters	Connection with our impacts, risks and opportunities	Connection with our business model	Our strategic commitments
Own operations	• Climate change • NN workers' secure and fair employment • Employee well-being • Equal treatment and opportunities for all • Human capital development • Community investment • Corporate culture • Corruption and bribery	• NN Group's strategic commitment to talented people requires a values-based culture where colleagues are empowered. • NN Group shows its commitment to society by reducing its CO_2 footprint, promoting employee well-being and upholding responsible business practices.	NN Group aims to create an open, safe and inclusive working environment. By fostering a supportive workplace, NN Group ensures that employees are motivated and engaged.	**Talented people** **Contribution to society**
Investments	• Climate change • Nature • Workers in the value chain	• NN Group contributes to society by upholding responsible investment practices. This can lead to positive outcomes such as reduced carbon emissions and the advancement of fair labour practices in the value chain. • Addressing sustainability-related risks in our portfolio and seizing climate-related opportunities contribute to the financial strength of NN Group.	NN Group invests in our proprietary and client assets. If these investments are managed responsibly, they can positively impact the environment and society.	**Contribution to society**
Products and services	• Climate change • Sustainable repair • Clear and secure data • Financial inclusion	• It is important to keep our products at a fair price point and develop more sustainable products to keep our customers engaged. • When developing our products and services, managing data responsibly is key to transforming our business into a digital and data-driven organisation.	By creating products and services that address societal and customer needs, NN Group ensures relevance and demand in the market at a fair price.	**Engaged customers** **Digital and data-driven organisation**
Business partners	• Workers in the value chain	• Promoting the rights of workers in our value chain reinforces NN Group's commitment to 'contribution to society'.	By promoting the rights of workers in our value chain, NN Group strengthens its reputation as a responsible partner and enhances trust with stakeholders.	**Contribution to society**

Our approach to the DMA

For the DMA we use both the impact materiality perspective ('inside-out') and the financial materiality perspective ('outside-in') throughout our value chain, to determine which sustainability matters are material for our stakeholders. In 2023 we conducted our first DMA, representing our first steps towards full CSRD implementation.

This year we updated this assessment based on new insights, developments and input from stakeholder engagement. In 2023 we identified relevant sustainability matters and used scoring to determine which of these were material. In 2024, we finetuned the relevant sustainability matters based on new developments and sector insights, and made the process specific to our situation and roles as an insurance company. We actively engaged with stakeholders to receive insights on which sustainability matters they deem to be material to NN Group, and how we as an organisation can better contribute to decreasing our negative impact and increasing our positive impact. We consulted internal experts through expert sessions and external stakeholders through a sector dialogue. Through active internal and external stakeholder engagement we finetuned our sustainability matters and the associated actual and potential IROs. The overview on the right shows our DMA 2024 process.

Double Materiality Assessment process 2024

NN Group's process to validate and refine the DMA

DMA

The 2023 DMA process and results formed the basis for the 2024 DMA process.

Identify relevant sustainability matters

Refining the long list of ESG topics at the level of impacts, risks and opportunities (IROs), referring to our Human Rights salience assessment and reflecting on our Strategic Risk Assessment (SRA).

Refined list of sustainability matters to the level of impacts, risks and opportunities (IROs).

List of topics refined and updated based on new insights and some name changes.

Assess IROs and internal stakeholder consultation

Dialogues with internal experts per business role or ESG differentiation. Validation of refined list of sustainability matters, possible new clusters, and insights into changes in the market or on sustainability matters since last year's expert sessions.

Refined list of DMA subjects across NN roles

External stakeholder dialogue

External stakeholder engagement at sector level provided insights into the role of insurers from an ESG perspective and was dedicated to environmental and social topics.
External stakeholder engagement dialogue.

External stakeholder dialogue

Consolidation and validation of results

Consolidating DMA results and validating these internally with the Management Board. Results impact the CSRD disclosures 2024. Integrating feedback on DMA results into core DMA 2024 and IROs definition.

Consolidate DMA results

Validate DMA results

Core DMA results

Key takeaways of the process will be further integrated in the DMA 2025.

Our roles in the value chain

During the DMA process we considered actual and potential impacts, positive and negative impacts, and financial risks and opportunities across our value chain. We looked at our different roles and how they link to the applicable sustainability matters, enabling us to specifically identify where material IROs occur in our value chain.

- For our own operations, we looked at own operations around employees for the social topics, and our buildings and business travel for environmental topics. We also assessed our own operations in terms of governance.
- For our investments, we looked at the potential impact and the risks and/or opportunities incurred through our investment activities.
- For our role as financial services provider, we examined the products and services offered by our Life, Pension and Non-life businesses and by NN Bank.
- Finally, as business partner, we focused on our upstream and downstream collaborations and procurement activities, as well as our collaboration with financial advisors and repair networks. See p. 124 for more information on our value chain.

Stakeholder engagement

We involve stakeholders in our DMA to identify which sustainability matters they consider most likely to be material for NN Group. We identify our key stakeholders based on their potential to affect or be affected by our activities. We also engage with stakeholders who may have relevant knowledge about specific sustainability matters. The group of stakeholders we engage with as part of the DMA process is not static and can be adjusted depending on the topics of the dialogue and how they develop over time. In the 2024 DMA process we invited internal experts on the sustainability matters we had identified across our different roles to share their qualitative input on the sustainability matters.

On top of our regular stakeholder engagement efforts, reflected by these expert sessions, and in collaboration with the Dutch Association of Insurers (Verbond van Verzekeraars), we invited our peers to join us in a dialogue on sustainability matters. This reflects the value we place on broader discussion within the insurance sector on where the sector has the most impact. We believe collaboration to be important in reducing our negative impact and achieving our targets, and therefore valued this particular collaboration where stakeholders had the opportunity to share their thoughts on the broader insurance sector.

The session included dialogue with several NGOs and societal organisations representing different stakeholder groups, sharing their views on selected sustainability matters such as social topics in the value chain, nature and climate change, and customers. This was a useful exercise for us. Not only did we further our knowledge on social and environmental topics but also discovered that the sector shares similar challenges in taking the DMA process to the next level. These challenges include a lack of quality ESG data (and data availability in general), balancing different stakeholder expectations, prioritising sustainability matters in the different roles we hold in the value chain, and the dilemma of balancing environmental and social topics.

Input from stakeholders further enhances our DMA process by helping identify topics that could be material to NN Group. During the event, two topics in particular were discussed extensively: addressing human rights impacts in the value chain, especially for an investment portfolio, and the increasing importance of impacts on biodiversity. We have integrated the outcomes of the session into our assessment of sustainability matters.

How our approach has changed

In July 2023 we conducted our first DMA. This year, in October 2024, we validated the outcomes and finalised the process. The main changes to our approach to identifying sustainability matters since last year are:

- validating the survey results of the previous year with internal experts;
- re-evaluating and consolidating the results with the salience assessment;
- focusing on ESG sustainability matters, and aligning with NN Group strategic risk assessment;
- finetuning ESRS-prescribed sustainability matters to make them more specific to our own business;
- formulating and validating descriptions of the IROs for each sustainability matter from the perspectives of different roles in NN Group; and
- collaborating with peers and societal organisations by organising an external stakeholder session on the DMA and ESRS topics.

Identifying sustainability matters

We used the sustainability matters identified in 2023 as a starting point for the 2024 DMA. We again performed a desk research and analysis of internal and external sources to identify new sustainability matters. These internal sources included the salience assessment, which focuses on human rights impacts. Our desk research looked at external standards, peer reports and sector trends. This exercise resulted in a list of sustainability matters to be validated internally in expert sessions.

This year we enhanced our list with definitions of sustainability matters specific to NN Group and/or the financial service industry and/or the insurance sector, and added these to the DMA. By so doing, we improved our definitions of sustainability matters, making them more specific to our business. This created the basis for our sustainability matters short list. This year we added NN Group-specific IRO descriptions, resulting in more clarity in both the definitions and the specific IROs.

Assessing materiality

For our 2023 DMA , we carried out an internal survey to assess the impact materiality and financial materiality of the consolidated sustainability matters. The survey was completed by members of NN Group's Management Board, Supervisory Board and Works Council, as well as senior managers, internal experts and employees. We asked the stakeholders to select ten sustainability matters they found most likely to be material for NN Group and to rate them according to impact materiality and financial materiality. We also asked external stakeholders to score NN Group's actual or potential negative impact on a variety of social matters linked to our value chain. These stakeholders included NGOs, human rights experts, industry organisations, regulators, ESG rating agencies and peer experts. This year we asked internal experts to evaluate last year's topics during internal dialogues and used the scores to refine the material topics for 2024. As we hope data availability is increasing, we plan to continuously improve our process and input for identifying IROs based on relevant data.

Impact materiality

We define a sustainability matter as being material from an impact perspective when NN Group creates actual or potential material impact on people or the environment. Impact can either be positive or negative, and short-, medium- or long-term. In our 2024 approach, we combined short and medium term, indicating an impact (potentially) occuring within five years. 'Long term' referred to more than five years.

We assess the severity of our actual and potential impact according to scale, scope and irremediability, in other words evaluating how big the positive or negative impact is for people or the environment, how widespread it is, and to what extent the negative impact could be remediated (only applicable to negative impacts). Here, we also assess the magnitude of the impact.

When assessing potential impact, we also evaluated how likely it was for the impact to occur. In 2023 we did this by using a scale of one to five. When we assessed our impacts with internal and external stakeholders, we took account of the fact that even though we might have policies, remedies or processes in place to help prevent negative impact, there is still a potential for negative impact to occur. This is an important assumption in our methodology as it has resulted in certain sustainability matters and impacts being material due to their likelihood. It also reflects our realisation that there may be elements in our qualitative assessments that we cannot (yet) determine precisely. In the 2024 update, we considered whether an impact was actual (almost 100% certain to occur, which we could know by it already having occurred or been reported), or potential (if the effect of the impact had not occurred but indirect reporting/market insights indicated that it may occur in the future). In our approach, we aligned the horizons of the impacts with our strategic targets as well but did not specify the horizon for each impact. For investments, we used a long-term horizon.

Salience assessment

We used the 2023 salience assessment, which focused on the salient human rights issues, as input for measuring our negative social impacts. (For more information on these issues see 'Social', p. 179). Below, we explain how we rated the materiality of negative social impacts.

We based salience on severity and likelihood, taking severity as the primary and leading factor and likelihood as the secondary factor. In the assessment, we considered severity from the perspective of affected people, i.e. risks to people, not business. To assess severity, we held voting sessions with relevant stakeholders on the scale, scope and irremediability of an impact, asking them to rate it from one to four, with 'one' being least severe and 'four' most severe. We used a similar scale to assess likelihood, based on external and internal data and engagement with relevant stakeholders. As we found the 2023 results of the 2023 salience assessment to still be representative of our business activities and risks to people, we did not update the assessment in 2024 to use as input for the DMA. We have linked the results of the salience assessment to the DMA sustainability matters and applied them to our operations.

Financial materiality

In 2023 we assessed the materiality of our opportunities based on a combination of how likely they were to occur and the size of the possible financial effect. Only those opportunities that fell above a defined maximum threshold for both likelihood and size of financial effect were deemed material in the financial materiality assessment. Respondents were able to score sustainability matters both from an impact perspective and an opportunity (financial impact) perspective. As our DMA resulted in the identification of an opportunity that is linked to our strategic targets for climate solutions, the same time horizon applies to that of the strategic target.

In 2024, we further finetuned the 2023 results by having expert sessions with different internal parties, including Finance, Risk and the Investment Office to further qualitatively validate opportunities and risks related to sustainability matters. We also compared results of the DMA with the regular risk assessment processes that NN Group undertakes, such as the Strategic Risk Assessment (SRA) and Climate Risk Assessment (CRA). Based on this, several changes were made to risks/opportunities identified, as well as their descriptions. For the risks, we relied on the outcomes of these assessments. In these risk assessments, prioritising was done through selection of the key risks from a long list of risks. We did not identify any material risks on the short-term horizon.

The experts who completed the survey were asked to assess materiality from an impact and financial perspective, but not how they are linked to each other. We did consider the negative impact on climate change in connection with our identified risk and opportunity, see 'DMA process 2024', p. 127. This showed us that IROs can be viewed from different angles, and may be connected, given NN Group's different roles in the value chain.

Topical sustainability matters

Environmental topics

Climate change

Own operations

NN Group acknowledges its impact on climate change through its attributable GHG emissions. We monitor those associated with our organisation's activities, which include direct emissions from our own operations and indirect emissions linked to our investment portfolio and underwriting activities. For our own operations, we focus on our scope 1, 2 and 3 emissions and the associated targets we have set for those operations.

Service provider

In assessing climate change impact we looked at products and services in a qualitative manner and integrated data where available. We evaluated our core business as an insurance company, acknowledging that while we provide products and services that contribute to a healthy economy we also insure companies and individuals that have a potential negative impact on climate change. By insuring those companies and individuals we could indirectly support activities contributing to climate change via their GHG emissions. By providing insurance products and services we also identify a potential positive impact as we can further enable the transition to a sustainable economy through engagement with and by offering financial support and insurance for companies with low-carbon-intensive activities.

Investments

When evaluating the carbon footprint of our investment portfolio, we focus on NN Group's proprietary assets, (i.e. the investments we hold for our own account).

We strive to align with internationally recognised standards in our carbon footprint methodology, such as the Global GHG Accounting and Reporting Standard for the Financial Industry, from the Partnership for Carbon Accounting Fiancials (PCAF). We apply the corresponding PCAF standards to both our financial emissions and insurance associated emissions.

Where feasible, the analyses take into account relevant short-, medium- and long-term scenarios aligned with the recommendations of the TCFD. The insights gained serve as further input for formulating our investment strategy and integrating climate change issues into our risk management practices.

As a signatory to the Paris Aligned Asset Owner Commitment, we express our ambition to support the global transition towards net-zero GHG emissions by 2050, in line with efforts to limit global warming to 1.5°C. Therefore our approach to align the proprietary investment portfolio to the goals of the Paris Agreement is guided by the Institutional Investors Group on Climate Change (IIGCC) Net-Zero Investment Framework.

One of the key dimensions of this approach is investing in climate solutions, which we identified as a material opportunity. We define 'climate solutions' as investments in economic activities that contribute substantially to climate change mitigation or adaptation. In relation to investments, we mainly considered a long-term time horizon, with a milestone in 2030. As a step in classifying climate solutions investments, and in line with guidance from the IIGCC Paris Aligned Investment Initiative and UN-convened Net-Zero Asset Owner Alliance, climate solutions focus on SDG 7-related areas of energy efficiency and renewable energy. Definitions are supported with external certifications, asset labels and environmental standards, where possible and relevant.

The material opportunity of climate solutions is linked to our investment strategy, as well as to the potentially higher risks involved in the transition to a lower-carbon economy. A gradual shift from carbon-intensive to renewable energy assets will help to mitigate any risks that may be caused by activities with negative climate impact, while leading to potential returns from a switch to activities that have a positive impact.

Nature

We identified our material IROs with regard to nature (biodiversity and water), by using the ENCORE assessment to assess the impacts and dependencies of our corporate investment portfolio. We also engaged with peers and joined other collaborative engagement efforts to gain further insights into these material topics. We did not consider our own locations in assessing our impact as our investment activities are more material. Also, as part of our external stakeholder dialogue we discussed the topic of biodiversity and used this as input for our identification of IROs. See 'Environment' on p. 134 for more information on these processes.

Circular economy and sustainable repair

Our insurance products and services make us part of the real economy and we aim to use our influence where we can to make an impact. We screened activities in our own operations as well as in our roles as investor, products and services provider, and business partner, in relation to resource use and circular economy; and identified sustainable repair as an area where we can make impact. We prioritised this topic in our materiality assessment over more generic ESRS topics such as resource inflows, resource outflows and waste. Our sustainable repair network was identified as a material positive impact in the value chain of our Non-life insurance business, linking it to the ESRS topic 'circular economy'.

Social topics

Own workforce

We care for our employees and consider the impact we have on them and have built on internal tools to analyse material sustainability matters with regard to our workforce. When we looked at our Diversity & Inclusion (D&I) strategy, our efforts to enable our employees to continuously learn and develop themselves, as well as our employment benefits, we found positive impacts. We used the outcome of the salience assessment to identify our potential negative impacts on employees.

Investments and business partners

We used the outcomes of the salience assessment to identify our negative impacts on workers in the value chain, considering both upstream and downstream value chains. For our role as investor, we focused on downstream activities to identify our negative impacts on social sustainability matters. For our business partner role we identified material negative impacts that could affect workers upstream in our value chain, such as our suppliers for our own operations.

Customers

For our role as service provider, we took into consideration our Non-life as well as our Life and Banking products. Again, the outcomes of the salience assessments were used to identify our material negative impacts on our customers.

Governance topics

During the process of identifying material IROs in the area of governance, we looked at how we conduct business in the insurance industry in Europe (including banking) and Japan, taking into account the global corporate culture we aim to establish.

Consolidating and validating sustainability matters

We identified which sustainability matters are material from the perspective of our different roles in the value chain. To validate these sustainability matters, we held internal sessions on several topical standards with experts and senior managers from Legal, Compliance, Risk, Finance, Corporate Citizenship, Investment Office, HR, Procurement, Facility Management, Life, Non-life and International. These representatives play a key role in identifying and assessing the IROs, and are responsible for monitoring them. We adjusted our descriptions of the IROs related to the sustainability matters based on their insights.

We did not carry out a detailed survey to score the topics, as we did in 2023, but built on the 2023 data in the validation sessions with experts; this assessment was done on a qualitative basis. This year we integrated existing assessments into our methodology for defining our sustainability matters, such as the salience assessment and strategic risk assessment. Our goal is to optimise these processes and look at how we can include more quantitative analysis in the future, to substantiate our IROs.

Approving sustainability matters

To approve the sustainability matters, we first presented our materiality assessment process and its outcomes to the former Purpose Council, which was able to identify areas for concern. We then included Risk's second-line opinion in our presentation to the Management Board, which approved both the sustainability matters and our assessment approach. The Management Board approved the strategic risk assessment separately, before we integrated the results of the assessment. Finally, the Supervisory Board and the Supervisory Board's audit committee evaluated the outcomes based on the concept of information materiality of our initial sustainability matters, which resulted in the final list of sustainability matters.

Our future approach

Going forward, having improved the 2023 DMA process this year, we will actively seek assessment practices to prioritise the IROs and substantiate them with ESG data. This way we hope to further improve and finetune the DMA to our specific situation and identify where we can make the most impact. We will investigate further alignment opportunities internally with different IRO assessments and incorporate tooling. We strive to enhance our impact assessment through a more detailed sustainability due diligence process, value chain insights, and further exploration of the use of internal and external databases. Looking back on our external stakeholder session with the Dutch Association of Insurers, we acknowledge the added value of sector co-operation and peer learning, and will seek further engagement with stakeholders to enhance our sustainability and business strategy.

Statement on due diligence

Due diligence process

NN Group's due diligence process refers to how we identify, prevent, mitigate and account for our actual and potential negative impact on sustainability matters. The table below links the core elements of this due diligence as defined in the CSRD to the relevant disclosures in this Annual Report.

Due diligence process references

Core elements of due diligence	Location of disclosures
a) Embedding due diligence in governance, strategy and business model	– Governance - Corporate governance - Sustainability governance: p. 77-80 – Governance - Remuneration Report - Remuneration of the Executive Board: p. 107-113 – Sustainability statement - General Disclosures - Integrating sustainability into our strategy: p. 122-123 – Sustainability statement - General Disclosures - Connecting our sustainability matters to our strategy and business model: p. 126 – Sustainability Statement - Social - Introduction: p. 179-182
b) Engaging with affected stakeholders in all key steps of the due diligence	– About NN - Our values and behaviours: p. 7-8 – Our strategy and business - Stakeholder engagement and international commitments: p. 35-38 – Governance - Corporate governance - Sustainability governance: p. 77-80 – Sustainability statement - General Disclosures - Our approach to the DMA - Stakeholder engagement: p. 128 – Sustainability Statement - Social - Introduction - Human rights: p. 181-182 – Sustainability statement - Social - Own workforce - Monitoring progress on material topics: p. 188-189 – Sustainability statement - Social - Workers in the value chain - Processes - Identifying and addressing impacts: p. 196-198 – Sustainability Statement - Social - Consumers and end users - Processes for engaging with customers: p. 204-205 – Sustainability statement - Annex - List of policies: p. 215-221
c) Identifying and assessing adverse impacts	– Sustainability statement - General Disclosures - Our approach to the DMA - Assessing materiality: p. 128-129 – Sustainability statement - General Disclosures - Topical sustainability matters: p. 130-131 – Sustainability Statement - Environment - Introduction - Environmental material matters: p. 135 – Sustainability Statement - Social - Introduction - Social material matters: p. 180 – Sustainability Statement - Social - Introduction - Sustainability matters: p. 181 – Sustainability statement - Social - Workers in the value chain - Processes - Identifying and addressing impacts: p. 196-198 – Sustainability Statement - Governance - Introduction - Governance sustainability matters: p. 208
d) Taking actions to address those adverse impacts	– About NN - Our values and behaviours : p. 7-8 – Governance - Our Code of Conduct and other policies: p. 115-118 – Sustainability statement - Environment - Climate change - Approach - Own operations - Transition plan/Actions: p. 136-138 – Sustainability statement - Environment - Climate change - Approach – Investments - Transition plan/Actions: p. 138-140 – Sustainability statement - Environment - Climate change - Approach - Insurance underwriting - Transition plan/Actions: p. 143-144 – Sustainability statement - Environment - Nature (biodiversity and water) - Approach - Transition plan/Actions: p. 167-168 – Sustainability Statement - Social - Introduction - Social roadmap: p. 182 – Sustainability statement - Social - Equal treatment and opportunities for all at NN: p. 183-185 – Sustainability statement - Social - Workers in the value chain - Processes: p. 196-198 – Sustainability statement - Social - Consumers and end-users - Processes to remediate negative impacts and for raising concerns/Actions: p. 206 – Sustainability statement - Governance - Prevention and detection of corruption and bribery: p. 209
e) Tracking the effectiveness of these efforts and communicating	– About NN - Our values and behaviours - Monitoring effectiveness: p. 8 – Governance - Our Code of Conduct and other policies: p. 117 – Sustainability statement - Environment - Climate change - Approach - Own operations - Targets: p. 138 – Sustainability statement - Environment - Climate change - Approach - Investments - Targets: p. 140-143 – Sustainability statement - Environment - Climate change - Approach - Insurance underwriting - Targets: p. 144-145 – Sustainability statement - Environment - Climate change - Progress: p. 145-158 – Sustainability statement - Environment - Nature (biodiversity and water) - Approach - Targets: p. 168 – Sustainability statement - Social - Own workforce - Monitoring progress on material topics: p. 188-194 – Sustainability statement - Social - Workers in the value chain - Targets: p. 198 – Sustainability statement - Social - Consumers and end - users - Actions: p. 206 – Sustainability statement - Governance - Prevention and detection of corruption and bribery: p. 209

Risk management and internal controls

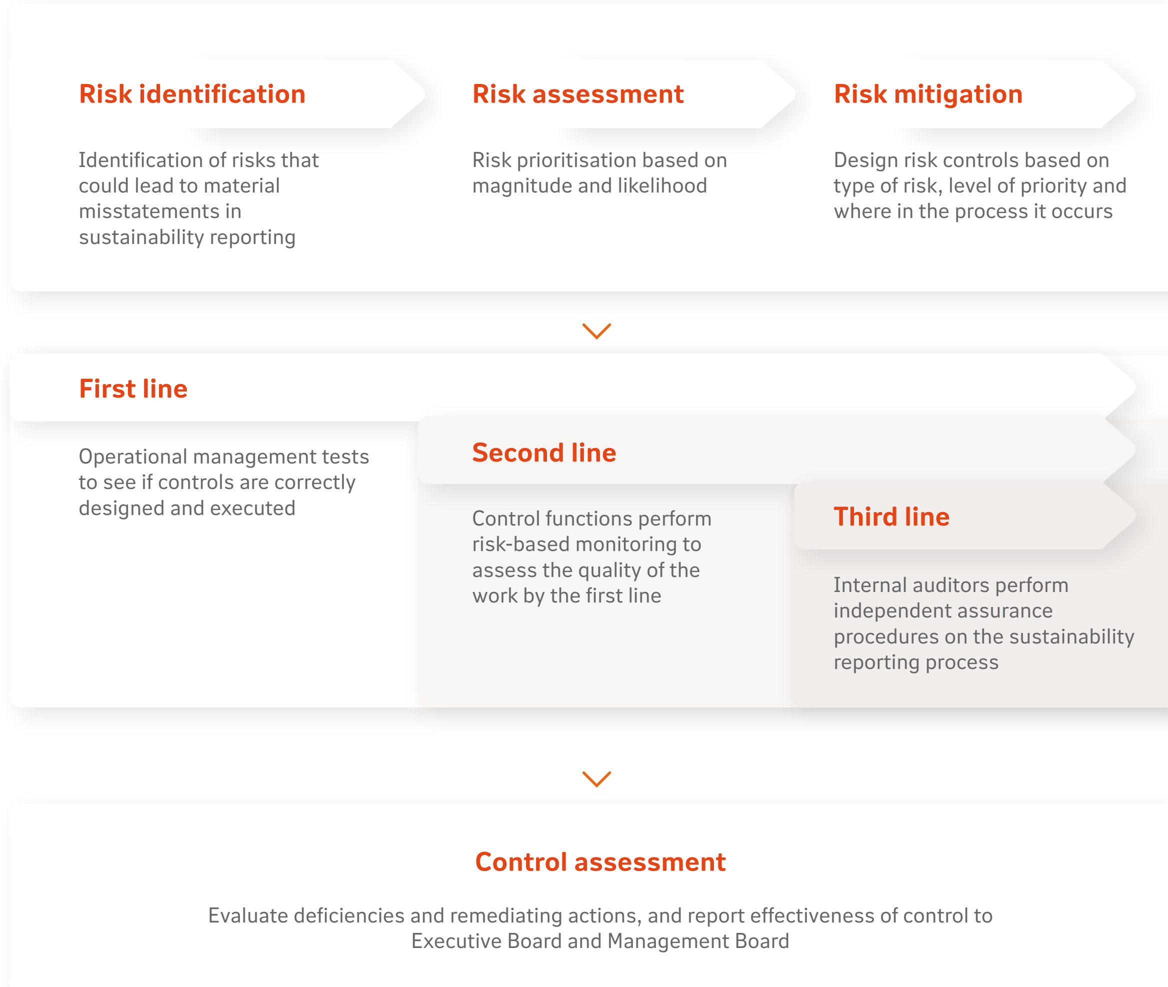
NN Group considers risk management and the setting up of internal controls over sustainability reporting a vital part of our risk monitoring process. As a result, we follow a regular and transparent sustainability reporting risk process. Our control framework scope covers the internal processes, including outsourced activities, that create the information as disclosed in our Sustainability Statement. Our control framework determines the scope of the risk management and internal control process for the sustainability matters that are part of our sustainability reporting. For these matters, our business units and Group functions identify and assess those risks that could lead to material misstatements in our reporting, as well as develop controls to mitigate such risks.

Throughout the reporting process, we consider internal control assertions, such as completeness and accuracy, to assess potential risks. Based on the risk assessment, we identify areas with elevated risk profiles and prioritise risk based on the magnitude and likelihood of a misstated sustainability disclosure.

We have designed controls based on the type of risk, its level of priority and where in the process it occurs. When designing a control, we consider what type of control will be most appropriate for the process involved, for example manual or automated, preventative or detective. Areas with elevated risk profiles receive additional scrutiny during the review process from, for example, internal experts and members of the Management Board.

To assess the controls, we use the three lines model. The first line involves operational management carrying out a Test of Design and Test of Effectiveness to establish whether the controls were correctly designed and executed. In the second line, control functions such as operational risk management perform risk-based monitoring, separately assessing the quality of the work carried out by the first line. The third line involves internal auditors performing independent assurance procedures on the sustainability reporting process if this is considered necessary. Based on the lessons learned from preparing the Sustainability Statement for the first time, all lines will be strengthened in 2025. Local teams develop controls themselves, based on their specific risks and circumstances, but also follow recommendations based on the risk assessment performed at Group level.

Based on first-line testing results and second-line quality assessment, business units and Group functions evaluate all deficiencies and remediating actions. The Management Board evaluates control testing on quantitative metrics and qualitative disclosures once a year. All material deficiencies, or deficiencies that do not have a compensating control, are reported to and evaluated by the Management Board.



Environment

Contents

The financial sector has an important role to play in facilitating the transition to a sustainable economy and we are committed to playing our part.

We incorporate climate action across our business – our investment and banking activities, insurance underwriting activities and own operations. We believe this approach will not only benefit the environment but also create sustainable long-term value for all our stakeholders.

However, our sustainability approach extends beyond climate. Through our Double Materiality Assessment (DMA), we identified four environmental material matters across our value chain: climate change, nature (biodiversity and water) and sustainable repair. We disclose our approach to these in the Environment sub-sections. In the table on the next page, we give descriptions of the identified impacts, risks and opportunities (IROs) across our value chain for each area.

In addition to the sub-sections covering our approach to these environmental material matters, we disclose our EU Taxonomy figures (see p. 170). The EU Taxonomy Regulation requires NN Group to disclose information on its taxonomy-eligible and taxonomy-aligned activities. In our EU Taxonomy disclosure we provide information related to our investments and underwriting activities.

Environmental material matters

O Financial opportunity
R Financial risk
+ Positive impact
− Negative impact

	Climate change adaptation	Climate change mitigation	Nature (biodiversity and water)	Sustainable repair
Own operations		− We identified a **potential negative impact** concerning emissions from buildings (scope 1), energy consumption (scope 2) and air travel (scope 3). These activities contribute to greenhouse gas (GHG) emissions, which can negatively affect the environment by driving climate change.		
Investments	+ By investing in climate change adaptation solutions we have a **potental positive impact** on the environment. Through influencing the behaviour of individuals and businesses, we aim to incentivise the adoption of adaptation measures, helping us reduce our risk of negative impacts due to climate change. R We have identified a **risk** of financial losses to investments, and/or lower investment returns, because of the physical impacts of climate change, such as extreme weather events and rising sea levels, and the risks involved in a transition to a lower-carbon economy.	− We have a **potential negative impact** on climate change by investing in industries that harm the environment. Such investments might facilitate GHG emissions and other harmful environmental effects, making NN Group indirectly responsible for these negative outcomes. + By investing in sustainable projects and companies that contribute to climate change mitigation we have a **potential positive impact** on climate change mitigation. This can lead to positive environmental outcomes and generate returns aligned with a low-carbon future. R We have identified a **risk** of financial losses to investments, and/or lower investment returns, because of the physical impacts of climate change, such as extreme weather events and rising sea levels, and the risks involved in a transition to a lower-carbon economy. O We have identified a **financial opportunity** from increasing our investments in climate solutions as part of our strategy to contribute to the transition to a low-carbon economy. Broadening our investment opportunities can potentially lead to better investment outcomes.	− Through our corporate investment portfolio exposure, we have an **potential negative impact** on nature-related factors driving biodiversity loss. This means that some of our investments may contribute to activities that harm ecosystems and reduce biodiversity. We have identified negative impacts on land degradation, desertification and soil sealing based on sector hotspots.	
Products and services		− With our insurance activities we insure activities from companies and individuals that have a potential negative impact on climate change. By providing insurance, we may have a **potential negative impact** by indirectly supporting the activities that contribute to climate change via GHG emissions or environmental degradation. + NN Group has a **potential positive impact** in our response to climate-related disasters, as we play an important role in providing the financial support needed for recovery and rebuilding efforts. Our products and services help communities to recover faster, and can be directed towards more resilient reconstruction in alignment with a low-carbon economy.		+ By focusing on repairing items via our sustainable repair network we have a **potential positive impact** by extending the life of products, substantially decreasing waste and reducing the demand for new materials.

Climate change
Nature
Sustainable repair

Climate change

Climate change is one of today's most pressing challenges. We have committed to aligning our business activities with the goals of the Paris Agreement to limit global warming to 1.5°C.

Approach

In July 2019, we signed the commitment of the financial sector to the Dutch Climate Agreement, pledging to make a contribution to the financing of the energy transition, to disclose the carbon footprint of our proprietary investments and to publish a Climate Action Plan.

Our Climate Action Plan, approved by our Management Board, describes our approach to reducing the adverse impact of climate change on people and the environment. The approach is based on helping to accelerate the transition to a low-carbon economy, and developing and offering products and services that help address the environmental challenges of customers. The related policies, processes, targets, actions and metrics we have developed allow us to measure our progress toward net-zero emissions.

The Climate Action Plan includes targets for reducing greenhouse gas (GHG) emissions. We have set separate net-zero targets for our own operations by 2040, and for our proprietary investments and insurance underwriting by 2050. Although we have not yet identified decarbonisation levers as such, we have defined actions across our value chain aimed at reducing our GHG emissions and accelerating the transition to net zero. The Climate Action Plan can be found on our website.

Sustainability, and therefore our climate change approach as described in our Climate Action Plan, is embedded in our governance and strategy. We have developed a governance structure that enables the Executive Board, Management Board and Supervisory Board, as well as senior management, to integrate climate-related action into strategy, decision-making and business processes. More information on our governance and strategy can be found on p. 80. Implementing measures to mitigate the risks and impacts of climate change is ongoing, and we will continue to expand solutions for customers to help them become more climate-resilient and adapt to our changing environment.

The Climate Action Plan will be updated on a regular basis to reflect the latest developments and we intend to evolve it into a Transition plan. We also aim to address the gaps in areas that are not yet implemented, such as the quantification of the required investments, an assessment of the locked-in emissions and the expected reduction in GHG emissions linked to the decarbonisation levers and actions.

Although EU Taxonomy-alignment and the respective KPIs are not fully integrated into our transition planning, NN Group has taken into account the EU Taxonomy, on a 'best effort' basis and where possible, when investing in climate solutions. See the EU Taxonomy disclosures on p. 170 for further information about eligibility and alignment of NN Group's economic activities and how they are expected to evolve over time.

Through our DMA we have identified two climate-related material matters: climate change mitigation and climate change adaptation. The upcoming sections elaborate on our climate-related approach, the targets we have set and the progress we have made in the areas of investments, insurance underwriting and own operations. Additionally, in the final part of this section, we describe our process for evaluating both the physical and transition risks associated with climate change.

Own operations

In line with our objective to contribute to the transition to a low-carbon economy, we have set a net-zero target for emissions related to our own operations. As a financial services provider, we operate mainly in an office environment. Therefore the direct environmental impact from our own operations is relatively limited. Nevertheless, we have an ambition to treat the environment with respect, and to inform, and strengthen engagement with, our stakeholders. NN Group is not excluded from the EU-Paris aligned Benchmarks[1].

Transition plan

We aim to effectively manage our direct environmental footprint by reducing our use of natural resources, seeking green alternatives and offsetting the remainder of our GHG emissions. We aim for net-zero GHG emissions of our own operations by 2040, in line with the Paris Agreement. We have set interim reduction targets for 2025 and 2030 across three emissions scopes:

- scope 1 – GHG emissions mainly resulting from the use of our office buildings,
- scope 2 (market-based) – GHG emissions mainly from purchased electricity in our office buildings,
- scope 3 – GHG emissions from business air travel.

We acknowledge the existence of other upstream scope 3 GHG emissions in our value chain, such as from employee commuting, purchased goods and services, and waste, and we have introduced several initiatives to reduce these emissions. However, based on the outcome of the 2024 DMA, these emissions are not considered material in the context of information materiality, and compared to the impact of investments, and products and services. That is why we include no further details on these GHG emissions here. To read more on what we do with our own operations and business partners, see our website.

NN Group operates in ten countries[2] and we have office buildings in several locations. For those in the Netherlands, we aim to reach net zero by 2040 by adhering to the Paris Proof building standards, which

1 To determine whether NN Group is excluded from the EU-Paris aligned Benchmarks, only the sectors in which NN Group directly operates were considered. This means that the investments and underwriting activities of NN Group were not considered.
2 Turkey was divested in January 2025.

were set up by the Dutch Green Building Council (DGBC). The DGBC's Paris Proof standards align with the Paris Agreement by aiming to reduce the energy consumption of buildings by two-thirds, ensuring that the built environment operates within the CO_2 budget necessary to limit global warming to 1.5°C. We are drawing up local action plans to align our international office buildings with this commitment.

In terms of our buildings, we take two types of emissions into account when considering a transition to net zero: embodied emissions (from buildings and office renovation), and operational emissions (related to everyday office use, such as energy). For embodied emissions, we have developed a renovation strategy for net-zero office spaces. For operational emissions, we are working towards reducing energy consumption to 70 kWh per square metre per year, aligned with DGBC standards. We take a threefold approach to this:

1. reduce energy consumption – implement energy-efficient systems and practices to lower energy use by two-thirds,
2. enhance insulation – improve building insulation to minimise energy loss,
3. use renewable energy – transition to renewable energy sources such as solar and wind power.

NN Group uses a targeted approach to achieve net-zero GHG emissions for business air travel by 2040. The countries we operate in tailor their policies and practices to the local context.

Policies

We have developed a range of policies to help mitigate our negative climate change impact and support our goal of achieving net-zero GHG emissions from our own operations by 2040. One example is our Sustainable Renovation policy, which includes measures aimed at reducing our embodied GHG emissions. (See details below, under 'Actions'.)

NN Group expects employees to adopt a responsible and pro-active attitude to reducing emissions in all types of business travel, including air travel. To encourage this, in 2024 we introduced an updated business travel policy, the Global Business Travel Guideline, setting out expectations and guidelines for business travel abroad, including the requirement to assess the need for travel. If travel is considered necessary, we expect the employee(s) to choose the most GHG-efficient option. The policy also includes the aim not to use air travel for distances below 700 km, if possible and reasonable. This policy applies to all employees and other individuals working under the responsibility of NN Group in the Netherlands, which may include freelancers and temporary workers. It also details the minimum standards to be upheld, as far as possible and reasonable, for NN Group employees outside the Netherlands. This policy needs to be considered by countries who have set, or will set, their own country-specific guidelines.

Actions

Our buildings

Given that the countries we operate in vary in their potential for reducing GHG emissions, we are developing country-specific, GHG-reduction action plans in line with our net-zero ambition. While the creation of action plans is ongoing, reduction measures have already been taken. As an example, our initiatives to reduce office building emissions focus mainly on switching to renewable energy sources and adopting energy-efficiency measures.

For our office buildings in the Netherlands, we have taken the following actions:

1. For the **renovation** of our head office in The Hague, planned for 2025 to 2028, we are taking actions in line with our Sustainable Renovation policy (Duurzaamheidsraamwerk renovaties Nationale-Nederlanden). These include, for example, 'circular renovation' which aims to maximise the use of products and materials that are already present in our offices and minimise the use of new products/materials. If we do need to use new materials, we use bio-based materials where possible.
2. To ensure **reduced energy consumption**, in 2024 we implemented measures that included energy-efficient indoor temperature control, the installation of timed switches for office equipment and the closing of floors on quiet weekdays. We will extend these in 2025.
   We also monitor and optimise day-to-day energy use, together with energy monitoring partner CFP Green Buildings. Based on our actual use, which we monitor on a quarterly basis, we assess what additional reduction measures are needed per building to reduce our CO_2 impact. Since we are often housed in multi-tenant buildings, we do not always have full control over the entire location, but we implement as many reduction measures as possible on our rented floors. We have also set up agreements with landlords to optimise energy use for each respective building.
3. We have switched to purchasing **green electricity** in a further effort to reduce our operational GHG emissions.

Business air travel

To reduce emissions related to business air travel, we introduced an updated business travel policy at the beginning of 2024 (see 'Policies' above). Other options to reduce GHG emissions from business travel focus on alternatives such as organising online meetings and replacing air travel with low-carbon transport. We have also extended the hybrid way of working, which encourages employees to regularly work from home, limiting the need for business travel.

As we move towards becoming net zero with our own operations, we will continuously monitor our progress across the value chain and assess the effectiveness of our reduction strategies and actions.

Carbon credit offsetting

In addition to our GHG emission reduction efforts, we will compensate part of the GHG emissions from our own operations through the purchase of carbon credits. We have engaged in GHG emissions offsetting by funding external carbon removal projects since 2014. This contributes to the compensation of our scopes 1 and 2, and scope 3 (business air travel) emissions.

In 2021, NN Group started to cooperate with South Pole and selected a third party-validated and -verified forest conservation project in Peru. In 2024 we chose to support an additional project, the Kuamat Rainforest Conservation in Malaysia. Both adhere to the Verified Carbon Standard (VCS) and Climate, Community & Biodiversity (CCB) Standards. The conservation projects support emissions reduction, and contribute to a positive impact on communities and the environment by protecting biodiverse habitats.

In 2024, ten kilotonnes (kt) CO_2 were compensated by carbon credits. More details can be found in the table below. Going forward, we will refine and strengthen our carbon credit offsetting approach.

GHG emissions compensated by carbon credits

	2024	2023
Total GHG emissions ($ktCO_2e$)	**10**	**10**
Share from reduction projects	100%	100%
Recognised quality standard (VCS)	100%	100%
Share from projects within EU	0%	0%

Targets

In 2021, NN Group established science-based GHG reduction targets. These align with the level of decarbonisation needed to keep a rise in global temperatures to below 1.5°C, as outlined in the Paris Agreement. We aim to achieve net-zero GHG emissions with our own operations by 2040, in line with the goal to support the transition to a low-carbon economy, and have set interim reduction targets for 2025 and 2030 across scopes 1 and 2, and scope 3 (business air travel). Setting both long- and medium-term targets, and referring to documentation by the Paris Agreement and the Intergovernmental Panel on Climate Change (IPCC), underscore our efforts to contribute to climate change mitigation.

Own operations: GHG emissions reduction targets

We aim to reduce GHG emissions from our own operations, compared to 2019 by:

35%
in 2025
scope 1 and 2[1]: **45% reduction**
scope 3 business air travel: **25% reduction**

70%
in 2030
scope 1 and 2[1]: **75% reduction**
scope 3 business air travel: **50% reduction**

net zero
by 2040

[1] Reduction target on scope 2 is market-based

Investments

Transition plan

As an investor, we understand the crucial role of mitigating climate change and have developed a comprehensive transition plan to achieve net-zero GHG emissions by 2050 for our proprietary assets portfolio. Our proprietary assets are the investments included in the NN Group consolidated balance sheet and held for our account. Our approach to align our investment portfolio with the goals of the Paris Agreement (limiting global warming to 1.5 C) is guided by the Net Zero Investment Framework (NZIF). The plan focuses on two key pillars:

1. decarbonisation of the investment portfolio in line with net-zero pathways,
2. increasing our investments in climate solutions.

A guiding principle is that we prefer approaches and/or methods that have the best chance of maximising impact in the real economy.

We recognise that a one-size-fits-all approach may not be effective in achieving our goals. Therefore we have developed asset-class-specific strategies for our corporate investment, sovereign bonds, residential mortgages and real estate portfolios. In 2024, we introduced new Paris alignment strategies for our private equity and infrastructure investment portfolios, guided by the NZIF.

To steer and monitor our portfolio, we aim to establish science-based targets and objectives for the different asset categories. In line with the updated NZIF 2.0, we renamed 'decarbonisation reference targets' to 'decarbonisation reference objectives'. This is to emphasise that they serve to translate net-zero goals into quantified objectives, monitor portfolio emissions and evaluate the effectiveness of net-zero strategies. We do not intend to use these objectives as a tool for achieving year-on-year reductions in financed emissions, as portfolio actions aimed at reducing financed emissions may not result in a reduction of emissions in the real economy.

There is a big difference between taking steps to reach net zero in the real economy and achieving this in an investment portfolio. A strategy that only involves reallocating investments from high- to low-carbon-intensive industries is a straightforward way to decarbonise an investment portfolio relatively fast. However, we choose to take a broader approach, believing that certain carbon-intensive sectors such as power generation, steel and cement will continue to be important, and will need capital to be able to decarbonise. We also believe that investing in companies in these sectors that have ambitious and credible decarbonisation plans, and helping them to transition rather than divesting, will have a bigger impact when it comes to achieving a low-carbon world.

We work with a broad range of stakeholders to drive best practice in measuring financed emissions and Paris alignment strategies. As a signatory of the Paris Aligned Asset Owner (PAAO) commitment, we are committed to aligning our portfolios with the objectives of the Paris Agreement and to regularly sharing best practices with other asset owners. We also contribute to the further development of the NZIF through our participation in the Paris Aligned Investment Initiative (PAII) working groups and steering group. Both the PAII and the PAAO are organised by four investor networks, including the Institutional Investor Group on Climate Change (IIGCC), of which NN Group is a member. Additionally, we are involved in the Platform Carbon Accounting Financials (PCAF) and the European Efficient Mortgage Initiative (EEMI).

Below, we describe the policies, actions, objectives and targets for transitioning our proprietary investment portfolio to net-zero by 2050. These policies apply to our proprietary assets. While we have not yet developed a Paris alignment strategy for client assets (assets that are invested for risk of the policyholder), business units are encouraged to apply the same responsible investment principles to those assets, where relevant and feasible. However, we recognise that our client assets portfolio is diverse and some business units are further along in the process than others.

Policies

We have developed a range of policies covering proprietary assets and, where relevant and feasible, client assets, to mitigate and adapt to climate change and support our goal to reach net-zero GHG emissions by 2050. These are looked at in detail below.

Responsible investment

Our Responsible Investment Framework (RIF) policy sets out our vision and approach to integrating environmental, social and governance (ESG) factors into our investment process and being an active owner. Our approach as described in the RIF policy, is a reflection of our investment beliefs, the organisation's values, relevant laws, and internationally recognised norms and standards, which have been used to base minimum requirements on for the investment process. It also includes exclusionary criteria for fossil fuel activities, including thermal coal mining and oil sands production, which apply to both our proprietary and client assets.

For our proprietary assets, we have a comprehensive Oil & Gas Policy that considers oil and gas activities in the upstream, midstream and downstream supply chains, including supporting products and services (with more than 5% revenue exposure). Utilities are excluded in this policy.

Since 2019, we have also implemented a coal phase-out strategy for our proprietary investments. This strategy is outlined in our RIF policy and aims to reduce the portfolio companies' involvement in thermal coal mining and/or coal-fired power generation to 'close to zero' (between 0% and 5%) by 2030. As of the end of 2024, our portfolio of corporate investments subject to this policy was EUR 454 million (EUR 1.8 billion at policy launch in 2019). This gradual decline can be attributed to the reduction of coal-related activities by companies within our portfolio, bond maturities, and selective divestments from certain holdings.

Engagement and voting policies

We have policies on engagement and voting that support our commitment to a net-zero investment portfolio by 2050, namely the Engagement Policy for Proprietary Assets and the Voting Policy for Proprietary Assets.

NN Group actively encourages portfolio companies to transition to a low-carbon business model. As an asset owner, we delegate a significant portion of our engagement activities to external asset managers and engagement service provider Morningstar Sustainalytics. In 2024, we enhanced the process for how we monitor engagement progress for our Paris Alignment strategy for our corporate investment portfolio. This process includes three main components: reviewing engagement plans for top emitting issuers, tracking the effectiveness of engagements through milestones, and assessing company climate performance against a set of Key Performance Indicators (KPIs). We focus initially on the top 25 corporate holdings in terms of financed emissions, and we continually refine our process to incorporate the latest data and best practices. We have also defined escalation measures for lagging engagements to ensure timely progress.

In addition, we updated our voting policy for proprietary assets in 2024 to clarify our views on Paris alignment as well as other ESG topics such as human rights, and taxation. These updates clarify our expectations for investee companies and the external asset manager who votes on behalf of our equity portfolio.

We implement policies on climate change by working closely with our asset managers and business units; the policies are published on our external and internal websites. To ensure policy alignment, we continuously engage with our asset managers, provide knowledge sessions, and monitor asset alignment and overall portfolio development.

In the upcoming sections we describe our asset-class-specific strategies in more detail.

Corporate investment portfolio

In 2021, NN Group set intermediate decarbonisation reference objectives for our corporate investments to guide our portfolio to net-zero emissions by 2050. We believe our objectives are ambitious and aim to align with global net-zero goals, for details and methodology see below.

Actions

We aim to reach our decarbonisation reference objectives by implementing a portfolio alignment strategy that focuses on real-economy decarbonisation. Our approach, based on the IIGCC's NZIF, involves evaluating and monitoring portfolio alignment by mapping our holdings against six criteria. These criteria determine the current alignment status of all corporate holdings. Our analysis involves assessing a company's ambition to achieve net-zero GHG emissions by 2050 and nearer-term targets, disclose scope 1, 2, and material scope 3 emissions, as well as their emission intensity performance. For high-impact companies, we also evaluate the presence of a quantified decarbonisation strategy and capital allocation plan.

For new investments, we apply screening criteria based on their alignment or potential for transition. We prefer to invest in companies that are considered 'best-in-class' based on their alignment status or that make a substantial contribution to climate solutions.
For existing assets, we focus on stewardship and engagement to drive alignment, as we believe this approach has the best chance of realising real-world impact. We identify priority assets for engagement based on the Paris alignment criteria, and are developing an engagement plan, milestones and timeframes for escalation. To support impactful collective and direct engagement with investee companies, we have set an 'engagement threshold' and focus our monitoring on the top 25 holdings in terms of financed emissions. We regularly evaluate our engagement plan to identify additional companies we want to engage with.

We engage with our investees to promote decarbonisation and support companies aligning with 1.5°C scenarios. However, if progress is insufficient or companies engage in harmful fossil fuel activities, we may use selective divestment as a last resort.

Objectives and targets

The figure below shows the corporate investment portfolio decarbonisation reference objectives to reduce scope 1 and 2 financed emissions by 25% in 2025 (tCO_2e/EUR million invested), and 45% in 2030, compared to the 2021 base year (which reflects underlying emissions data from 2019).

Corporate investment portfolio decarbonisation reference objective

Reduce scope 1 & 2 financed emissions (tCO_2e/EUR million invested), compared to 2021 by:

25%	45%	net zero
in 2025	in 2030	by 2050

Scope 3 financed emissions are currently not included in our portfolio decarbonisation reference objective. However, we did publish scope 3 financed emission actuals for the first time in our 2023 Annual Report, following PCAF methodology. Although scope 3 financed emissions are not included in the decarbonisation reference objective, we do include investees' disclosure and target setting on material scope 3 emissions in our portfolio alignment assessment and engagement objectives.

Methodology: We used the NZIF as the main guide for our approach and strategy, which was developed together with our asset manager. Tools used to inform the target-setting of the corporate investment portfolio included the International Energy Agency's (IEA) Sustainable Development Scenario (SDS) reference trajectory. Some pragmatic adjustments were made to accelerate the pathway in line with our ambition to steer the investment portfolio towards net-zero GHG emissions by 2050. To monitor our carbon footprint, we use a third-party data provider (ISS).

The portfolio decarbonisation reference objectives are supported by our underlying alignment and engagement strategies (i.e. the portfolio coverage target that monitors the portfolio's progress towards the Paris Agreement and the engagement threshold that tracks the level of our own engagement coverage and that of our investees that are aligned with the transition).

Sovereign bond portfolio

To transition our sovereign bond portfolio to net-zero emissions by 2050, we use a Paris Alignment strategy that involves selecting bonds with better climate performance and investing in climate solutions, such as sovereign green bonds. We evaluate our holdings using the NN Country Climate Score methodology, which we developed together with our external asset manager to maintain or improve our portfolio's climate performance. We also promote alignment with the Paris Agreement's goals by seeking to engage with sovereign issuers globally, for instance to promote green bond alignment with the EU Taxonomy.

We are currently updating our approach to assess alignment of sovereign bonds. This will make our strategy more aligned with new guidance on sovereign bonds laid out in the NZIF 2.0, released in June 2024. However, we believe that setting an asset-alignment target, engagement threshold and decarbonisation reference objective for our sovereign bond portfolio remains challenging for several reasons. These include the limited room to change portfolio composition due to liability-matching considerations, evolving data availability, data quality and methodology to measure alignment, and an approach to engagement that is still evolving.

Real estate investments

For our private real estate portfolio, which consists of directly owned buildings and non-listed real estate funds across Europe, our net-zero strategy aims to increase the proportion of net-zero or aligned assets, as well as engagement with fund managers. To align with our goal for the directly managed portfolio to be on a 1.5°C pathway by 2030, our real estate asset manager has conducted detailed net-zero audits using the Carbon Risk Real Estate Monitor (CRREM). These audits map each building's pathways and establish improvement plans detailing retrofit recommendations. We have prioritised energy efficiency and electrification before focusing on external green energy procurement. The plans therefore include measures for energy efficiency, electrification, and on-site green energy production. By 2024, the net-zero audits have been largely completed for the standing assets in our portfolio. The proposed retrofits are expected to be incorporated into business plans for each asset, aligning with a decarbonisation reference objective anticipated to be approved at the beginning of 2025.

For our indirect real estate portfolio, our main lever is to engage with the managers of the funds in which we invest, to encourage their ambition to achieve net-zero emissions. In collaboration with our asset manager, we aim to develop a Paris Alignment categorisation framework for our fund investments in 2025. This framework would allow us to have better insights into the status of our portfolio holdings in alignment with our net-zero ambitions. By 2030, we aim for most of our funds (over 75% based on Gross Asset Value) to be committed to achieving net-zero GHG emissions by 2040 or sooner (for scope 1 and 2 emissions), with the remainder achieving this by 2050 or sooner.

We evaluate potential exposure to physical climate risks and set clear objectives for addressing them. In addition, as an investor member of the Global Real Estate Sustainability Benchmark (GRESB), we use the annual Real Estate Assessment to assess and benchmark our real estate portfolio's sustainability performance and identify areas for improvement.

Residential mortgages

Residential mortgages make up a significant portion of our investment portfolio, including those originated by the company's own banking operations and external mortgage originators. In 2022, NN Bank and NN Group set a decarbonisation reference objective for reducing GHG emissions for the aggregate portfolio of NN Bank-originated mortgages on the NN balance sheet. The objective is to guide the mortgage portfolio towards net zero by 2050.

To transition the residential mortgage portfolio to net zero by 2050, NN Bank is implementing measures that aim to motivate borrowers to enhance their homes' energy-efficiency ratings, reduce GHG emissions and provide access to financing. These measures include:

- **Engaging with customers and steering our investment portfolio to reduce GHG emissions**
  NN Bank directs, and engages with, customers to help reduce their carbon footprint. In 2024, the bank engaged customers through intermediaries and direct communication. Customers were encouraged to visit NN Group's online (sustainability) platform, which provides insight and tooling into possibilities and next steps in carbon footprint reduction.

- **Developing and adjusting propositions and services**
  NN Bank has been encouraging customers to improve the energy label of their house. While customers may of course pay for such improvements themselves, NN Bank can help finance these investments with legislated solutions. These include the EBB (Energy Savings Budget) alongside the existing EBV (Energy Savings Features), which adds a loan of up to 6% of the property value when energy-saving measures have been executed. In Q4 2024, NN Bank introduced a proposition encouraging, and even sponsoring customers to take energy-saving measures, and thus reduce their CO_2 footprint.

For mortgages not originated by NN Bank, NN Group engages originators to monitor whether their ambitions and progress align with our own. NN Group's investment portfolio includes residential mortgages from its own banking operations as well as external mortgage originators. For NN Bank-originated mortgages, we have an interim decarbonisation reference objective of achieving a 34% reduction by 2030 (compared to base year 2021), to guide our mortgages portfolio towards net zero in 2050.

Residential mortgage portfolio decarbonisation reference objective (NN Bank-originated)

Reduce financed emissions (kgCO_2/m²), compared to 2021 by:

34%
in 2030

net zero
by 2050

Methodology: Together with other financial institutions in PCAF, we developed a model to calculate a mortgage portfolio's carbon footprint. The model covers consumers' absolute scope 1 and scope 2 emissions related to the energy use of properties financed through mortgages; it reflects the indirect emissions in our lending portfolio. Construction emissions and a building's embodied GHG emissions are not taken into account. To estimate the GHG emissions of residential real estate, we need data about the natural gas and electricity consumption per residence. Because this data is not publicly available, PCAF has estimated consumption per energy label and square metre, using data from Statistics Netherlands (CBS).

We used the CRREM tool to analyse our portfolio against science-based decarbonisation pathways aligned with the Paris Agreement. These pathways are calculated based on a carbon budget to remain within the boundaries of a 1.5°C rise in global temperatures. The financial sector increasingly uses the CRREM methodology, which is aligned with the Science Based Target initiative's (SBTi) recommendations. CRREM's scenario is real estate- and mortgages-specific, meaning it considers the sector's carbon budget and relevant technological developments in the decarbonisation pathways. The pathways are updated regularly with the latest scientific input and stakeholder feedback.

As CRREM uses physical emission intensity per square metre, we use data from Kadaster to convert the current emissions to this metric. In 2022, based on these methodological decisions, we developed a model for the total portfolio of Dutch mortgages that NN Bank originated and/or serviced, as represented on the NN Group balance sheet.

The model indicated that we needed to reduce our emission intensity to 18 kg CO_2/m^2 by 2030 according to the 2021 CRREM pathway for the Netherlands and the available CBS emission figures. This is a 34% reduction compared to our baseline year 2021. Based on the PCAF methodology we currently use, this is approximately equal to an average energy label A++ or higher for the entire mortgage portfolio by 2030.

Achieving this target by 2030 requires collaboration across the residential real estate value chain. CRREM's 2023 release of a steeper pathway for the Netherlands introduces additional challenges. We are evaluating the updated pathway to determine the best approach to supporting the energy transition and will provide more information in the next Climate Action Plan update.

Private equity

In 2024, NN Group developed a Paris Alignment strategy for our private equity portfolio. The strategy aims to increase portfolio alignment through monitoring asset alignment progress, engaging with asset managers, and increasing investment in climate solutions. To implement our strategy, we have started incorporating our Paris alignment criteria into asset management agreements. We plan to fulfill the actions recommended by the NZIF over the coming years as we renew our commitments with managers. Going forward, NN Group will focus on collecting financed emissions data and alignment information from our external private equity managers. Once we have a better understanding of the data collected, we will explore setting an asset alignment target for our private equity portfolio.

Infrastructure investments

Similarly, in 2024, we developed a Paris Alignment strategy for our infrastructure portfolio, which includes both equity and debt investments. NN Group already implements many of the NZIF recommendations and has a climate solutions target in place since 2021. The strategy prioritises investments in climate solutions which we decided to classify as 'aligned' or 'achieving net zero'. Data on financed emissions and alignment will be collected over the following years, allowing us to review whether we can set an asset alignment and engagement target. The NZIF recommends focusing on material sectors like carbon-based energy and transport when engaging with asset managers on Paris alignment topics. We expect limited exposure to new investments in these sectors due to existing policies, such as our Oil & Gas Policy, as well as our focus on climate solutions in the portfolio.

Climate solutions

In 2021, we set an ambition to increase our proprietary investments in climate solutions by EUR 6 billion by 2030. We define climate solutions as investments in economic activities that contribute to climate change mitigation or adaptation. As an initial step in classifying them, and in line with guidance from the IIGCC Paris Aligned Investment Initiative, we focused on areas of energy efficiency and renewable energy related to Sustainable Development Goal (SDG) 7. We also supported our definitions with external certifications, asset labels and environmental standards where possible and relevant. Our Green, Social, and Sustainability Bonds Standard guides our approach to investing in green bonds, providing guidelines for classifying bonds and minimum requirements for external asset managers.

While we strive to align with the EU Taxonomy criteria when investing in climate solutions, the detailed requirements make it challenging to assess alignment. We look for investments that satisfy the substantial contribution criteria for categorising them as climate solutions, but proof for the 'do no significant harm' (DNSH) criteria is often limited. Additionally, it remains uncertain what evidence is acceptable for alignment.

For a comprehensive overview of our definition, which encompasses green bonds, renewable infrastructure, certified green buildings in our real estate portfolio, and other investments, see p. 155.

To measure the positive impact of our investments on the environment, we have developed an impact measurement framework that uses estimated emissions avoided as an indicator of positive impact. However, it is important to note that we do not use this calculation as an offset in our carbon footprint calculation for our investments. Furthermore, our calculation does not account for any negative impact that our climate solution investments may have on society and the environment. We plan to conduct more thorough analysis of the negative environmental and social impacts of our investments in climate solutions in the coming years.

Resources for implementation

We have allocated resources to implement our approach, as described above. As a result, we have accelerated our total investment in climate solutions, reaching EUR 12.8 billion in 2024. The increase is due partly to investments in green bonds, improvements to the existing building stock and new renewable infrastructure investments as well as other low-carbon investments. See p. 154 for a breakdown of our climate solutions.

Climate solutions target

Target: increase our investments in climate solutions by EUR 6 billion by 2030. More than double investments in green bonds, renewable energy projects and energy efficient real estate investments, compared to 2021.

EUR 5 billion
2021 (base year)

EUR 11 billion
by 2030

While time-bound, the target indicated above is an input-oriented target, describing the amount we have invested in order to contribute to climate change mitigation and adaptation. In 2023, we measured the outcomes of our investments in climate solutions, such as renewable energy capacity and production, as well as emissions avoided, for the first time. However, the quality of forward-looking data needs to improve before we can set up a time-bound, outcome-oriented target.

Insurance underwriting

Transition plan

The insurance industry has an important role to play in challenges around climate change. It can help build more climate-resilient communities by providing customers with coverage for climate-related risks such as flood, precipitation, storm damage, drought and wildfires. Insurers can also help enable the transition to a low-carbon economy by incentivising and supporting customers to adopt low-carbon technologies and practices, which will reduce GHG emissions.

Our objective is to support the transition to a low-carbon economy through our insurance underwriting activities. Our target is for our underwriting portfolio to become net-zero by 2050, in line with the Paris Agreement, to help limit global warming to a maximum temperature rise of 1.5°C. Our approach to reach net zero is threefold:

1. Decarbonisation of our underwriting portfolio by reducing insurance-associated GHG emissions.
2. Engagement in the value chain to accelerate action.
3. Insuring climate solutions.

NN Group recognises that achieving a net-zero insurance underwriting portfolio can best be achieved through joint action. NN Group is a member of the Forum for Insurance Transition to Net Zero (FIT), which brings together insurers and other stakeholders. FIT is a dialogue and multi-stakeholder forum chaired by the UN Environment Programme (UNEP) aiming to support the necessary acceleration and scaling up of voluntary climate action by the insurance industry and key stakeholders. NN Group joined FIT because we believe collaboration and knowledge-sharing with key players in the international (re)insurance market is essential for the financial industry in reaching its net-zero targets.

Policies

In 2024 we published our Responsible Insurance Underwriting (RIU) Framework Policy. The policy gives direction for integrating sustainability matters into our insurance underwriting activities, including how we address climate change mitigation across insurance underwriting and product development. This includes sustainability-related opportunities, risk management and the consideration of the potentially adverse impacts of decision-making in our insurance underwriting activities. The RIU Policy applies to our insurance underwriting activities in the Netherlands for retail and commercial lines, and it serves as a guiding principle for our insurance activities outside the Netherlands[1].
We consider thermal coal mining and unconventional oil and gas exploration (shale gas, shale oil, Arctic oil and oil sands) to significantly contribute to global warming. Therefore, NN Group RIU Policy restricts the provision of insurance services to companies that derive their revenues from these activities. However, package and company insurance in our marine cargo business is exempt from this coal exclusion policy. If products or services have been developed to benefit employees, such as pension products and workers' compensation, a waiver to this restriction might apply. In such cases, the business unit (BU) involved will take a case-by-case, customer-based decision. Waivers will be discussed and approved/rejected by the NN Group RIU Committee. This committee strategically defines, and subsequently keeps oversight of, the RIU Policy, and steers our ambition for responsible insurance underwriting. In addition, it oversees and makes recommendations, guides on policy making and implementation, and advises the Management Board and other internal stakeholders on RIU-related matters.

Actions

The actions we have taken that contribute to the ambition to reach net zero in our insurance underwriting activities by 2050, can largely be divided into three categories:

1. Decarbonisation of our underwriting portfolio

Reducing insurance-associated emissions (IAE) is an important step in realising a net-zero insurance underwriting portfolio by 2050. We are undertaking several reduction initiatives:
- As part of the RIU Policy, we have strengthened our coal policy for insurance underwriting. By restricting insurance services to companies that derive their revenues from thermal coal mining or unconventional oil and gas (shale gas, shale oil, oil shale, Arctic oil and oil sands), we aim to support the transition to a low-carbon economy.
- In line with the PCAF Standard, we have introduced interim net-zero targets for our Non-life portfolio in the Netherlands. By measuring and monitoring the insurance-associated emissions of our Property and Casualty (P&C) commercial lines in scope of the PCAF methodology and Private Motor portfolios, and by performing sector analyses on decarbonisation pathways for those sectors, we were able to set interim targets for P&C commercial lines and an average reduction strive per vehicle, for Private Motor.

Read more about our progress on decarbonisation of the insurance underwriting portfolio on p. 156.

[1] This applies to Nationale-Nederlanden Schadeverzekering Maatschappij N.V., ABN AMRO Schadeverzekering N.V., Nationale-Nederlanden Levensverzekering Maatschappij N.V. and NN Re (Netherlands) N.V. For NN Re, considering its position as reinsurer without any relationship with primary insurance policyholders, implementation of sustainability risk identification and management differs from other NN business units. When writing internal reinsurance for NN Group subsidiaries, NN Re shall rely on sustainability risk identification and management in insurance underwriting performed by such subsidiaries on the basis of this policy. As part of the application process for reinsurance by NN Re, NN Group subsidiaries should provide confirmation to NN Re of their compliance with the NN RIU Policy, taking into consideration the extent to which this policy is applicable to the subsidiary. For external inward reinsurance activities, NN Re shall perform an appropriate sustainability customer due diligence based on the ESG questionnaire as part of its customer acceptance and review process.

2. Engagement in the value chain to accelerate action

We believe that engaging with stakeholders in the value chain (such as intermediary advisors and clients) is key to driving positive change in the real economy. This allows us to use our influence as a financial services company to encourage companies to adopt more sustainable practices, reduce their exposure to risk, and contribute to a more sustainable economy.

In Private Motor, for example, we aim to encourage customers to drive less and consider their GHG emissions while driving. We engage with clients and intermediaries to extend the use of electric vehicles. We also promote alternative transportation and have created a tool for consumers to compare the total cost of ownership of electric and fossil fuel cars.

3. Insuring climate solutions

Within our insurance business, we manage physical climate risks in various ways. We offer a range of products that help customers adapt to and mitigate climate change, such as coverage against severe weather events. We have also adapted existing features in our insurance offerings to address the climate-related needs of our customers.

Other actions

We have also taken other steps, in addition to the three categories above. For example, Netherlands Non-life has a Sustainability Steering Group in place, which is chaired by the Netherlands Non-life director of Strategy, Data, IT and Pricing (SDIP). The steering group reports to the Netherlands Non-life CEO and has representation from each insurance business line of Netherlands Non-life and second-line Risk. It manages the NN Non-life sustainability programme to improve, align and accelerate progress, and further integrate sustainability into NN Non-life's operations.

Specific tracks have been defined, such as risk management, product development and a reporting structure on topics. Climate change is a key focus item in the sustainability programme and is taken into account as part of our Product Approval Review Process (PARP). New and existing products are assessed for potential to 'do no significant harm' and we check that products do not focus on sensitive sectors or activities that have a profound impact on people and/or the environment. Non-life Netherlands has also developed a tool to calculate the carbon footprint of its underwriting portfolio, and uses a Physical Risk climate change tool to assess the impact of climate risks on the balance sheet, where possible.

Targets

To set well-founded reduction targets, we first calculated our IAE using PCAF methodology. As the current PCAF Standard covers methods for specific commercial lines and Private Motor, we focused on these segments when setting intermediate reduction targets. For products that are currently not covered by the PCAF Standard, we are not yet able to measure the IAE, or set intermediate targets. We will include additional targets when, for example, the scope of the PCAF methodology broadens, or if FIT provides additional guidance and clarity.

Accomplishing net-zero insurance underwriting-associated emissions by 2050 remains our overall target:
- commercial lines (in scope of PCAF Standard) – to reduce insurance-associated GHG emissions by at least 26% by 2030, compared to 2022. The reduction target is set on scope 1 and 2 emissions from relevant insured clients.
- Private Motor – to strive to reduce insurance-associated GHG emissions by 15% in carbon intensity per car by 2030, in the Netherlands compared to 2022[2].

The sector's decarbonisation pathways, used to set the intermediate reduction ambtions, were built on current and planned Dutch governmental measures included in the Dutch Klimaatnota. In deciding on the target for commercial lines, we took into account the Dutch Klimaatnota measures (based on the ESR[3] sectors) and the KEV (Klimaat en Energie Verkenning) scenarios leading to decarbonisation pathways. We also considered assumptions on future inflation and economic growth as well as limitations of the data quality of the calculated IAE.

Each year, Netherlands Non-life assesses whether the actual IAE reduction of commercial lines and Private Motor is proceeding according to ambition. We base this on annual portfolio developments, and the realisation of Dutch climate and energy policy and forecasts, in accordance with the annual KEV report. Netherlands Non-life strives to achieve its ambition and targets by managing the underwriting portfolio

Insurance-associated GHG emissions reduction target: commercial lines

Reduce insurance-associated emissions compared to 2022 base year value by:

26% in 2030

net zero by 2050

Insurance-associated GHG emissions reduction strive: Private Motor

Strive to reduce insurance-associated emissions (carbon intensity per car) compared to 2022 base year value by:

15% in 2030

net zero by 2050

[2] For Private Motor we realise that achieving substantial progress in emission reduction by 2030 will be challenging. For more information, see p. 158.

[3] The Dutch Climate Agreement includes measures across various sectors, including the ESR sectors. The ESR sectors refer to the sectors covered by the European Union's Effort Sharing Regulation (ESR), which includes a.o. emissions from transportation, buildings, agriculture, waste management and small industry.

strategically and actively. When necessary and feasible, we will take additional measures to meet the intermediate targets.

Progress

In addition to outlining our approach to climate change and the steps we have taken to help mitigate and/or adapt to it, we also monitor our progress in this area. We report on our findings below, for own operations, investments and insurance underwriting.

In line with our climate commitments, we measure the GHG emissions of our activities to help align our portfolios with the Paris Agreement. We report on the GHG emissions of our own operations (scope 1 and 2) and of the material scope 3 categories, as determined by the DMA. The material scope 3 categories include business air travel, as well as emissions from our investment and insurance underwriting activities. Scope 3 categories that are applicable to NN Group, but not material, are disclosed separately[4].

The table on the next page (carbon footprint by scope and category) presents actual GHG emissions, GHG reduction targets and information on the progress made.

Scope 1 includes direct emissions generated from sources that are owned or controlled by NN Group.

Scope 2 includes indirect emissions from energy that is purchased or acquired by, but not generated by, NN Group and that occurs at sources owned or controlled by another company. This mainly includes electricity and district heating consumed in NN Group buildings (but produced in power plants that are not owned by NN Group). The 'location-based' scope 2 emissions reflect the average emission-intensity of grids on which energy is consumed in that specific location.

The 'market-based' scope 2 emissions reflect NN Group's own energy purchase, for example through green energy purchase agreements.

Scope 3 includes indirect emissions occurring in NN Group's value chain, and we report on the applicable and material scope 3 categories. NN Group uses the scope 3 categories that are provided by the GHG Protocol Corporate Value Chain (scope 3) Accounting and Reporting Standard. Based on relevance and materiality, we determined what categories to disclose in the Sustainability Statement.

The following categories are considered not applicable to NN, as NN Group does not significantly engage in activities linked to these categories: capital goods, upstream transportation and distribution, upstream leased assets, downstream transportation and distribution, processing of sold products, use of sold products, end-of-life treatment of sold products, downstream leased assets, and franchises.

Purchased goods and services, fuel- and energy-related activities, business travel (ground), waste generated in operations, and employee commuting, are all applicable to NN, but not identified 'material'. The GHG emissions of these categories are disclosed in the 'Appendix' on p. 403.

Business air travel and investments (scope 3, category 15) are applicable to NN Group and identified material in the DMA. Investments include category 15 financed emissions (based on the scope 1 and 2 emissions from NN Group's investees and borrowers), and category 15 insurance-associated emissions (based on the scope 1 and 2 emissions from relevant insured clients).

GHG intensity per net revenue consists of the GHG intensity divided by revenue in EUR million. Revenue consists of insurance income, investment income and fee and commission results. We exclude realised and unrealised investment results and impairments from revenue.

From 2024, NN Group discloses certain sustainability metrics in line with definitions and guidance in the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). While comparative figures are not required in the first year of reporting, NN Group has included these in the Sustainability Statement.

These 2023 comparative figures are presented on a consistent basis with the 2024 disclosures. As a result, they differ in some respects from the similar amounts disclosed in the 2023 Annual Report. These differences relate mainly to GHG emissions and are largely a result of more information being available on 2023 emissions since the 2023 Annual Report was finalised. In addition, the 2023 comparative figures were updated in line the following methodology amendments:

- In the GHG calculations of the financed emissions of investments in corporates (scope 1 and 2), the emissions of certain government-owned entities are now included, while they were not previously.
- To calculate the financed emissions of government bonds and lending (scope 1, 2 and 3), we use the latest available emission data as well as the latest available purchasing power parity-(PPP) adjusted GDP data. As a result, the reference year of emission data can differ from the reference year of GDP data.
- We base the carbon intensity per EUR million invested, for all investments, on the balance sheet value of such investments. Previously, for the investments in mortgages, the notional value was used.
- To calculate the financed emissions of certain real estate investments, the attribution factor is now based on Gross Asset Value, instead of Net Asset Value.
- To calculate the IAE of Private Motor, we use the updated PCAF global-weighted average attribution factors.

[4] Emissions stemming from applicable, but not material categories, are not reported in the Sustainability Statement; all applicable, including the immaterial categories, are disclosed in 'Appendix', see p. 402.

Total GHG emissions (tCO_2e) aggregated by scope 1, 2 and material scope 3 categories

	Retrospective					Milestones and target years				
	Base year	2023	2024	% Actuals / Last year	% Actuals / Base year	Target 2025	Target 2030	Target 2040	Target 2050	% Annual target / Base year
Scope 1 GHG emissions (base year = 2019)										
Gross scope 1 GHG emissions[1]	3,032	1,785	1,896	6%	–37%	–45%	–75%	Net zero		–8%
Scope 2 GHG emissions (base year = 2019)										
Gross scope 2 GHG emissions - location-based[2]		7,832	6,613	–16%						
Gross scope 2 GHG emissions - market-based	6,601	5,092	4,375	–14%	–34%	–45%	–75%	Net zero		–8%
Material scope 3 GHG emissions - own operations (base year = 2019)										
Category 6 - business air travel	4,275	3,115	3,637	17%	–15%	–25%	–50%	Net zero		–4%
Significant scope 3 GHG emissions - investments										
Category 15 - financed emissions[3,4]		3,493,779	2,897,152	–17%						
Significant scope 3 GHG emissions - underwriting										
Category 15 - insurance-associated emissions[5]		200,844	199,513	–1%					Net zero	
Scope 3 GHG emissions										
Gross scope 3 GHG emissions		3,697,738	3,100,302	–16%						
Total material GHG emissions[6]										
Total material GHG emissions (scope 1, 2 and 3) – location-based		3,707,355	3,108,811	–16%						
Total material GHG emissions (scope 1, 2 and 3) – market-based		3,704,615	3,106,573	–16%						
GHG intensity per net revenue[7]										
GHG intensity (scope 1, 2 and 3) – location-based		238	192							
GHG intensity (scope 1, 2 and 3) – market-based		238	192							

1 0% of NN's scope 1 GHG emissions are covered by regulated emissions trading schemes.
2 NN does not have any location-based targets. Therefore, a baseline is not applicable. Intermediate reduction targets are set on scope 1 and scope 2 (market-based) combined.
3 Represents the total scope 1 and 2 financed emissions of NN's proprietary assets (excluding Government bonds & lending).
4 Intermediate targets are based on carbon intensity method. Refer to the financed emissions overviews for more information.
5 Intermediate targets are partly based on carbon intensity method. Refer to the insurance-associated emissions table for more information.
6 The total GHG emissions calculated in this overview represent the summation of the GHG categories in this table. This deviates from the 'Total GHG emissions (tCO_2e) aggregated by scope 1, 2 and 3 categories' table, (see 'Appendix', p. 403).
7 The GHG intensity per net revenue in EUR million is calculated based on the total GHG emissions shown in this table.

The following sections provide further details on GHG emissions in the area of own operations, investments and insurance underwriting. For each of these categories, information is given on the calculation methodology. The 'Glossary' on p. 407 contains an explanation of our baseline recalculation policy for GHG emission targets.

Own operations

We have disclosed our own operations GHG emissions on scope 1, 2 and 3 (air travel) since 2019. Over time, as data and calculation methodology improved, our approach evolved to comply with changing regulations. Notable changes include an increased organisational reporting scope (from significant subsidiaries to all NN Group subsidiaries), emissions factors updated to the most recent available, and changes in definition to align with GHG Protocol. As a result of the latter, emissions from business ground travel and lease car commuting have been transferred from scopes 1 and 2 to scope 3, (categories 'business travel' and 'commuting').

These changes have a significant impact on GHG emission values. To be able to monitor GHG emission reduction over time, and track progress towards the net-zero target, we recalculated scope 1 and 2 base year values, as well as the 2023 values. These values are presented in the table on this page.

Scope 1 GHG emissions increased from 1,785 tCO_2e in 2023 to 1,896 tCO_2e in 2024. This increase is primarily due to data improvements over time, which result in more complete and accurate values for 2024. We reduced scope 2 GHG emissions by

14% in 2024 compared to 2023. This is largely due to the shift from using non-renewable electricity to renewable electricity. To monitor the progress towards our intermediate reduction targets, which are set on GHG emissions of scope 1 and 2 combined, we analyse the total GHG emissions of scope 1 and 2. Compared to the base year value, the total of scope 1 and scope 2 GHG emissions decreased by 35%, from 9,633 tCO_2e in 2019 to 6,271 tCO_2e in 2024.

Compared to 2019 base year value, scope 3 air travel GHG emissions show a decrease of 15%. However, over the last years, we observe a slight upward trend. The GHG emissions of our scope 3 business air travel increased from 3,115 tCO_2e in 2023 to 3,637 tCO_2 in 2024. This makes it more challenging to meet the intermediate reduction target of 25% compared to 2019 value.

The methodology used to determine emissions from operations is based on internationally recognised standards such as the GHG Protocol. We calculate scope 1 emissions based on direct energy consumption by assets and activities owned, operated and/or controlled by NN Group; this refers mainly to natural gas used in office buildings.

Measurement is based on invoices for direct energy consumption or, if these are not available, estimated using square metres or other relevant metrics. For the energy types in scope 1, NN Group uses the 'average data' method, whereby emissions are determined per unit of consumed fuel, using factors obtained from 'CO_2emissiefactoren' and Ecoinvent. For non-CO_2 gases, we use the most recent Global Warming Potential (GWP) values as published by the IPCC, based on 100-year time horizon.

Scope 2 emissions, both location-based and market-based, are calculated based on indirect energy consumption by assets or activities owned, operated and/or controlled by NN Group. This concerns mainly electricity and district heating in office buildings. Measurement is based on invoices for indirect energy consumption or, if these are not available, is estimated using square metres or other relevant metrics. Activity data for office buildings is based on invoices from landlords and/or energy suppliers. For energy consumption in scope 2, we use the 'average data' method, where emissions are determined per unit of energy consumption using factors obtained from 'CO_2emissiefactoren', AIB's European Residual Mixes, and the IEA. The sources for district heating are obtained from 'CO_2emissiefactoren', CE Delft and other sources.

For scope 2 market-based emissions, we apply national residual grid mixes to all non-renewable, indirect electricity consumption, and zero emissions to the green energy we consume, under the condition that we have contractual evidence to substantiate the energy source. For scope 2 location-based emissions, we apply national average grid mixes to all non-self-generated electricity consumption.

Market-based and location-based emissions are regarded as equal for consumption of district heating.

For scope 3, category 6 (business air travel), we apply a distance-based calculation methodology. We regard 'activity data' as the distance travelled by air, and the applied emission factors are the average emissions per kilometre travelled, split by cabin class (source: The Department for Energy Security and Net Zero).

Investments

Financed emissions

	2024						2023					
	Total assets covered (in EUR million)		Financed emissions (tCO_2e)		PCAF weighted average data quality score[1]		Total assets covered (in EUR million)		Financed emissions (tCO_2e)		PCAF weighted average data quality score[1]	
	Not part of GHG calculation	Included in the GHG calculation	Scope 1 + 2	Scope 3	Scope 1 + 2	Scope 3	Not part of GHG calculation	Included in the GHG calculation	Scope 1 + 2	Scope 3	Scope 1 + 2	Scope 3
Fixed income corporate	2,076	25,163	2,267,843	20,454,161	1.8	3.3	2,251	25,482	2,756,887	21,966,808	1.7	3.2
Listed equity	15	2,729	139,579	1,272,959	1.4	3.4	3	3,497	183,114	1,542,119	1.4	3.5
Total corporate investments	**2,091**	**27,892**	**2,407,422**	**21,727,120**	**1.8**	**3.3**	**2,254**	**28,979**	**2,940,001**	**23,508,927**	**1.7**	**3.3**
Residential mortgages - NN Bank-originated	364	49,786	434,442		3.4		963	47,595	474,976		3.4	
Residential mortgages - other	2,914	1,900	27,656		3.4		2,681	4,634	49,701		4.2	
Real estate		9,364	27,632	61,495	2.1	2.1		9,401	29,100	62,616	2.2	2.2
Other proprietary assets	23,104						23,623					
Total proprietary assets (excl. government bonds & lending)	**28,473**	**88,942**	**2,897,152**	**21,788,615**			**29,521**	**90,609**	**3,493,778**	**23,571,543**		
Government bonds & lending excl. LULUCF	2,497	37,075	5,734,087		1.1		2,421	37,698	6,620,801		1.1	
Total proprietary assets (incl. government bonds & lending)	**30,970**	**126,017**					**31,942**	**128,307**				
%Assets/Total proprietary assets	20%	80%					20%	80%				
Investments for risk of policyholders	45,420						40,289					
Other assets	7,968						8,403					
Total assets	**84,358**	**126,017**					**80,634**	**128,307**				
Government bonds & lending incl. LULUCF	2,497	37,075	5,540,090		1.1		2,421	37,698	6,372,414		1.1	

[1] PCAF weighted average data quality score: high quality = 1, low quality = 5.

Calculation methodology per asset class

NN Group uses an attribution approach to determine the share of total GHG emissions that is associated with the specific investment we are reporting on. Both emissions data and financial data are key inputs for calculating financed emissions. More details on our methodology per asset class is shown in the table below.

Asset scope

To assess the carbon footprint of our proprietary assets, we use internationally recognised standards, such as the GHG Protocol Corporate Accounting and Reporting Standard, and the Global GHG Accounting and Reporting Standard for the Financial Industry (Part A, 2022) from the PCAF. Proprietary assets are those investments that are included in the NN Group consolidated balance sheet prepared using International Financial Reporting Standards as endorsed by the European Union (IFRS-EU) and held for own account (i.e. where the investment risks and returns are for NN Group). These assets include the general account investment portfolio of the insurance entities, the assets of NN Bank (primarily residential mortgages) and the assets of the holding companies within NN Group.

Investments for risk of policyholders of the insurance entities are not covered by our carbon footprint analysis. Whilst these assets are included in the consolidated IFRS-EU balance sheet of NN Group, we do not control the allocation of these assets and the investment risks and returns are not for NN Group; instead, policyholders direct the investment allocations and the investment risks and returns are

NN Group's methodology per asset class

Asset class	Scope	Attribution factor	GHG emissions covered as part of scope 3 financed emissions	Source
Corporate investments	Listed corporate bonds and listed equity.	Outstanding amount (market value) of NN Group's investments divided by the total company value (i.e. investees and borrowers).	Scope 1 and 2, with scope 3 reported separately.	Emissions data from NN Group's investees and borrowers is sourced from ISS and Morningstar Sustainalytics.
Government bonds and lending	Government bonds and government lending issued by a: – central government or treasury; – supranational; – central bank on behalf of a sovereign.	NN Group's exposure to sovereign debt divided by the purchasing power parity (PPP)-adjusted GDP.	Scope 1, which is defined as the direct GHG emissions from sources located within the country territory (i.e. production emissions).	PPP-adjusted GDP is collected from the data published on the website of the World Bank. Emissions data (incl. and excl. LULUCF) is sourced from the UNFCCC database for Annex I countries and Climate Watch database for non-Annex I countries.
Real estate	(Direct) investment properties and (indirect) investments in real estate funds.	NN Group's share of the Gross Asset Value divided by the total (fund) Gross Asset Value.	Scope 1 and 2, with scope 3 reported separately.	NN Group's share in the real estate asset or fund, and underlying GHG emissions, are sourced from NN Group's real estate manager, CBRE.
Residential mortgage loans	Mortgage loans originated by NN Bank. Mortgage loans originated by external parties or other NN entities are reported under other residential mortgages.	A loan-to-value (LTV) ratio is applied, which is the outstanding mortgage amount (nominal value) divided by the property value at origination. If the property value at origination is not available, the latest available property value is used.	We report GHG emissions originating from operational energy use of a residential building. This covers scope 1 and 2 emissions.	The calculations are based on floor area, energy labels and building type. Energy labels are sourced from EP-online. We use PCAF emission factors, which are based on Centraal Bureau Statistiek (CBS) data for energy consumption. In January 2025 PCAF updated these emission factors because new CBS data became available. The updated factors have not yet been included in our GHG calculation. The housing type and surface area per building is taken from the database of the Basisregistratie Adressen en Gebouwen (BAG).

directly for the policyholders. These investments consist mainly of unit-linked portfolios as well as certain group pension business in the Netherlands. Market practices and industry-specific requirements on whether such investments for risk of policyholders would be in scope of NN Group's financed emissions are still developing. Furthermore, the methodologies for calculating GHG emissions on such investments (mainly investments in mutual funds) are not yet fully available. NN Group's investments for risk of policyholders are managed by various asset managers that are contracted locally by the relevant business units. NN Group currently does not have complete and accurate data to determine and disclose the overall emissions from these assets. We will continue to monitor industry practices, industry specific guidance and developing methodologies and will improve availability and quality of relevant data in order to consider disclosing emissions on investments for risk of policyholders in future years in addition to the emissions on our proprietary assets. Information on insurance policies that invest in investments for risk of policyholders that is relevant for policyholders is included in SFDR reporting by the relevant business units. However, the scope and methodology for such reporting is different from the reporting under ESRSs by NN Group.

Coverage proprietary assets

The December 2024 analysis of the proprietary assets includes the following asset categories: government bonds, corporate investments (corporate fixed income and listed equities), residential mortgages, real estate investments and other assets. The assessment of residential mortgages covers all mortgages originated and/or serviced by NN Bank, which accounts for the major portion of the total mortgage portfolio, as well as part of the mortgages that are originated by external mortgage providers. The total proprietary assets that are covered by a carbon footprint measured amount to EUR 126 billion, which represents approximately 80% of the total proprietary assets. When data was unavailable for only a minor part of a certain category within proprietary assets, we extrapolated the carbon footprint using data that was available for the majority of these assets within the relevant category. The extrapolation was performed using the relative total carrying amounts and represents approximately 13% of the total proprietary assets that are covered. When extrapolation was used, a PCAF data quality score of 5 was attributed.

However, 'other proprietary assets' are not yet covered by a carbon footprint measurement. These are smaller asset categories, accounting for EUR 23 billion or 15% of our proprietary asset portfolio, and mainly include investments in mutual funds, money market funds, asset backed securities, commercial real estate loans, cash and derivatives. Most of these investments are excluded from GHG calculations due to the lack of methodologies for these categories. Additionally, measuring the carbon footprint of certain assets, like cash and derivatives (primarily FX and interest rate), may not be suitable or feasible. We are working on collecting emission data for other asset classes, prioritising those with available carbon footprint methodologies and Paris Alignment strategies. This year for example, we developed strategies for our infrastructure and private equity investments. A key focus moving forward will be gathering emission data for these asset classes.

Important notes on the results

There are double counting challenges with respect to financed emissions, for example when NN Group invests in companies that form part of each other's value chain. To overcome this challenge, scope 1 and 2 financed emissions are reported separately from scope 3 financed emissions. In addition, double counting in the financed emissions of government bonds and lending can occur if we hold sovereign debt and investments in domestic companies; this is because the sovereign emissions include GHG emissions that are tied to the domestic industries. To avoid this double counting, we report emissions related to government bonds and lending separately from other investments, including and excluding GHG emissions and removals resulting from human activities related to land use, land use change and forestry (LULUCF).

The accuracy of the financed emissions is impacted by the limited availability of corporate disclosure and, sometimes, the low quality of reported corporate data. If current data is not available, NN Group uses the most recent available data for the respective reporting period. If direct emissions data is unavailable, we must rely on estimates and industry averages, which can introduce inaccuracies into the calculations and result in a correspondingly lower PCAF data quality score. There may also be a delay in reflecting the actual changes in emissions for NN Group's investments due to the time lag in receiving emissions data from our investees and borrowers. This time lag differs per asset class. As the availability and accuracy of emissions data used as a basis for the calculations can vary significantly, NN Group applies the PCAF data quality scoring system. PCAF data quality scores range from 1 (highest quality) to 5 (lowest quality) and indicate the quality of emissions data used in the calculation. Data quality scores are specific to each asset class and are based on an average score weighted by the value of the assets included in the calculation. With increased reporting regulations, we anticipate that data availability and quality will improve over time.

Evaluating carbon emissions poses a challenge as this is based on historical information, and, depending on the asset class, may lag by one to three years. As a result, the carbon footprint provides a snapshot of a past moment in time and may not be a good reflection of an entity's future trajectory to transition to a low-carbon economy. To address this, we incorporate forward-looking views of companies' decarbonisation strategies into our investment process.

Objectives and targets to transition our proprietary assets to net zero

To guide our progress in transitioning our investment portfolio towards net zero, we establish objectives and targets that are tailored to each asset class. Drawing on guidance from the NZIF, we have developed asset class-specific strategies and targets, including a decarbonisation reference objective for our corporate investment and residential mortgage portfolios that align with net-zero pathways.

We view portfolio decarbonisation for our investments as an objective that sets the ambition of a net-zero strategy and helps to monitor changes in a portfolio's emissions and the effectiveness of our investor actions. It is not intended to be used as a target-setting tool for year-on-year reductions in financed emissions.

To ensure effective steering of our portfolio, we have set additional targets for our corporate investment portfolio, including a portfolio coverage target and an engagement threshold. These targets aim to support decarbonisation in the real economy and increase the proportion of assets moving towards net zero. Looking ahead, we are working on developing similar objectives and targets for other asset categories based on the NZIF 2.0, which was published in 2024.

For more information on financed emissions related to each asset class, please see the corresponding sections below.

Corporate investments

The corporate investments portfolio includes listed equities and corporate fixed income (i.e. corporate bonds and loans).

The table shows changes in carbon footprint metrics between 2023 and 2024, although as noted earlier, the data set for corporate investment emissions is the same in both years, so we cannot draw conclusions regarding any underlying emission reductions from corporate investment holdings.

In the table we also provide insight into our exposure to carbon-intensive companies by disclosing the weighted average carbon intensity (WACI) for corporate investments. We calculate WACI by determining the carbon intensity (for scope 1 and scope 2 GHG emissions per EUR million revenue) for each investee or borrower, multiplied by the portfolio weighted average. The corporate assets included in the WACI calculation are in line with the corporate assets included in the GHG calculation for financed emissions.

NN Group has established a corporate portfolio decarbonisation reference objective to reduce scope 1 and 2 financed emissions (tCO_2e/EUR million). We have set interim objectives, aiming for a 25% reduction in GHG emissions by 2025 and a 45% reduction by 2030, compared to the 2021 carbon intensity figure (based on the emissions of underlying companies in 2019 due to a reporting time lag). Although scope 3 financed emissions are not included in our reference objective, we incorporate investee disclosure and target setting on material scope 3 emissions into our portfolio alignment assessment and engagement objectives.

Financed emissions related to NN Group's corporate investment portfolio

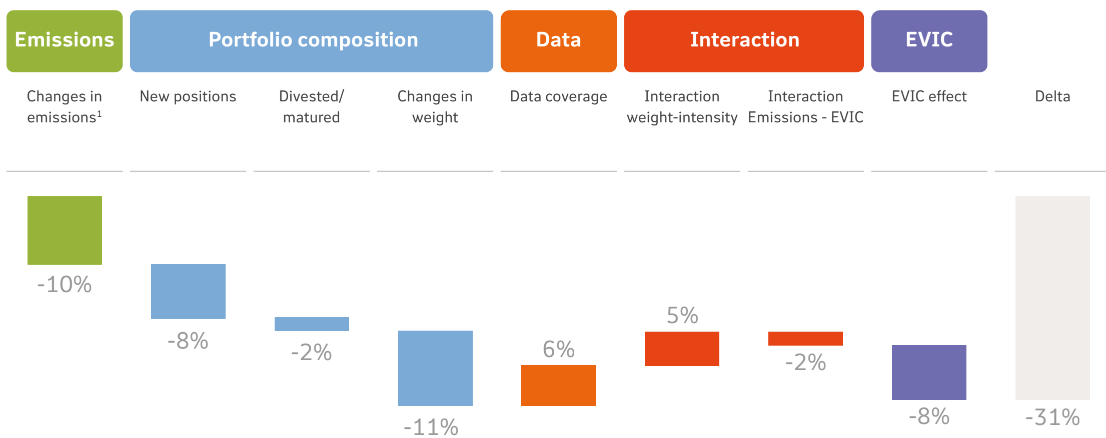
	Financed emissions (tCO_2e)		Carbon intensity (tCO_2e per EUR million invested)		Weighted average carbon intensity (tCO_2e per EUR million of revenue)		PCAF weighted average data quality score[1]	
	Scope 1 + 2	Scope 3	Scope 1 + 2	Scope 3	Scope 1 + 2	Scope 3	Scope 1 + 2	Scope 3
Fixed income corporate	2,267,843	20,454,161	90	813			1.8	3.3
Listed equity	139,579	1,272,959	51	466			1.4	3.4
Total corporate investments 2024	**2,407,422**	**21,727,120**	**86**	**779**	**99.0**	**1,162.9**	**1.8**	**3.3**
Total corporate investments 2023	2,940,001	23,508,927	101	811	108.2	1,278.1	1.7	3.3
YoY change % Actuals / Last year	−18%	−8%	−15%	−4%	−8%	−9%		
Base year (2021)			125					
% Actuals / Base year			−31%					
Decarbonisation reference objective 2025 - Scope 1 + 2			−25%					
Decarbonisation reference objective 2030 - Scope 1 + 2			−45%					
Decarbonisation reference objective 2050 - Scope 1 + 2			Net zero					

[1] PCAF weighted average data quality score: high quality = 1, low quality = 5.

Analysing changes against the 2021 baseline provides valuable insights. Compared to our target-setting baseline of 125 tonnes CO_2e per EUR million invested in 2021, we achieved a 31% reduction by year-end 2024. Our attribution analysis, illustrated below, indicates that changes in portfolio carbon intensity are not solely influenced by real-world emissions changes, but also changes in portfolio composition and companies' EVIC (Enterprise Value including Cash). Focusing on the emissions changes, the figure shows that companies' emissions from our existing holdings declined by 10%, with potential further reductions through 'New positions' and the 'Interaction' categories, where effects overlap.

Although real-world emissions have started to become visible in our portfolio's financed emission intensity, investee companies will need to accelerate their decarbonisation efforts to meet the Paris goals. Our Paris Alignment Strategy focuses on stewardship and engagement for existing portfolio holdings to encourage investee companies to accelerate their decarbonisation pathways. For new assets, the strategy prioritises those that are better positioned to align in their transition to a low-carbon future.

Financed emissions intensity attribution analysis for NN Group's corporate investment portfolio 31 December 2021 – 31 December 2024



1 Changes in investee emissions. Note that the New positions and Interaction categories may include potential emission reductions which could not be separated from other effects.

Government bonds

We follow the PCAF production approach to report on sovereign emissions, treating a sovereign issuer as a national territory, and attributing its direct emissions (scope 1) to those generated within its boundaries. We have not included net imported electricity (scope 2) and non-energy imports (scope 3), as the data quality for these emissions is not good enough and would have resulted in increased time lag, a substantial increase in estimated data, and lower coverage.

In a similar way to corporate financed emissions, sovereign financed emissions represent the share of a country's emissions that can be attributed to NN Group based on the amount we have invested in the sovereign. As there is no 'total market value of a country', it is market practice to use a proxy to attribute the right amount of emissions to an investment.

The table below presents changes in carbon footprint metrics between 2023 and 2024.

Overview of financed emissions related to NN Group's government bonds and lending portfolio

	Financed emissions (tCO_2e)		Carbon intensity (tCO_2e per EUR million invested)		PCAF weighted average data quality score[1]	
	Government bonds & loans incl. LULUCF	Government bonds & loans excl. LULUCF	Government bonds & loans incl. LULUCF	Government bonds & loans excl. LULUCF	Government bonds & loans incl. LULUCF	Government bonds & loans excl. LULUCF
2024	5,540,090	5,734,087	149	155	1.1	1.1
2023	6,372,414	6,620,801	169	176	1.1	1.1
YoY change % Actuals / Last year	−13%	−13%	−12%	−12%		

1 PCAF weighted average data quality score: high quality = 1, low quality = 5.

Real estate investments

The reporting of our non-listed real estate investment portfolio comprises the direct engine, over which we have direct ownership, and the indirect engine, which includes funds. NN Group requires all real estate asset managers to participate in the GRESB Real Estate assessment, which provides us with emissions data. GRESB requires participants to report on actual building energy consumption and calculate GHG emissions based on the average emissions intensity of the grids on which the energy is consumed (using mostly grid-average emission factor data provided by participants). Emission factors are determined based on geographic locations. This reporting corresponds to a data quality score 2 using the PCAF Standard.

In the carbon footprint analysis of our real estate portfolio, scope 1, 2 and 3 are relevant. Scope 1 and 2 emissions are under control of the buildings' owner (i.e. the landlord), who can introduce and implement operating and/or environmental policies and measures. However, in some cases, tenants hold the energy contracts directly. In that case, the energy consumption of the tenants falls under scope 3 where the owner or landlord has no operational control. Considering that the energy consumption of tenants is dominant in the overall energy consumption of a building, scope 3 is especially important for real estate. As with our corporate portfolio, we report on scope 3 emissions separately from scope 1 and 2 emissions.

To calculate the carbon footprint of our real estate investment portfolio, we attribute a real estate fund's annual emissions based on NN Group's share in the fund, determined by Gross Asset Value (GAV). For all investment amounts, fund values are based on the most recent data available, with emissions having a one-year lag.

NN Group includes all disclosed emissions from investments in the disclosure of scope 3 financed emissions, as this is the most transparent and consistent presentation. Discussions are ongoing on whether the ESRS would require disclosing emissions from (only) direct investments in real estate as part of own operations GHG emission scope 1 and 2. The relevant scope 1 and 2 emissions of these direct investments in real estate of NN Group were approximately 12,884 tCO_2e in 2024 and 13,271 tCO_2e in 2023.

The table below presents year-on-year changes in carbon footprint metrics.

Overview of financed emissions related to NN Group's real estate portfolio

	Financed emissions (tCO_2e)		Carbon intensity (tCO_2e per EUR million invested)		PCAF weighted average data quality score[1]	
	Scope 1 + 2	Scope 3	Scope 1 + 2	Scope 3	Scope 1 + 2	Scope 3
2024	27,632	61,495	3	7	2.1	2.1
2023	29,100	62,616	3	7	2.2	2.2
YoY change % Actuals / Last year	–5%	–2%	–5%	–1%		

[1] PCAF weighted average data quality score: high quality = 1, low quality = 5.

Residential mortgages

Dutch mortgages originated and/or serviced by NN Bank account for the largest part of our reported mortgages' carbon footprint in 2024, with the remainder being mortgages originated by external mortgage providers. The analysis below focuses only on NN Bank-originated mortgages.

We account for the scope 1 and 2 emissions of each house (i.e. the energy consumed by the occupant, which is comprised of the natural gas used to heat the house, plus the electricity purchased by the occupant). Construction emissions, notably a building's embodied GHG emissions, are not taken into account.

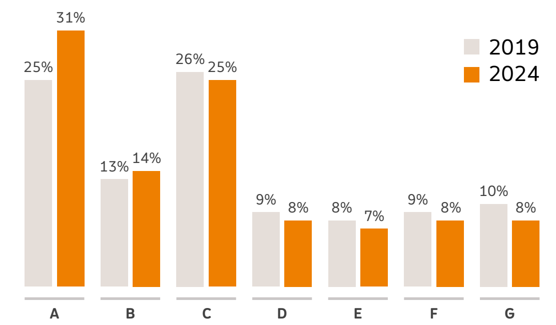
In line with the PCAF Standard we measure the carbon footprint of every house based on energy label, floor space, building type and corresponding emission factor. Together with other members of PCAF, we are exploring ways to obtain the actual consumption data to further enhance reporting quality. By improving the monitoring of household CO_2 emissions, we can bring the outcomes closer to the actual emitted emissions.

The energy label remains an important data input for the methodology. Compared to 2019 when we first gathered this information, the share of label A in our portfolio increased from 25% to 31%, label B from 13% to 14%, label C declined from 26% to 25%, labels D, E, F and G (taken together) declined from 36% to 31%.

To estimate CO_2 emissions from residential real estate, data on natural gas and electricity consumption per residence is needed. As these are not publicly available, PCAF used CBS data to estimate consumption per energy label and square metre. In January 2025, CBS updated its energy data, prompting PCAF to revise the emission factors.

NN portfolio: energy label distribution

(based on number of houses, compared to 2019)



We are currently analysing this update and may incorporate it into our next carbon footprint report.

The financed emissions of NN Group's originated mortgage portfolio at the end of 2024 were 434 kilotonnes of CO_2e, showing a 9% decrease from the previous year.

We also calculate a carbon intensity figure for the mortgage portfolio, which indicates how efficient NN Group's mortgage portfolio is in terms of GHG emissions (tCO_2e) per unit of output (m^2). We apply an LTV ratio to determine the financed surface area (in m^2) of a property; this is calculated by dividing the amount of the outstanding mortgage (nominal value) by the property value at origination and multiplying that by the property's surface area. If the property value at mortgage loan origination is unavailable, the latest available property value is used.

Based on this metric, NN Group has set a portfolio decarbonisation reference objective with a baseline of 27.4 $kgCO_2/m^2$ in 2021, and an interim reference objective of 18.0 $kgCO_2/m^2$ by 2030, representing a 34% decline from the baseline. Our methodology and objective are based on the CRREM NL 1.5°C pathway (2021 version) and are aligned with criteria set out by the SBTi. For details on our methodology, see p. 141 of this report.

The emissions intensity at year-end 2024 was 22.9 kg of CO_2e per m^2, representing a decline of 17% compared to the baseline year of 2021.

Climate solutions

To support our Paris Alignment strategy, NN Group has developed an internal framework to define 'climate solutions investments' as part of its proprietary investments' portfolio. By investing in climate solutions, we aim to contribute to climate change mitigation and adaptation. As a step in classifying climate solutions investments, and in line with guidance from the IIGCC's Paris Aligned Investment Initiative, we focused on SDG 7-related areas of energy efficiency and renewable energy. Where possible and relevant, we supported our definitions with external certifications, asset labels and environmental standards.

Total investments in climate solutions are ahead of target, with a total of EUR 12.8 billion in 2024. This keeps us in line with our 2030 target as it accounts for redemptions. The acceleration of investments in this area is mainly driven by higher-than-expected investments in green bonds. Investments in renewable energy show continued increase, reflecting our commitments in previous years.

Overview of financed emissions related to NN Group's residential mortgage portfolio (NN Bank-originated)

	Financed emissions (tCO_2e)	Carbon intensity (tCO_2e per EUR million invested)	Carbon intensity per m^2 ($kgCO_2e/m^2$)	PCAF weighted average data quality score[1]
	Scope 1 + 2	Scope 1 + 2	Scope 1 + 2	Scope 1 + 2
Residential mortgages - NN Bank-originated 2024	434,442	8.7	22.9	3.4
Residential mortgages - NN Bank-originated 2023	474,976	10.0	24.4	3.4
YoY change % Actuals / Last year	–9%	–13%	–6%	
Residential mortgages - NN Bank-originated 2021 (Base year)			27.4	
% Actuals / Base year			–17%	
Decarbonisation reference objective 2030 - carbon intensity ($kgCO_2e/m^2$)			–34%	
Decarbonisation reference objective 2050 - carbon intensity ($kgCO_2e/m^2$)			Net zero	

1 PCAF weighted average data quality score: high quality = 1, low quality = 5.

Investments in climate solutions (in EUR million)

	2024	2023	2021 (Base year)	Target 2030
Renewable energy investments	2,035	1,255	567	
- of which: infrastructure equity	924	354	44	
- of which: infrastructure debt	1,111	901	523	
Certified green buildings[1]	5,020	5,323	3,817	
- of which: direct and equity investments	4,498	4,722	3,236	
- of which: debt investments	522	601	581	
Green bonds	5,646	4,091	637	
Other[2]	99	83	41	
Total	**12,800**	**10,752**	**5,062**	**11,000**

1 Relates to buildings within NN's non-listed real estate portfolio; the residential mortgage portfolio of NN is not covered in this category.
2 Other included non-infrastructure (private equity).

More details on NN Group's definition per asset class and valuation method is shown in the table below.

Asset class	Definition	Valuation method
Green bond	The green bonds NN Group invests in are in line with the NN Green, Social and Sustainability Bond Standard; this aligns with the Green Bond Principles of the International Capital Markets Association (ICMA) and needs to be applied in addition to the basic Responsible Investment (RI) criteria as described in the RI Framework Policy and related standards.	Valuation of the green bonds is on outstanding amount.
Renewable energy infrastructure	Investments in infrastructure funds with a clear focus on climate change and/or energy transition and investments in projects (equity/debt) for renewable energy infrastructure, such as solar PV, offshore and onshore wind, hydrogen, storage, energy efficiency and other renewable energy technologies.	Valuation for infrastructure equity is on market values; for infrastructure debt, it is on outstanding loan amount.
Certified green buildings	Within the real estate portfolio (equity/debt), these include assets with at least an Energy Performance Certificate (EPC) of class A. If an EPC is not available, they have a high level of building certification (BREAAM or HQE certification of at least Excellent, or LEED or DGNB of at least Gold).[1]	Valuation for certified green buildings is, for equity investments, on market value; for debt investments, it is on outstanding loan amount.
Other	Investments that do not fall into any of the categories above, including investments in unlisted entities. For example, impact private equity funds that target and report on clearly defined climate impact KPIs, or funds that have a broader ESG focus, but where clean and renewable energy projects account for a substantial part of the fund.	Market value.

1 BREEM, HQE, LEED and DGNB are all green building certifications.

Insurance underwriting

In 2022, NN Group first calculated IAE for insurance underwriting business lines in scope of the PCAF. All IAE figures, including the 2022 base-year emissions are calculated in line with the PCAF Standard.
The table below shows our progress towards our climate ambitions in the two business lines in the Netherlands in scope of the PCAF Standard: NN Non-life's Private Motor and commercial lines. 'Insurance-associated' refers to those GHG emissions associated with NN Group's underwriting activities in these business lines. The methodology to determine IAE is based on internationally recognised standards such as the GHG Protocol Corporate Accounting and Reporting Standard, and the PCAF's Global GHG Accounting and Reporting Standard for the Financial Industry (Part C, 2022).

Calculation methodology

In line with the underwriting activities covered by the PCAF Standard, NN Group reports IAE for commercial lines and Private Motor. We determine these IAE by multiplying the GHG emissions associated with the insurer by the GHG emissions of the insured.

For Private Motor, we calculate the emissions per insured license plate and multiply that by the global weighted average attribution factor, as published by PCAF. This attribution factor is based on premium charge divided by the costs of vehicle ownership. For commercial lines, the attribution factor is determined by dividing the insurance premium by the total revenue of the policyholder.

As the availability and accuracy of the emissions data we base our calculations on can vary significantly, we use the PCAF data quality scoring system, with scores ranging from 1 (highest quality) to 5 (lowest quality), and we indicate the quality of the emissions data used in the calculation. For commercial lines, data quality scores are specific to each segment and based on an average score weighted by the premium charged to the policyholders included in the calculation.

Insurance-associated emissions (IAE) of our commercial lines and Private Motor

	2024				2023							
	GHG emissions (tCO_2e)	Carbon intensity (tCO_2e/100 vehicles)	% Actuals / Base year	PCAF weighted average data quality score[1]	GHG emissions (tCO_2e)	Carbon intensity (tCO_2e/100 vehicles)	% Actuals / Base year	PCAF weighted average data quality score[1]	Base year (2022) (tCO_2e)	Base year (2022) (tCO_2e/100 vehicles)	Target 2030[2]	2050
Commercial lines[3]	55,701		−11%	5.0	51,256		−18%	5.0	62,356		−26%	Net zero
Private Motor[4]	143,812	10.73	3%	2.3	149,588	10.95	5%	2.0		10.38		Net zero
Total Insurance associated emissions	**199,513**				**200,844**							

1 PCAF weighted average data quality score: high quality = 1, low quality = 5.
2 The target for commercial lines is in absolute emissions (tCO_2e). The target for commercial lines only applies to the Netherlands.
3 The commercial lines concern EUR 1,315 million GWP of Netherlands Non-life in 2024.
4 The Private Motor concerns EUR 536 million GWP of Netherlands Non-life in 2024.

More details on our methodology per product line is shown in the table below.

The accuracy of the reported IAE is impacted by the limited availability of data and occasionally by the low quality of reported data. Also, carbon emissions intensities provided by PCAF for commercial lines are based on lagged 2019 emissions.

Commercial lines

As actual emission figures of individual small and medium-sized enterprises (SMEs) are not yet available, we have used industrial sector average emission figures in the IAE calculations for our commercial lines' underwriting portfolio. This is in line with the PCAF Standard as a best-effort estimate. We note that the data quality used to calculate IAE is key in determining our progress towards reaching our climate ambitions. The quality of the industrial sector average emission figures we use may be subject to change over time, for example in granularity or through other metrics and technologies. We realise that individual company emission data may deviate from applicable and available industrial sector average emission data. As we continuously strive to improve the availability and quality of the data used for calculations, including that of our own data, we may need to adjust our emissions calculations.

As well as potential changes in the data used for calculations, calculation methodologies such as the ones we currently use may be subject to change because of new scientific insights, assumptions, regulatory requirements, industry standards or other developments. We aim to be transparent about such changes to allow for proper tracking of progress.

In 2023, there was a reduction in commercial lines' IAE of approximately 11.10 kt CO_2e compared to base year 2022, due to portfolio developments together with improved sector emission averages from the 2019 PCAF database. By the end of 2024 compared to 2023, the IAE for commercial lines increased by approximately 4.45 kt CO_2e, a 11% reduction against the base year of 2022, mainly due to portfolio developments and improvements in data collection and accuracy on sectoral coding. Note that the 11% reduction figure does not include improvements in sector emission averages, as no recent update of the PCAF database was available. The reduction in IAE per year-end 2024 is likely to improve once a new version of the PCAF database becomes available. To achieve the target of -26% by 2030 in the Netherlands a further reduction of at least 9.56 kt CO_2e emissions is needed.

Although the KEV 2024 pathway deviates from the Dutch Klimaatnota pathway, we expect that sector emission averages are likely to further reduce between now and 2030. The emission reduction target for commercial lines therefore seems feasible assuming that:
- governmental measures support the expected outcomes;
- improvements in data quality and accuracy of sectoral coding do not significantly deviate from our best effort estimates, as we currently rely heavily on sector averages and expect data quality to improve year by year.

NN Group's methodology per line of business

Line of business	Scope	Attribution factor	GHG emissions covered	Source
Commercial lines	Property and Casualty (P&C) insurance lines covered by the PCAF Standard.	Gross written premium (net of provisions, commissions or any other agent fees), divided by the yearly revenue of the insured company.	Scope 1 and 2	The calculations are based on the emission intensities of a specific sector. Emission intensities are collected through the PCAF database.
Private Motor	Personal automotive (insurance of vehicles purchased by private individuals or households).	Prescribed by PCAF as a constant across all insurance policies, multiplied by the pool factor (the part of the insurance or portfolio that NN Group underwrites). The attribution factor is corrected for risk sharing with other insurers, to avoid double counting.	Scope 1 and 2	Emissions are calculated by multiplying a measure for exposure (fuel consumption or distance travelled) by a vehicle's emission intensity. Vehicle-specific emission intensities data is sourced from the RDW. If internal data is not available, the average distance travelled is gathered via CBS (Statistics Netherlands) and is based on vehicle type.

Private Motor

We acknowledge the importance of reducing carbon emissions across our Private Motor portfolio and are committed to net-zero mobility towards 2050. However, we realise that achieving substantial progress in emission intensity reduction by 2030 will be challenging, for several reasons. For example, for Private Motor vehicles, a 20% reduction in emissions between 2022 and 2030 is expected for the entire Dutch market – for both new and used vehicles. However, when electric vehicles (EVs) enter the second-hand market, we can expect a delayed effect of carbon reduction in that specific market.

By 2030, the reduction in GHG emissions for second-hand passenger cars since 2022 is expected to be around 16% to 19%. Given that a significant portion of NN Group's Private Motor portfolio comprises second-hand vehicles, we anticipate a delay in carbon reduction for our portfolio until new EVs are made available. Second-hand passenger cars serve a significant number of Dutch households; many cannot afford new cars, or are not catered for through company lease fleets.

However, to provide this support, we are largely dependent on external factors, such as the pricing of EVs (and other vehicles not driven by internal combustion engines), continuous and accelerated support from governments, improved infrastructure, and the pace of EV development and manufacture and other technological developments. While we are committed to decreasing carbon emissions where we can, excluding clients (by, for example, not insuring fuel-powered motors or using prohibitive pricing) is not a sustainable solution.

As we disclosed in our 2024 mobility trend report, we aim for a 15% reduction in carbon intensity per car by 2030 in the Netherlands, from 2022. To help us achieve this we will leverage knowledge on net-zero mobility and actively promote more sustainable ways of driving and less frequent driving by exploring 'pay as you drive' and 'pay how you drive' products and services. We will also engage with clients and intermediaries to promote a switch to EVs where possible, and explore battery guarantees for second-hand EVs.

Compared to base year 2022, carbon intensity per vehicle rose in 2023 by 5%, mainly due to an increase that year in the average annual mileage per vehicle for passenger cars (12.460 km) compared to 11.881 km in 2022, according to Statistics Netherlands (CBS). By the end of 2024 the carbon intensity per vehicle had increased by 3% since 2022, largely because of an increase in driving in the Netherlands, higher than we had predicted, as well as a growth of older cars in our portfolio. It is important to note that the figure of 3% is based on CBS 2023 figures on emissions and average annual mileage, as CBS 2024 figures are not yet available; also, that the actual mileage driven in our Private Motor portfolio may deviate from the CBS figures. While our ambition of reducing the carbon emission intensity per vehicle by 15% by 2030 will be challenging, we are committed to striving to achieve it.

Anticipated financial effects

Climate Risk Assessment framework

We are committed to understanding and addressing the impacts of climate change on our business and customers. We perform regular Climate Risk Assessments (CRAs) to evaluate both physical and transition risks associated with climate change. Our approach involves four key steps:

Step 1: Identify and define a list of climate risk drivers and connect them to balance sheet items

We assess two sources of climate risk:

- Physical risk: risks that arise from the physical effects of climate change. We differentiate between 1) acute physical risks, which are extreme weather events occurring with increased frequency and severity; and 2) chronic physical risks, which are driven by longer-term shifts in climate patterns.
- Transition risk: risks that arise from the transition to a low-carbon and climate-resilient economy, and are associated with market, regulatory and policy developments.

Each identified risk driver is rationalised against our insurance product offerings and/or investments, to further assess vulnerability at an inherent level, i.e. without taking into account any risk mitigation measures.

Climate Risk Assessment approach

1. **Identify climate risk drivers** Compile a comprehensive list of risk drivers followed by screening relevance for our balance sheet.
2. **Assess inherent vulnerability** Assess the inherent climate vulnerability through the location or sector lens.
3. **Assess exposure** Assess exposure on an object/portfolio basis by considering mitigation and adaptation measures.
4. **Assess impact** Use qualitative and quantitative analysis to measure financial impact.

The CRAs are performed on the NN Group balance sheet, excluding investments for risk of policyholders, under the following six sections:

Climate Risk Assessment on balance sheet

	Section
Underwriting	Life & health insurance
	Non-life insurance
Assets	Corporate bonds & equity
	Sovereign bonds
	Real estate
	Mortgages

Step 2: Assess the inherent vulnerability for each risk

We assess inherent vulnerability in the portfolio by determining the susceptibility of a location or industry sector to the effects of climate change. The country lens serves as a starting point to identify the most significant climate risks affecting countries where we offer insurance products, or invest. The sector lens drills further into the portfolio by qualitatively considering which industry sectors are most at risk to climate change. We prioritise balance sheet components that require further analysis.

Step 3: Assess exposure

In this step we further consider characteristics of assets and liabilities, either on an individual location level for buildings/housing or a portfolio level, to establish which areas of the balance sheet might be exposed. Furthermore, all risk-reduction measures are incorporated in the analysis resulting in a measurement on exposure.

Exposure is defined as the extent to which our insurance products or investments could be sensitive to climate change. We consider risk reduction factors like collateral posted or financial strength of counterparts, (re)insurance arrangements which reduce inherent risk of climate change to the balance sheet, and adaptation measures such as flood defence mechanisms that mitigate the impact of climate events like river floods, heavy rainfall and sea level rise.

Step 4: Assess impact
We use both qualitative and quantitative assessments to analyse climate-related risks. This step involves the use of numerical data, models, statistical analysis and expert judgment to estimate the likelihood and impacts of climate risks. The assessments include analysing historical data, climate projections, and other relevant quantitative information to quantify the risks. Quantitative assessments translate the exposure measured in step three into a potential loss (capturing resilience), providing measurable estimates of the potential impacts of climate risks.

Despite progress made, we use the phase-in disclosure requirement for reporting anticipated financial effects. This is explained under 'Climate Risk Assessment results', below. We are continuously enhancing our analysis by upgrading model capabilities, methodologies and data as they become more available. We also consistently assess and incorporate developments from governmental, institutional and industry sources to further increase the sophistication and maturity of our assessment.

Time horizons and scenarios

As mentioned under General Disclosures, we define time horizons as follows:
- short/medium-term: less than or equal to five years (business and capital planning);
- long-term: more than five years, beyond the business and capital planning period (scenario analysis).

For scenario analysis and identifying emerging risks and trends, such as climate change, a long-term horizon may be considered as being beyond ten years, depending on the risk or trend analysed.

The time horizons and scenarios used in the CRAs are further detailed below.

Scenario analysis is included where possible, given data availability and maturity of modelling. We considered the scenarios in the table below, aligned with CSRD requirements.

These scenarios provide a basis for analysing different emission pathways. They have been adapted towards the models used and considered individually, without accounting for combined effects.

General limitations

Assessing climate change across investments and insurance products currently requires a multi-faceted and multi-tooled approach. Evaluating physical risks requires highly granular geo-spatial data, which is often not available at the time of evaluation. Many data sets provide information at aggregated levels, such as postal codes or territorial units, rather than specific addresses, and do not consider building characteristics. Transition risk assessments often include sector-level information or emissions-based data, which can vary in granularity and comparability.

Translating such data into an expected loss value needs to be further developed. Also, climate models lack maturity and often the sophistication needed for long-term projections and scenario analysis; this can affect the reliability and in some instances the availability of results.

Risk scenarios

Temperature	Risks assessed	Scenario	Scenario explanation	Rationale
1.5°C	Transition risk Physical risk	NGFS Divergent Net Zero (disorderly transition)	Divergent Net Zero reaches net zero around 2050 but with higher costs due to divergent policies introduced across sectors leading to a quicker phase out of oil use.	Disorderly scenarios explore higher transition risk due to policies being delayed or divergent across countries and sectors.
2-3°C	Transition risk Physical risk	NGFS Nationally Determined Contributions (NDCs)	Nationally Determined Contributions includes all pledged policies, even if not yet backed up by implemented effective policies. This scenario assumes that the moderate and heterogeneous climate ambition reflected in the conditional NDCs at the beginning of 2024 continues over the 21st century (low transition risks). Emissions decline but lead nonetheless to 2.3°C of warming associated with moderate to severe physical risks.	Transition risks are assumed relatively low under this scenario. We continue to experience steady increase in physical risks impacting our underwriting portfolio and our investments.
2-3°C	Physical risk	IPCC Shared Socioeconomic Pathway (SSP)2-4.5	GHG emissions remain around current levels until the middle of the century before starting to fall mid-century, but do not reach net-zero by 2100. Socio-economic factors follow their historic trends, with no notable shifts. Progress toward sustainability is slow, with development and income growing unevenly. In this scenario, temperatures rise 2.7°C by the end of the century.	
>4°C	Physical risk	IPCC SSP5-8.5 scenario (hot-house world)	GHG emissions roughly double from current levels by 2050, which leads to a global temperature increase of nearly 4°C by the end of the century. It assumes limited success in mitigating climate change, leading to severe and widespread physical hazards.	Severe physical risks, as assumed under these scenarios, can negatively impact the market value of our assets and/or increase claim frequency and claim size for Life and Non-life liabilities.

Climate Risk Assessment results

Because we use the phase-in disclosure requirement for reporting anticipated financial effects that may result from climate change, we disclose only on a qualitative basis, which means we employ numerous judgements in the execution of our methodology. We are in discussion with multiple external data providers on developments in screening and scoring climate risk indicators for physical and transition risks with the aim of increasing our reporting capabilities over the coming years.

We assess sensitivity to climate-related risk for each balance sheet item, as split in the balance sheet coverage table at the physical (chronic and acute combined) and transition level. The assessment excludes investments for risk of policyholders and was performed on Q3 2024 data.

Our assessment has identified potential sensitivity to climate change risks for some parts of our balance sheet, mainly in the longer term. For the short term, given the mitigating management actions in place, we do not consider climate change to have material financial effect to our solvency position.

Balance sheet coverage

	Short to medium term			Long term		
Climate risk drivers	Physical chronic	Physical acute	Transition	Physical chronic	Physical acute	Transition
Mortgages	No sensitivity identified	Sensitivity identified	No sensitivity identified	Not analysed	Not analysed	Not analysed
Real estate	Sensitivity identified	Sensitivity identified	Not analysed	Sensitivity identified	Sensitivity identified	Not analysed
Sovereign bonds	Sensitivity identified	Sensitivity identified	Sensitivity identified	Not analysed	Sensitivity identified	Not analysed
Corporates	No sensitivity identified	No sensitivity identified	Sensitivity identified	No sensitivity identified	No sensitivity identified	Sensitivity identified
Life & health	No sensitivity identified	No sensitivity identified	No sensitivity identified	No sensitivity identified	No sensitivity identified	No sensitivity identified
Non-life	No sensitivity identified	No sensitivity identified	No sensitivity identified	No sensitivity identified	No sensitivity identified	Not analysed

Sensitivity identified | No sensitivity identified | Not analysed

Investments

Mortgages

Physical climate risks in the mortgage portfolio may cause damage to the underlying collateral, reducing its value and affecting homeowners' ability to service their debt. Climate transition risks can decrease the collateral value of the assets that are not energy-efficient and that fall short of meeting new regulations towards a more carbon-efficient economy.

NN Group, in line with NN Bank, uses external data sources and proprietary models to analyse climate risk. The analysis is performed on the entire mortgage portfolio (~EUR 61 billion), which includes an immaterial portion (<0.5% of MV exposure) of mortgages outside the Netherlands.

NN Group uses the Klimaateffectatlas tool, maintained by the Dutch Climate Adaptation Services in collaboration with the Dutch government, to gather climate risk indicators on a per-collateral basis. Hazards assessed are: fluvial and pluvial flood (under a 1:10, 1:100 and 1:1000 event), wildfire, pole rot and soil subsidence. By combining the indicators with quantitative research from governmental bodies, NGOs and other climate experts, we determine the potential damages to each collateral. The damages are combined with Loan To Value (LTV) information to identify the extent of the assets that are exposed to climate change. A key limitation of the analysis is that it does not incorporate factors such as insurance and government support. Such mitigating effects will further limit the impact of climate risk on the balance sheet, so these effects are important to acknowledge and incorporate in future assessments.

The assessment uses a baseline scenario, that is, no change to the warming of the earth over the short, medium or long term, and performed only on the current portfolio not considering different time projections. We do not have data to assess longer-term horizons under the current tool. This is a key limitation to assessing the mortgage portfolio. Despite this, it is reasonable to expect that under a 'hot-house world' scenario, flood severity and frequency will magnify and sea level rise will increase, leading to potentially large adverse impacts.

Regions with exposures sensitive to climate change-related risks

	Hazard	Explanation	Regional balance sheet sensitivity[1]
Acute	Fluvial flood (1:100 year event)	Risk of river flooding and a breach of a non-primary embankments i.e. embankments situated next to smaller waterways such as Geul or Roer in Limburg.	Zuid-Holland, Utrecht, Gelderland.
Acute	Pluvial flood (1:100 year event)	Risk of flooding due to heavy rainfall. Intense rainfall for a brief period can cause waterlogging, leading to substantial damage to buildings.	Zuid-Holland, Noord-Holland, Noord-Brabant, Gelderland, Utrecht, Limburg, Overijssel.

1 Areas with small exposures sensitive to climate-related risks are excluded.

The results for the mortgage portfolio align with expectations, identifying fluvial and pluvial flood as the most significant hazards for the Netherlands. Sea level rise might also become significant under a long-term horizon in a 'hot-house world' scenario.

Although the results indicate an NN Group mortgage portfolio that is sensitive to climate-related risk, it is worth noting that the analysis does not consider risk-reduction measures that are available to homeowners or planned by the Dutch government, such as insurance coverage, government support or future adaptation actions. Such measures are expected to provide large mitigating impacts on the balance sheet.

The assessment of transition risks is internally developed and aligned with the targets for energy efficiency, and for transitioning to a low-carbon economy, laid out by the IPCC and the Network for Greening the Financial System (NGFS). We combine energy label information and market value data on the residential property portfolio to measure potential shifts in valuation related to energy efficiency. This information is combined with client-level risk parameters such as loan-to-income ratios, to assess mortgage risks from new regulatory policies or market sentiment shifts (i.e. shifts in consumer behaviour towards more energy-efficient homes).

The analysis indicates no exposure that is sensitive to transition risk for the NN Group mortgage portfolio.

Real estate

NN Group invests in real estate through both direct ownership of buildings and indirect investments via non-listed real estate funds. Both physical and transition risks have been identified as key for real estate. Chronic and acute physical risks can impact asset values, hinder business operations, impede financing and increase insurance costs. Transition risks can lead to increased capital expenditures or reassessment of asset values.

For the physical risk assessment, we rely on our real estate asset manager, CBRE, and cover 90% of the portfolio as of 30 September 2024 (~EUR 9.5 billion). CBRE uses Moody's Climate on Demand, evaluating six hazards relevant to real estate over two time horizons (short-term: 2030, long-term: 2050) on two emissions pathways (RCP 4.5 and RCP 8.5).
The following acute and chronic hazards are assessed on geospatial coordinates considering both country and sector level information: heat stress (extreme heat events and chronic increase in average temperature), water stress (reduced water supply due to drought or changes in water supply/demand dynamics), flood, hurricanes and typhoons, wildfire and sea level rise. Climate risk indicators are transformed into a standardised score (0-100) by comparing the raw data of each indicator for any given asset against the investible universe across locations.

Sensitivity to climate change-related risks

	Countries with exposures sensitive to physical risk[1]		Reasoning
	Short RCP 4.5	Long RCP 8.5	
Acute	The Netherlands	The Netherlands	Primarily from flood risk (includes fluvial and pluvial). Other areas exposed to flooding to a lesser extent: Germany, Spain, United Kingdom.
Chronic		Spain	Primarily from heat and water stress. Other countries exposed to chronic risks to a lesser extent: Italy and France to heat stress, Netherlands and Germany to sea level rise.

[1] Countries/sectors with small exposures sensitive to climate-related risks are excluded.

The transition risk assessment from CBRE focuses on determining the level of adaptation of the property portfolio using CRREM against two scenarios: a 1.5°C and a 2°C increase in global temperatures. Currently this analysis does not extend to financial impacts from adaptation.

The real estate portfolio has an important focus on the Netherlands, which accounts for almost 40% of the total exposure, while the rest of the exposure is diversified among various European countries. To that end, results align with the mortgage portfolio, identifying flood as the main risk particularly impacting the Netherlands. However, the analysis (as also mentioned for mortgages) does not account for resilience factors such as insurance coverage, governmental support or future adaptation plans. In addition, Moody's Climate on Demand does not fully consider any existing local municipal flood defences, which may exacerbate flood risk exposure results.

Sovereign bonds

A country's exposure to climate change depends on its geography, economic and societal conditions, as well as its future prospects, which all affect its vulnerability and resilience.

To assess a country's exposure, we developed an impact and likelihood heatmap to identify country vulnerability and resilience to acute and chronic physical risks and transition risks for all countries in our Group sovereign bond portfolio. The analysis is performed on the full Group sovereign bond portfolio (~ EUR 39 billion). We define vulnerability as a country's inherent susceptibility to climate change. For the impact scale, we used three external indices that incorporate climate change vulnerability and country resilience in their methodologies. Country coverage varies by index, but we are able to map over 90% of the portfolio's market value for each index (data as of November 2024):

- **Chronic physical risk**: we used Notre Dame University's ND-Gain index to represent a country's current chronic climate risk. The index considers several risk drivers, including water stress, heat stress, and sea level rise. While the index also includes information on acute physical and transition risks, the methodology and output is best suited to reflect chronic risk.

- **Acute physical risk**: we used the INFORM Risk index developed by the Joint Research Centre of the European Commission (JRC) and the Euro-Mediterranean Centre on Climate Change. The index is designed to be used as a risk assessment tool for humanitarian crises and disasters, and to support decisions about prevention, preparedness and response. The methodology considers indicators that are essential to determining a country's vulnerability or resilience to the sudden nature of acute physical risk events. The index considers a country's exposure to cyclones, fluvial floods and drought. INFORM Risk does not use climate projections but we employed the INFORM Climate Change Risk index by the JRC to project a country's vulnerability and resilience to climate change in 2050 in line with an RCP 8.5 scenario.

- **Transition risk**: we used the Climate Change Performance Index (CCPI) from Germanwatch, which considers risk drivers such as a country's change in GHG emissions, country targets and energy distribution.

For the likelihood scale we use the country's sovereign bond rating as a proxy for resilience. We apply the index-specific ranking methodology and sovereign bond rating to determine where to set the different risk exposure ranges.

Using multiple country risk indices can provide a more comprehensive assessment of a country's risk profile, giving attention to individual exposures to climate change, and increasing coverage of the risk drivers we can assess. However, there are limitations to this approach that should be considered, such as a lack of methodological consistency, overlapping indicators, variation in data time lags and the main objective of each index. We are working to further refine our approach over the coming years.
The output provides us with an overview of which countries may have exposures sensitive to climate change-related risks:

	Countries with exposures sensitive to climate-related risks[1]
Acute	Azerbaijan, Brazil, Colombia, Turkey.
Chronic	Brazil, Côte d'Ivoire, Dominican Republic, South Africa.
Transition	Hungary, South Africa, Turkey, United Arab Emirates.

[1] Countries/sectors with small exposures sensitive to climate-related risks are excluded.

Our assessment identified a higher exposure to chronic and acute physical risks for lower- and middle-income countries. This is due to a combination of geographic vulnerability to climate events, a lower ability to withstand financial shocks and a lower capacity to adapt to a changing climate. Most of our sovereign exposures are in developed markets, in particular the Eurozone and Japan. Emerging markets represent a smaller portion of the sovereign bond book. For transition risk, high-income economies with large GHG emissions face higher vulnerability to transition risk but can also withstand larger disturbances in their economy.

Corporates

Industry sectors are impacted differently by physical- or transition-related climate risk based on the nature of their business, geographic location, reliance on the existing natural resources and climate, and their GHG emissions footprint. To assess these differences in our corporate investments portfolio we use a heatmap approach to determine sector-based exposure for corporate issuers for both fixed income (primarily bonds, but also including some loans) and listed equities, accounting for ~EUR 38 billion, to determine the extent to which certain sectors are sensitive to climate risk due to their operating environment.

We identify sectors and sub-sectors by using NACE[1] codes. As we adopt a phase-in approach, we will keep refining our methodology to enable us to estimate the potential financial impact on our corporate portfolio. We used a Climate Value-at-Risk (CVaR) measure developed by MSCI ESG Research UK Limited to assess climate exposure, a forward-looking quantitative model that forecasts the present value of future costs and benefits under different IPCC- and NGFS-aligned climate scenarios. We leverage the provider's methodology to assess the exposure of our assets to:

- **Transition risk**: covers policy risk quantifying the direct and indirect costs of climate regulations imposed on companies (scope 1, 2 and 3 emissions), and technology opportunities accounting for additional profits arising from the development of new technologies serving the transition to a low-carbon economy.
- **Physical risk**: covers the financial impact of extreme weather events, coastal and fluvial flood, wildfire, river low-flow, tropical cyclones and chronic effects, including extreme heat and cold, heavy precipitation, snowfall and wind gusts.

We assessed the following scenarios for our corporate issuers for 2030 and 2050 across physical and transition risk:
- 1.5°C REMIND Disorderly (NGFS)
- 3°C REMIND NDC (NGFS National Determined Contribution).

When applying these scenarios to our corporate portfolio, we found the following (see table below):

Sectors with exposures sensitive to climate change-related risks

Scenarios	Transition (short)	Transition (long)
1.5°C	Specific or multiple sub-sectors within sectors B – Mining and quarrying; C – Manufacturing; D – Electricity, gas, steam and air conditioning supply; G – Wholesale and retail trade, repair of motor vehicles and motorcycles; H – Transporting and storage.	Multiple sub-sectors within sectors B – Mining and quarrying; C – Manufacturing; D – Electricity, gas, steam and air conditioning supply; E – Water supply, sewerage, waste management and remediation activities; G – Wholesale and retail trade, repair of motor vehicles and motorcycles; H – Transporting and storage; I – Accommodation and food service activities; N – Administrative and support service activities; Q – Human health and social work activities; and S – other services activities.
3°C	Specific sub-sectors within sector C – Manufacturing, and H – Transporting and storage.	Specific sub-sectors within sectors B – Mining and quarrying;,C – Manufacturing; D – Electricity, gas, steam and air conditioning supply; E – Water supply, sewerage, waste management and remediation activities; and G – Wholesale and retail trade; repair of motor vehicles and motorcycles, H – Transporting and storage.

[1] Nomenclature statistique des Activités économiques dans la Communauté Européenne.

The analysis shows an exposure sensitive to transition risk for the industries mentioned, mostly in a 1.5°C scenario and to a lesser extent in a 3°C scenario, by 2050. While our analysis was performed at a sub-sector level, individual sub-sectors include only a limited number of companies, making its average sector CVaR calculation less reliable. Therefore we only show overall NACE codes, with further refinement per company still to be carried out. The output is comparable to market findings and assessments, such as the Climate Policy Relevant Sector classification. We see a larger sector sensitivity in the 1.5°C scenario, reflecting the high transition risk assumed, due to policies being delayed and divergent across economies in this scenario narrative. For 2030 and 2050 we identify limited exposure to physical risk on a sector level. Only in the 3°C NDC for 2050 do we identify two sectors with exposures sensitive to physical risk: sectors F and H.

By using an external metric for our risk assessment, we are subject to the limitations of the methodologies. For example, the CVaR methodology provides limited options to consider an entities own resilience. There remain uncertainties around our approach and we will work towards a more detailed understanding of measuring our anticipated financial effects from climate change.

Risk-mitigating measures for investments

Below, we list the common actions we take to mitigate financial risk related to investments. These are also relevant in the context of managing climate risks:

- We manage market risks within risk limits and other boundaries set by various policies and standards. This ensures our investments are well-diversified and that concentration risks are limited per country, industry or issuer. We also monitor IROs in the financial markets on a regular basis, and reduce downside risk through hedging programmes. Our Strategic Asset Allocation (SAA) is designed to optimise capital generation within acceptable risk levels.
- NN Group has formulated asset class-specific strategies and incorporated them into our internal Paris Alignment Standard for Proprietary Assets. To decarbonise our proprietary asset portfolio in accordance with trajectories aligned with the Paris Agreement, we adopt a forward-looking perspective and evaluate the credibility of transition strategies. These assessments are integrated into our investment selection process, aiming to invest in assets that have credible climate strategies.
- Active stewardship: we consider voting and engagement as valuable tools in managing sustainability risks. For climate risk, we develop clear stewardship expectations, with milestones and targets. While we prefer engagement over divestment, we will consider divestment if we see no potential to change a company's behaviour through engagement.
- Investment restrictions: we have environmentally focused exclusion criteria in place that support our risk management and strategy. We have a policy to phase out thermal coal. Additionally, we have a comprehensive Oil & Gas policy that excludes unconventional oil and gas activities such as oil sands production and shale energy and applies strict criteria for new investments in conventional activities.
- Developing best practice: sector initiatives assist us in developing methodologies and undertaking other activities that support us in realising our sustainability goals. NN Group actively contributes to industry bodies to define standards on responsible investments. NN also joined the European Commission's Climate Resilience Dialogue in 2023 as a member of the Platform for European Insurance and Financial Services (PEIF). The primary task of the Climate Resilience Dialogue is to exchange views on how to address the losses incurred from climate-related disasters and to identify how the insurance industry can contribute more to climate adaptation.

Insurance

Life and health

With the occurance of more frequent and severe weather events, as well as chronic environmental changes, there is growing concern about the adverse impact on human health and the insurance life and health portfolio. Extreme weather events potentially cause injuries and fatalities, and climatic change can exacerbate chronic morbidities and the spread of vector-borne diseases.

As part of our CRA, we evaluated the potential implications of climate change on our life and health portfolio, categorising threats related to morbidity, mortality, longevity and hospitalisation into physical acute, physical chronic and transition risks. We relied on internal expertise, scientific research and industry reports, such as the Geneva Association paper 'Climate Change: What does the future hold for health and life insurance?' to identify what parts of our business could be sensitive to climate change. We identified heatwaves (acute risk for life), air pollution (chronic risk for life and health) and changes in air pollution due to a transition to a low-carbon economy (transition risk for life), vector-borne diseases (chronic risk for health) and mental health, which we classified as a climate-related secondary peril, as risk drivers requiring further assessment.

For these risk drivers, we developed climate scenario narratives that consider short- (2030), and long-term time horizons (2050) developed in line with RCP 4.5 and RCP 8.5 assumptions. We used scientific and medical studies to assess the baseline correlation between climate change and the change in risk affecting a population, and linked the research to climate projections. Using the climate scenario narratives, we defined risk driver-level shocks on a country basis and applied them in our Solvency Capital Requirement. Using the developed scenarios, we concluded that while on an individual level specific groups such as people with existing medical conditions, the elderly and the pregnant will be impacted by climate change, overall we did not observe a significant impact on our underwriting portfolio for life and health in the case of both RCP 4.5 and RCP 8.5 scenarios.

We acknowledge limitations in our scenarios that require addressing over time. We determined overall scenario impact to be the sum of the impact of individual risk drivers applied on an overnight basis to the current portfolio. Certain assumptions were based on approximations due to limitations in available data. The assessment does not consider potential 'second order effects', such as population migration, changes in distribution and access to healthcare, or economic stability. Research on the impacts of climate change on life exposures needs to be further developed and we will continue to monitor developments around climate change and its potential impact on our life and health liabilities.

Non-life

NN Group has non-life insurance products across many countries in Europe, but most of them are in the Netherlands. We performed a CRA for the key product lines in our Dutch portfolio. We held internal expert workshops to assess which climate risk drivers could have an impact on our portfolios, considering an increase in claims frequency, damage severity and/or product coverage. We identified storms, hail, fluvial and pluvial floods (including precipitation) before reinsurance, as risk drivers requiring further assessment for the Fire and Other Damage insurance book; and hail to the Motor Vehicle Liability book. For health insurance, similar to life and income protection, the life and health assessment showed no sensitivity to climate-related risk.

As part of our phase-in approach, we are working on assessing the potential impact of these hazards in line with climate scenarios. In 2024, NN Non-life used the MunichRe Location Risk Intelligence (LRI) tool to assess the change in geographic risk exposure of the full Dutch residential property book by using geospatial information and climate scenario projections in line with RCP 4.5 and RCP 8.5 for 2030 and 2050. We assessed storm surges created by windstorms, fluvial flood and pluvial flood using a precipitation stress index. The storm surge and fluvial flood metrics consider current flood defences that protect people and assets from physical impact.

The assessment showed that the Dutch residential property book has minimal change in fluvial flood and storm surge risk across both scenarios and time horizons. For pluvial flood, the precipitation stress index identified a risk exposure increase in the portfolio for both scenarios and time horizons. However, risk levels remained within a low to medium risk exposure. We note that risk exposure does not reflect an indication of potential damage, and assessments have been performed without considering mitigation from reinsurance. The tool does not offer climate projections for hail and storms at this stage. We will continue to improve our effort in assessing the portfolio impact over time.

Risk-mitigating measures for liabilities

Sustainability risk management is integrated throughout underwriting processes and the business uses the following tools to implement its sustainability risk management approach:

- Adjusting product offering: we offer a range of products that help customers adapt to and mitigate climate change, such as coverage against severe weather events and defined contribution life cycle pension products that promote sustainable lifestyles. We also adapt existing features in our insurance offerings to address the climate-related needs of our customers, such as providing cover for solar panels on residential and commercial insurance policies.
  NN Group also helps customers take precautionary measures to prevent and minimise claims caused by windstorms, extreme rainfall, hail or other weather-related events driven by climate change.
- Monitoring: we monitor our claims experience, and reprice products or adjust policy conditions where necessary. Most of our P&C portfolio can be renewed annually, allowing product repricing over the short term. However, we apply such measures cautiously, as longer-term affordability for customers remains an important consideration.
- Reinsurance: external reinsurance will, under certain conditions, partially mitigate potential impact. We have a Group-wide catastrophe reinsurance programme to protect against the severity and frequency of large natural catastrophes. Reinsurance covers are placed with a diverse range of strongly capitalised external reinsurers and reduce the losses to NN Group from both large and smaller events. Both the applicability of the external vendor models and the reinsurance structure and cover are reviewed annually.

Nature (biodiversity and water)

As a responsible financial institution, we understand the importance of preserving the natural environment and the impact it has on society. Environmental issues like the acceleration of biodiversity loss, increased scarcity of water resources and climate change are virtually never a standalone risk but rather complex issues with interconnected social and environmental implications.

Climate change is one of the key drivers of biodiversity loss. At the same time, processes such as species extinction, ocean acidification and deforestation are reducing the capacity of ecosystems to form carbon sinks, which are instrumental in curbing further global warming. At the same time, it is important to recognise that environmental issues usually have a social component as well. Sustainable water management, for example, is important for supporting habitats and ecosystem services such as the provision of surface and groundwater and water flow maintenance. This is why we have chosen to combine our disclosures on water and marine resources, and biodiversity and ecosystems.

Approach

We support the development of a holistic view of environmental topics and have been broadening our responsible investment approach to cover other material environmental issues. However, in 2023, NN recognised the importance of addressing global nature loss and made the decision to increase our focus on biodiversity and nature. As part of this effort, we are taking steps to evaluate our proprietary asset portfolio. This includes exploring baseline measurements, policies and engagement strategies that are specifically focused on nature.

Transition plan

NN Group has not yet developed a transition plan in relation to nature, as we still need to improve our impacts assessement, potentially develop a policy on nature, set targets and define an implementation plan. We may develop a transition plan over the next five years. We are not currently considering the use of biodiversity offsets as part of our biodiversity strategy.

Nature-related considerations in ESG integration

Systematic integration of ESG factors into investment decision-making and active ownership practices form the basis of our Responsible Investment (RI) approach. Investments are managed by external asset managers, who are required to consider ESG risks and opportunities when making investment decisions and engaging with investees. In practice, this typically involves using a ‘materiality matrix’, which helps to assess, per sector, which ESG risks are most relevant for that sector. For example, in the agriculture or consumer products and paper sector, environmental risks associated with raw material sourcing, pollution, and water and wastewater management are often important, while in the technology sector social issues like cybersecurity and data privacy are considered more material. At NN Group level, we consider systemic environmental risk from a top-down perspective. To do this, we use various proprietary and external tools to identify and evaluate sustainability factors and risks. These include the Strategic Risk Assessment (SRA) as well as materiality assessment and stress testing, as part of the Own Risk and Solvency Assessment (ORSA).

By using the tools we have as an asset owner, such as proxy voting and engagement, we aim to encourage sustainable development as part of our ESG risk and opportunity management. Across our engagement activities, we focus on themes such as climate change, the journey to net zero, biodiversity and natural capital, water, human rights and governance.

Policies

To support these efforts in the area of responsible investments, we have developed investment guidance papers that are intended to be a basis for discussion between NN Group and stakeholders on ESG-related topics such as environmental topics like water, deforestation, the circular economy, and climate change and biodiversity, which are covered in our Environmental Investment Guidance paper. By publishing these papers externally, we aim to express our position and use it to leverage change in the sphere of our investment activities.

We have implemented exclusionary criteria for fossil fuel activities (see ‘Responsible investment’, p. 139). Oil sands production in particular, requires significant amounts of energy and water, and the GHG emissions associated with producing fuels from oil sands are much higher than those from conventional crude oil. Similarly, shale oil and gas extraction requires substantial amounts of water and can contaminate groundwater and surface water, posing risks to local ecosystems and human health.

In 2025 we will explore how feasible and relevant it is for us to further develop or consolidate these efforts into a potential investment policy on nature.

Actions

Since signing the Finance for Biodiversity (FfB) Pledge in December 2022, we have focused on actions in five key areas of the pledge.

Collaborating and knowledge sharing

A natural first step towards meeting this pledge is collaborating and sharing knowledge. To promote best practices on biodiversity, NN Group conducts dialogues with teams to raise awareness and share knowledge on biodiversity among internal stakeholders. We also took part in external working groups, such as those of the FfB Target Setting and Impact Assessment, to contribute to industry frameworks and build internal capacity. We also collaborate on a national level, for example through the development of a joint framework for developing policies that relate to biodiversity loss, which we do through the Convenant Internationaal Maatschappelijk Verantwoord Beleggen (Agreements on International Responsible Business Conduct).

Along with several other banks, insurers, asset managers and asset owners, NN Group contributed to Unlocking the Biodiversity-Climate Nexus, a guide for financial institutions on managing the connections between biodiversity and climate in their investments and lending. Focusing on water, we also contributed to a report intended to enhance investors' understanding of water-related risks; this was an outcome of the BRIDGE project, launched in 2023. In this project, we partnered with water specialists Deltares and the World Wide Fund for Nature (WWF), as well as peers conduct an analysis of water risks for two critical watersheds, one in São Paolo (Brazil) and one in Chennai (India). By doing so, we highlight the need for more up-to-date and consistent location-specific data and scenarios as well as an understanding of the risk profiles of watersheds and supply chains.

Engaging with companies

As part of our 'active ownership' approach, we have prioritised expanding our engagement initiatives around biodiversity; these include Nature Action 100, which can be considered the biodiversity equivalent of the Climate Action 100+ initiative. We are also participating in the Ceres Valuing Water Finance Initiative to address the growing water-related challenges faced by companies worldwide, such as water quality and quantity, and access to water.

Assessing impact

In January 2024 we published our white paper on biodiversity, available on our external website, which details the results of the ENCORE assessment and evaluates the impacts and dependancies on nature of our corporate investment portfolio. Using our financial exposure to each sector and the sector-average materiality from ENCORE, we assessed 167 sub-sectors connected to 11 drivers of biodiversity loss and the 21 ecosystems they depend on.

Specifically on water, the assessment covered our dependency on ecosystem services, such as providing surface and ground water, water flow maintenance and water quality, as well as water-related drivers of biodiversity loss such as water pollutants, water use and freshwater ecosystem use. As highlighted in the white paper, we identified high to very high impacts on water pollutants and water use through our investments in utilities, materials, information technology, industrials, healthcare, consumer staples, consumer discretionary and communication services sectors.

One of the main drawbacks of the ENCORE analysis is the limited granularity for company-level assessment. For example, only one production process can be assigned to a company and the use of sector-average materiality does not differentiate exposure between companies within the same sector, such as the reliance on high-risk commodities. In collaboration with our external asset managers and considering the latest data sources, we aim to enhance the assessment with more recent data, as well as company- and location-specific data as input for re-evaluating the materiality matrix we use as part of our ESG integration methodology.

Targets

We are currently setting our first targets to reduce the impact of our proprietary assets on biodiversity loss using industry standards, methodologies, and guidelines from FfB. To support us in this process we use the Nature Target Setting Framework for asset managers and owners released by FfB in July 2024. Our resulting Nature Action Plan for Proprietary Assets outlines the initiatives we will undertake in 2025 to fulfill our initiation targets, or action targets as defined by the FfB guidelines. Metrics are not disclosed, but we will start to establish them once targets are set.

These initiatives include:

- **Including nature in our RI governance and education**. We aim to raise internal awareness and knowledge about nature among investment experts and other functions, such as Finance and Risk, through training sessions and learning modules. Potential topics include the materiality of nature to investment portfolios, target setting approaches and best practices.

- **Enhancing our risk management framework for nature**. We will expand our biodiversity risk assessment for investment to include other asset classes, such as real estate, and engage with external asset managers to improve oversights of biodiversity impacts as part of ESG integration.

- **Developing a comprehensive approach to halting and reversing nature loss**. We will explore approaches for baseline measurement and 'nature solutions', develop a nature policy, and strengthen our biodiversity engagement strategy.

We are currently exploring and developing our approach on biodiversity and nature. Therefore, we have not yet established firm timeframes for our actions on nature. We aim to report progress on these initiatives by 2026. Our learnings will help us prepare for setting potential portfolio targets on nature in the near future. The implementation of the actions does not require significant operational or capital expenditure outside the regular business cycle.

Sustainable repair

Approach

NN Group recognises that repair rather than replacement can significantly reduce environmental impact, conserve resources and support a circular economy. That is why we are committed to advancing sustainable repair practices in the insurance industry.

Policies

NN Non-life's Sustainable Repair Policy defines the scope and objectives of sustainable repair, as well as identifying the related material IROs. By 2026, if not sooner, we aim to have 70% of our repairs to retail property homebuilding in the Netherlands (including items nailed to the property buildings) carried out by our sustainable repair network. This applies to the retail insurance business NN Non-life, which consists of NN, OHRA, SNS Insurance and ING Insurance. NN International, ABN AMRO Verzekeringen and the retail portfolio of the business line P&C Intermediary are out of scope.

We have defined key actions to achieve these objectives. We intend to translate the 2026 70% target for the retail insurance business into other sustainable measurements, such as CO_2 avoidance, and those related to the different stages of the circular economy, as soon as we have access to relevant data and calculation methods. The policy scope encompasses further development of a sustainable repair network in the Netherlands, representing a strategic step towards a circular economy. It not only supports the reduction of waste through the repair and reuse of products but also promotes the use of renewable resources and sustainable practices.

Material impacts

Repairing damaged items through our sustainable repair network will have an actual and positive impact on the environment by extending the life of products, decreasing waste and reducing demand for new materials.

With its Sustainable Repair Policy, NN Non-life aims to meet the requirements of the Manifesto Sustainable Damage Repair developed by the Dutch Association of Insurers (Verbond van Verzekeraars), which outlines five principles:

1. Recovery becomes the norm
2. Do it together!
3. Price is not always leading
4. Ensure internal support
5. Prepared for the future

Actions

We focus on two main areas: increasing steering towards sustainable repair and upgrading the quality of the circular techniques of the repair network.

One action we undertook was engaging the Impact Institute to carry out a life cycle assessment for countertops and kitchen cabinets, comparing repair with replacement. We also identified three main actions for NN Non-life Property and Casualty (P&C) to help it reach its ambition:

- Focusing on spot repair
- Making sustainable recovery the norm
- Electronics recovery.

Spot repair

Spot repair involves repair where the damage occurs, be it to a vehicle or property; we regard it as a key activity, contributing to CO_2 avoidance. In those cases where spot repair is an option, we always discuss the option with the customer. If they choose cash settlement over spot repair, the amount of the settlement will match the cost of spot repair.

Making sustainable recovery the norm

We believe that making sustainable recovery the norm is key to reaching our ambition, which is why we introduced our sustainable recovery network. This network is accessible to all business lines and used most actively across our retail portfolio. We are investing in internal and external communication to make both colleagues and customers aware of this network and encourage them to use it. As the claims process becomes ever more digital, sustainable repair is becoming the standard in our Straight Through Processing (STP) claim handling.

Electronics recovery

We collaborate with companies that repair (mobile) electronics to avoid replacement where possible; these partners are part of our sustainable repair network. Our guiding principle is that if damage to a mobile electronic device can not be repaired, the client is offered a refurbished device. If the client does not want this, they can opt for a cash settlement.

Targets

The most important target for the property domain in the context of the circular economy is to increase our repair rate of damages in the retail insurance business (as defined under 'Policies' above) in the Netherlands to 70% by 2026. We calculate sustainable damage repair based on the total number of home insurance claims sent to our sustainable damage repair network, divided by the total number of home insurance claims processed. We use a dashboard to monitor the progress of this ambition as presented below. We base all targets on pilots we ran that met three conditions: goods can be repaired, NN Group can decide whether or not to repair, and costs and effort involved are more favourable than replacement. (In some cases, repair is more expensive than either replacement or cash settlement.)

Sustainable damage repair

Figures for retail insurance business in the Netherlands (NN, OHRA, SNS Insurance and ING Insurance) for property homebuilding.

	2024[1]	2023	% Actuals / Target[2]	Target 2026
% claims sent to repair network	66%	62%	−6%	70%

[1] The sustainable damage repair for our property homebuilding covers appr. EUR 80 mln GWP of NN Non-life.
[2] The development of the current period claims repaired in % vs the target.

The 66% in the table above exceeds our target of 55% for the retail channel (as defined under 'Policies' above) for a number of reasons: during the First Notification Of Loss, we targeted our communication about our sustainable repair network during the claims flow; we added sustainable repair to our STP claims journeys and trained employees to direct damage claims to the sustainable repair network; we added repair partners to the network to broaden its scope, and we elevated sustainable repair to become the norm, integrating it into new and existing policies.

EU Taxonomy disclosures

This section contains the disclosures required by the EU Taxonomy Regulation along with descriptions of the approach and decisions NN Group has taken to comply with this regulation.

To meet the EU's climate and energy targets for 2030, and to achieve the objectives of the European Green Deal for the EU to be climate neutral by 2050, it is important to direct investments towards sustainable projects and activities. To contribute to this, the EU has created the EU Taxonomy, a common language with a definition of what is sustainable, and a classification system for sustainable economic activities.

The EU Taxonomy Regulation requires NN Group to disclose information, such as the proportion of covered assets that finance, or are invested in, taxonomy-eligible, non-eligible and taxonomy-aligned economic activities, as well as the proportion of taxonomy-eligible, non-eligible and taxonomy-aligned non-life insurance gross written premium income. Taxonomy-eligible economic activities are those activities that are described under one of the six environmental objectives covered by the EU Taxonomy:

Climate-related objectives

(1) climate change mitigation
(2) climate change adaptation

Non-climate-related objectives

(3) sustainable use and protection of water resources
(4) transition to a circular economy
(5) pollution prevention and control
(6) protection and restoration of biodiversity and ecosystems

For economic activities to be aligned with the EU Taxonomy they need to substantially contribute to any one of the environmental objectives by adhering to the technical screening criteria (TSC)[1]. In addition, these activities should do no significant harm to any of the other EU Taxonomy environmental objectives and respect minimum social safeguards. As required by the EU Taxonomy Regulation, NN Group discloses taxonomy-eligibility related to the six environmental objectives and taxonomy-alignment related to the two climate objectives in this section of the Annual Report.

Since 2021, NN Group has been required to disclose taxonomy-eligibility information related to the two climate objectives. Since 2023, NN Group has also been required to disclose taxonomy-alignment information related to the two climate objectives and taxonomy-eligibility information related to the four non-climate environmental objectives.

The following sections give EU Taxonomy information related to NN Group's investments and underwriting activities. The first section covers quantitative and qualitative eligibility and alignment information of the investments. In the second section, we disclose eligibility and alignment information related to NN Group's non-life underwriting activities. Certain required disclosures are contained in these sections, with the rest of the detailed EU Taxonomy information presented in the EU Taxonomy disclosure tables, see 'Annex', p. 233.

For the EU Taxonomy information related to NN Group's banking activities reference is made to the EU Taxonomy disclosures contained in the NN Bank 2024 Annual Report.
In December 2023, the EU Commission published a draft commission notice on the interpretation and implementation of certain provisions of the EU Taxonomy regulation. This draft notice was finalised in November 2024. NN Group compared the guidance in the notice to the approach that was applied in preparing the disclosures in the Annual Report. Certain differences were identified, which are explained below. NN Group will continue to monitor this and any new additional guidance and will consider the impact on NN Group's disclosures going forward:

- The notice requires that parent entities of financial conglomerates that have different activities should report the KPI per segment as well as the weighted average KPIs for the sum of the segments. This would result in NN Group disclosing the KPIS separately for its insurance and its banking activities. NN Group discloses all its activities (insurance and banking) in a consolidated manner in the format of the dominant activity, which is insurance. NN Bank reports stand-alone EU Taxonomy disclosures in its own Annual Report and NN Group refers to the NN Bank Annual Report to access those disclosures.
- The notice requires that the prudential scope of consolidation should be used, whereas NN Group uses the scope of consolidation of the IFRS Annual Accounts. Had NN Group used the prudential consolidation scope, information related to NN Japan and NN Bank would have been excluded.
- The notice requires that green bonds issued by non-NFRD companies should be included in the numerator of the investment KPI. For 2024, NN Group has not included these bonds (which has a fair value of EUR 478 million) in the investment KPI numerator.

All amounts are in millions of euros unless indicated otherwise.

[1] The technical screening criteria (TSC) are specific characteristics that can be used to determine whether an economic activity provides a substantial contribution to climate change mitigation or adaptation. The criteria also aim to avoid significant harm to other objectives and comply with relevant laws.

Investments

The Investment KPI represents the amount and extent to which NN Group's investments are directed at funding taxonomy-aligned economic activities.

We use externally available information to report eligibility and alignment for the mandatory disclosures. For investments for which there is no externally reported information available, we use estimates[2]. The estimated eligibility and alignment are reported voluntarily[3] and are therefore not part of the mandatory disclosures. With the increase of data availability and regulatory clarity we expect our investment KPI to develop further. However, in 2024 NN Group still considers voluntary disclosures to be relevant.

Under the EU Taxonomy, exposures to derivatives and non-NFRD companies cannot be eligible and aligned, and are therefore excluded from the numerator of the eligibility and alignment disclosures but included in the denominator. Other assets[4] (non-investment assets) and exposures to central governments, central banks and supranational issuers (sovereign entities) are excluded from both the numerator and the denominator of the EU Taxonomy disclosures. This amounts to EUR 51,695 million and is the difference between total assets on the NN Group consolidated balance sheet and assets covered by the KPI (covered assets).

The table below summarises the key EU Taxonomy information of NN Group's investments. NN Group's assets covered in the Investment KPI are EUR 158,680 million. Out of these, the mandatory taxonomy-alignment (Investment KPI) based on turnover is 10% and 2% based on CapEx. The main driver of the turnover Investment KPI is retail mortgage loans, which are linked to the real estate activity 'Acquisition and ownership of buildings' in the EU Taxonomy.

Financing this activity contributes to the climate change mitigation objective. The investments in the covered assets that are eligible, but not aligned with the TSC set out in the EU Taxonomy, amount to 25% based on turnover and 2% based on CapEx. Together with the alignment figures, this forms the eligible investments proportion of NN Group's covered assets. The remainder of covered assets is the non-eligible portion, which amounts to 64% based on turnover and 97% based on CapEx.

Investment KPI

This section contains a mandatory Investment KPI disclosure. The remainder of the mandatory disclosures, including the Gas and Nuclear disclosures and the disclosures on the four non-climate related objectives can be found in EU Taxonomy disclosure tables, see 'Annex,' p. 233.

[2] The only exceptions are externally managed mortgages, which are presented as non-aligned in the reported figures in the case of no data available.
[3] Group reports against the EU Taxonomy voluntarily because it recognises the importance of increasing transparency about how companies are progressing in changing their response to, and adapting to, climate change, even if the regulation is evolving and not yet mature.
[4] This relates to assets included in the following balance sheet lines: Insurance and Reinsurance contracts, Property and equipment, Intangible assets, Deferred tax, and Other assets.

Based on the information available, the table below reflects the proportion of assets covered by the KPI (covered assets) that are taxonomy-aligned, related to the two climate objectives. Consistent with the summary table above, the mandatory taxonomy-alignment (Investment KPI) based on turnover is 10% and 2% based on CapEx.

Voluntary taxonomy-alignment based on turnover of 3% and 0% based on CapEx is shown. This voluntary turnover KPI amount is mainly driven by investments in real estate for which the alignment is estimated based on buildings with at least an energy label of A.

	Turnover		CapEx	
	Amount	Proportion %	Amount	Proportion %
Taxonomy-alignment	16,586	10%	2,642	2%
Of which related to CCM	16,478	10%	2,361	1%
Of which related to CCA	108	0%	281	0%
Taxonomy non-alignment	40,302	25%	2,582	2%
Taxonomy-eligible	56,888	36%	5,224	3%
Taxonomy non-eligible	101,792	64%	153,456	97%
Assets covered by the KPI	158,680	100%	158,680	100%

	Mandatory	Voluntary[1]
The weighted average value of all the investments of NN Group that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings per below:		
Turnover-based: %	10%	3%
Capital expenditures-based: %	2%	0%
The percentage of assets covered by the KPI relative to total investments of NN Group (total AuM). Excluding investments in sovereign entities.		
Coverage ratio: %	100%	100%

	Mandatory	Voluntary[1]
The weighted average value of all the investments of NN Group that are directed at funding, or are associated with Taxonomy-aligned economic activities, with following weights for investments in undertakings per below:		
Turnover-based: amount	16,586	5,135
Capital expenditures-based: amount	2,642	297
The monetary value of assets covered by the KPI. Excluding investments in sovereign entities.		
Coverage: amount	158,680	158,680

[1] Estimated EU Taxonomy figures are reported on a voluntary basis in addition to the mandatory EU Taxonomy figures, therefore there is no overlap in mandatory and voluntary figures.

NN Group's mandatory eligibility is 36% based on turnover and 4% based on CapEx. This turnover-based figure consists of 10% aligned and 25% non-aligned investments and the CapEx-based figure consists of 2% aligned investments and 1% non-aligned investments. The difference between these turnover and CapEx-based figures can be explained by the fact that retail mortgage loans are only included in the turnover-based figure as they relate to the financing of existing buildings.

The sum of alignment, non-alignment and non-eligible must equal covered assets. As data is not available for all investments for which EU Taxonomy data is relevant, an adjustment was required at aggregated level. As real estate investments are 100% eligible, the adjustment was made to non-aligned for the part of investments with no available data. For all other investments for which data is expected but not available, the adjustment is made to non-eligible as eligibility is unknown.

Assumptions

NN Group collected EU Taxonomy data related to the two climate objectives in respect of mortgage loans to retail clients internally and from external data providers for direct investments and investment funds where these data providers had this data available. For direct investments, NN Group has assessed the NFRD[5] status of its counterparties using internal and external data.

For investment funds[6], NN Group has not used look-through information regarding the exposure to non-NFRD issuers and decided to consider these all as NFRD issuers. Look-through information is only used for calculating the eligibility and alignment of the fund related to the two climate objectives using the weighted average exposure to taxonomy-eligible and aligned economic activities of the investments in the fund. If EU Taxonomy data is not available for investment funds, NN Group presented these exposures as taxonomy non-eligible (zero in the numerator and for the full amount in the denominator of the investment KPI). Data availability is expected to improve in the coming years when reported eligibility and alignment data increases.

For type of counterparty information, all investment funds are classified as exposures to financial undertakings. NN Group's investments in other insurance companies, banks and asset managers, are also classified as exposures to financial undertakings. Investments in other counterparties and assets consist of mortgage loans to retail clients and direct real estate investments. The remaining investments (i.e. those that are not classified as investments in other insurance companies, banks, asset managers, investments funds and exposures to other counterparties and assets consisting of mortgage loans to retail clients, direct real estate investments, derivatives, or sovereigns), are classified as investments in non-financial undertakings. For classifying investments into counterparties from the EU and non-EU, internally available data on country of incorporation of counterparties was used.

NN Group's weighted average of EU Taxonomy values of investments is based on the proportion of EU Taxonomy-aligned economic activities of investee companies measured by their turnover and CapEx KPIs. The green asset and investment ratios for investments in banks and insurance companies respectively are not presented as the necessary alignment information is not yet available.

For determining the substantial contribution criteria of mortgage loans, NN Group used Energy Performance Certificates (EPCs) for the majority of mortgage loans. The substantial contribution criteria include an option of selecting the top 15% of buildings based on Primary Energy Demand (PED). Where no EPCs are available, the top 15% PED approach is applied.

In case of unavailable data for investments subject to a mandatory taxonomy-eligibility and alignment assessment, NN Group has presented these investments as taxonomy non-aligned for external retail mortgage loans and real estate investments and non-eligible for investments in NFRD companies and investments funds.

Non-life underwriting

The Underwriting KPI represents the amount and extent to which NN Group's non-life underwriting activities are directed at taxonomy-aligned economic activities.

In 2024, NN Group reports on both taxonomy-eligibility and alignment for its underwriting activities.

The EU Taxonomy-related activities covered by the underwriting disclosures relate to non-life (re)insurance activities consisting of the underwriting of climate-related perils. To assess taxonomy alignment, NN Group first identified the Lines of Business (based on the Solvency II lines of business) containing policies with terms related to the treatment of 'climate perils' under the EU Taxonomy. NN Group then selected the Solvency II lines of business for which one or more climate-related perils are priced separately.

5 The EU Taxonomy currently applies only to companies that are subject to the Non-Financial Reporting Directive (NFRD), which are large public-interest entities with more than 500 employees. Public-enterest Entities are defined as follows: (a) EU companies with transferable securities (debt or equity) on an EU-regulated market; (b) credit institutions; or (c) insurance undertakings. Large companies are defined as companies which, on balance sheet date, exceed at least two of the three following criteria: (a) a balance sheet total of EUR 20 million; (b) a net turnover of EUR 40 million; (c) an average of 250 employees during the financial year.

6 These are investment funds that primarily invest in listed equities and debt instruments.

The table below shows the climate-related policy terms that are used in the underlying products of the Solvency II lines of business, which have a direct correlation with weather-related events, such as windstorms, and mainly refer to properties, vehicles and personal belongings.

Applicable Solvency II lines of business

	Climate-related policy terms	Use of climate-related margin	Type of climate-related peril
Medical expense	No	No	Not applicable
Income protection	No	No	Not applicable
Workers' compensation	No	No	Not applicable
Motor vehicle liability	No	No	Not applicable
Other motor	Yes	Yes	Windstorm, hail, river flood
Marine, aviation and transport	Yes	No	Not applicable
Fire and other damage to property	Yes	Yes	Windstorm, hail, river flood
Assistance	Yes	No	Not applicable

In 2024, NN Group reports gross written premiums of EUR 4,078 million included in the Underwriting KPI, of which the taxonomy alignment (Underwriting KPI) is 0%. The percentage of eligible but not aligned premiums is 2% under the split premium for eligibility approach. Under the full premium for eligibility approach the percentage of eligibility but not aligned premiums would be 41%. NN Group has taxonomy alignment of 0% for its underwriting activities as NN Group does not yet fully meet the minimum safeguards criteria under the EU Taxonomy. For further information on minimum safeguards see p. 175.

NN Group reports the percentage of products measured by gross written premiums that cover at least one aspect of climate-related perils (i.e. measuring the premium at product level). Therefore, only the share of premium covering specific climate risks is considered taxonomy-aligned. This results in a more required taxonomy alignment percentage compared to when the climate-related coverage is embedded in another, wider product; where the full premium of this product qualifies as taxonomy-aligned, provided that the TSC are fulfilled.

The interpretation and assessment of the TSC for insurance activities was based on NN Group's interpretation of the current legislation and guidance published by the European Commission. NN Group continues to monitor developments and interpretations, but different interpretations of the regulations in the EU Taxonomy may exist.

Underwriting KPI

The NN Group Underwriting KPI represents the amount of NN Group's non-life gross premiums which relate to taxonomy-aligned insurance activities.

This section covers the mandatory Underwriting KPI template. Based on the information available, the table below reflects the proportion of premiums that are taxonomy-aligned based on the approach explained above. The taxonomy-aligned underwriting activities is 0%. Gross premiums included in the table relates to the Netherlands Non-life segment. The difference with gross premiums written in Note 28 Segments to the Annual accounts relates to non-life premiums in certain international businesses.

Split premium method for eligibility and the split premium method for alignment

		Substantial contribution to climate change adaptation			DNSH (Do No Significant Harm)					
Economic activities		Absolute premiums, 2024	Proportion of premiums, 2024	Proportion of premiums, 2023	Climate change mitigation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards
		Amount	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N
A.1.	**Non-life insurance and reinsurance underwriting taxonomy-aligned activities (environmentally sustainable)**	0	0	0	Y	Y	Y	Y	Y	N
A.1.1	Of which reinsured	0	0	0	Y	Y	Y	Y	Y	N
A.1.2	Of which stemming from reinsurance activity	0	0	0	Y	Y	Y	Y	Y	N
A.1.2.1	Of which reinsured (retrocession)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
A.2	**Non-life insurance and reinsurance underwriting taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)**	71	2%	1%	n/a	n/a	n/a	n/a	n/a	n/a
B.	Non-life insurance and reinsurance underwriting Taxonomy-non-eligible activities	4,007	98%	99%	n/a	n/a	n/a	n/a	n/a	n/a
Total (A.1 + A.2 +B)		**4,078**	**100%**	**100%**						

Note: The total non-life insurance and reinsurance premium amount in this table relates to the Netherlands Non-life segment. The difference with gross premiums written as per the Annual Accounts relates to non-life premiums in certain international businesses.

To achieve a substantial contribution to climate change adaptation NN Group has assessed the following criteria:

Using forward-looking climate risk modelling as basis for pricing

Relevant climate-related perils for NN Group's business such as windstorm and hail are taken into account in the partial internal model for P&C catastrophe risk. The partial internal model and insights from the reinsurance programme are used as a basis for pricing. In the ORSA process, we use forward-looking climate-related scenarios to validate the model. NN Group aims to further develop the use of such scenarios and analyses, e.g. for river flood. NN Group is assessing the impact under various IPCC scenarios and time horizons.

Risk-based rewards for policyholders' preventive actions

In NN Group's Non-life insurance underwriting and pricing activities, NN Group provides its policyholders with incentives (where applicable and practicable) to take risk-mitigating measures against climate damage by means of (standard) product conditions for the cover, and/or by setting price incentives. These may, for example, include a premium discount or premium surcharge, a deductible adjustment, standard coverage for climate adaptation measures with no premium surcharge, or a discount on the purchase. For Solvency II lines of business 'Fire and other damage to property', NN Group's retail home insurance product fulfils this criterion. It offers standard conditions for preventive actions that (in) directly contribute to the reduction of CO_2 emissions and against climate damage; it also offers a premium discount when using a sustainable damage repair network. 'Other motor', NN Group's mileage insurance product offering consumers an incentive to drive less, also fulfils this criterion.

Innovative solution for insurance coverage

Where possible, NN Group offers solutions to close existing protection gaps, e.g. for flood risk. We have extended the coverage of our policies to include protection against a breach of secondary dykes. Through our membership of the Dutch Association of Insurers and our intensive involvement in climate change-related topics, we investigate risk-mitigating market solutions, including possibilities to provide protection against losses resulting from primary dyke flood risk.

Sharing of data

As a member of the Dutch Association of Insurers, NN Group shares (climate-related claims) data with the Association's Digital Analytics Centre. This data can then be used for analytical research when deemed necessary.

High level of service after a disaster

NN Group complies with the Code of Conduct for Claims Handling and acts within applicable (reasonable) periods. In this regard no structural negative deviations have been identified regarding recent calamities by the Foundation for the Assessment of Insurers (STV) or by a judicial authority. In the event of a (climate-related) emergency, NN Group makes information relating to procedures for taking additional measures available to the public, including via the website.

Do No Significant Harm (DNSH)

Products that are aligned with the taxonomy criterion 'substantial contribution to climate change adaptation', must also be checked in relation to the Do No Significant Harm (DNSH) criterion. Economic activities that do not comply with the taxonomy's requirement for sustainable economic activities cannot be considered taxonomy-aligned. For a general insurance company, the DNSH criterion is also an inherent part of the climate change adaptation objective. For the non-life insurance activity, only DNSH requirements relating to the EU Taxonomy climate change mitigation environmental objective apply. In relation to climate change mitigation, this means that the insurance of activities such as the production, storage, transport and processing of fossil fuels must be deducted from the earned premiums that are deemed to comply with the criteria for sustainable non-life insurance. NN Group has used NACE codes registered in its insurance administration systems as the basis for identifying relevant activities in the portfolio. The number of activities that can be linked to DNSH after this review would be deducted from the activities that are covered by the taxonomy criterion.

We note that it is not possible to deduct a premium for customers with a different SBI/NACE code, who, for example, occasionally transport fossil fuels, from the premiums earned that are deemed to meet the criteria.

Minimum safeguards

In order to be aligned, the EU Taxonomy Regulation also requires products to be compliant with the Minimum Safeguards. These minimum safeguards can be regarded as criteria or processes for responsible business conduct, applicable both to the products as well as NN Group as a corporate entity.

To meet the criteria of responsible business conduct, both NN Group and the products in its value chain will have to demonstrate compliance on the following topics:

- human rights including workers' rights
- anti-bribery and corruption
- taxation
- fair competition.

For the Investment KPI, NN Group has interpreted that minimum safeguards do not need to be assessed for mortgage loans.

For the Underwriting KPI, NN Group is deemed not to be in full compliance with the minimum safeguards criteria. As NN Group adheres to the OECD Guidelines for Multinational Enterprises and is a member of Global Compact, it adheres to principles of human rights, labour rights, environmental protection and combating bribery and corruption, as documented in NN Group's most recent annual Communication of Progress, which is listed on the Global Compact website.

NN Group also has anti-corruption policies in place via , for example, the Code of Conduct and its underlying policies and standards, such as the Outside Positions and Outside Interests standard, the Gifts and Events and Business Meals policy and the Financial Economic Crime policy. To become compliant, additional steps have been determined in 2024 following the preparation of a social roadmap. Next steps will be performed in combination with further implementation of the OECD Guidelines.

For NN Group's products in the value chain we deem NN Group not yet compliant. On adherence to the minimum safeguards, due diligence processes will be enhanced on screening and monitoring business sector clients. NN Group has established a Responsible Insurance Underwriting Committee to oversee achieving these next steps.

Weighted average KPI

As required by the EU Taxonomy NN Group has calculated a weighted average turnover-based KPI and a weighted average CapEx-based KPI as follows:

- The weighted average turnover based KPI of NN Group is 8.0% (2023: 8.8%). This is calculated by adding the total of the Investment alignment KPI Turnover multiplied by revenue and dividing that sum by the total of the revenue and the gross premiums disclosed in the EUT underwriting KPI table to the total of the Underwriting alignment KPI multiplied by the gross premiums disclosed in the EUT underwriting KPI table and dividing that sum by the total of the revenue and the gross premiums disclosed in the EUT Underwriting KPI table. Revenue is defined as the sum of insurance income, the following components of investment result (interest result, income from investments in real estate, dividend income and other investment income), and fee and commission result.
- The weighted average CapEx-based KPI of NN Group is 1.6% (2023: 0.8%). This is calculated by adding the total of the Investment alignment KPI Capex multiplied by the revenue and dividing that sum by the total of revenue and the gross premiums disclosed in the EUT underwriting KPI table to the total of the Underwriting alignment KPI multiplied by the Gross premiums disclosed in the EUT underwriting KPI table and dividing that sum by the total of revenue and the gross premiums disclosed in the EUT Underwriting KPI table. Revenue is defined as the sum of insurance income, the following components of investment result – interest result, Income from investments in real estate, dividend income and other investment income) and fee and commission result.

Impact story

Investing in positive impact

Responsible investment is an important part of NN Group's strategy. We aim not just to mitigate any negative environmental impact our investments may have, but to seek out those with positive impact, like climate solutions.

EUR 12.8 billion
total investments in climate solutions at year-end 2024

We define 'climate solutions' as investments in economic activities that contribute substantially to climate change mitigation or adaptation. In 2024, investments in climate solutions for our proprietary assets portfolio reached a total of EUR 12.8 billion. Marieke van Kamp, Head of Private Markets at NN Group Investment Office: 'We aim to combine strong investment returns with a focus on ESG. Climate change is a critical issue, which is why we are committed to doubling the amount we invest in climate solutions by 2030 against our base year 2021, working with our teams and asset managers. Our efforts span sectors and markets, across debt and equity, demonstrating the comprehensive approach we take to addressing climate change.'

Steel project in Sweden

This year we entered a EUR 350 million partnership aimed at financing a portfolio of assets focused on climate change mitigation and adaptation, targeting investments that include sectors beyond traditional renewable energy generation. The first investment finances a large-scale green steel project in Sweden, which aims to produce steel with up to 95% lower CO_2 emissions than steel produced in coke-fired blast furnaces.

> 'We are committed to further expanding our investments in climate solutions.'
>
> **Marieke van Kamp,** Head of Private Markets

Catalysing the transition

NN Group also collaborated with an asset manager to initiate an investment fund for climate solutions, which aims to finance infrastructure assets providing solutions to the challenges of climate change. The fund focuses on European projects in the sectors of wind, solar, hydro, public transport, EV charging, batteries and energy management solutions in its aim to catalyse the transition to a resilient, low-carbon economy.

Energy and efficiency efforts in the Netherlands

In the Netherlands we participate in the Dutch Climate Action Fund, which targets investments in projects and companies that aim to support the reduction of carbon emissions. The fund may invest in energy efficiency, e-mobility, energy storage and hydrogen, as well as renewable energy generation. Meanwhile, our Positive Impact Programmatic Venture (PIPV) invests in Dutch sustainable and affordable residential real estate with the intention of adding energy-efficient buildings to the sector, while also helping address the lack of good, affordable rental housing. PIPV targets a reduction of 80% of landlord-controlled greenhouse gas emissions, procuring 100% renewable electricity by 2030 and net-zero operational emissions by 2035.

Green bonds to finance environmental projects

We also invest in green bonds, their proceeds being used for environmental projects. One such bond is the Dutch government's second green bond, which focuses particularly on climate adaptation and water, with 'blue' expenditures earmarked to protect the country from flooding, mitigate the impact of climate change and ensure supplies of freshwater. This investment aligns closely with our ambition to help mitigate water risk.

Social

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Our purpose is to help people care for what matters most to them. It reflects the kind of company we aspire to be – one that delivers long-term value for all stakeholders by considering their interests. We have identified the following groups as key stakeholders: customers, colleagues, business partners, investors, analysts, regulators, government agencies, agents and intermediaries, societal and network organisations, expert groups and industry associations. We recognise that our success is deeply intertwined with the well-being of our employees, the communities we serve and society at large.

As an employer, we value the people who work for us and prioritise their well-being, safety and professional growth. We foster an inclusive environment that celebrates diversity, promotes work/life balance and encourages collaboration. Through competitive compensation, benefits and pension contributions, we empower our workforce to thrive. Furthermore, through our roles as investor and business partner, we affect the lives of many people. We want to contribute to the well-being of workers in the value chain and are committed to making sustainable decisions across our broader value chain, from procurement to investments. Our commitment to social responsibility also extends to customers. Transparency, ethical practices and fair treatment are at the core of our interactions. We actively seek feedback from customers and end-users to improve our products and services and to align our business practices with their best interests, needs and expectations.

Social material matters

\+ Positive impact
− Negative impact

	NN workers' secure and fair employment	Employee well-being	Equal treatment and opportunities for all	Human capital development	Community investment
Own operations	+ By offering adequate wages, committing to social dialogue, supporting collective bargaining agreements and emphasising job satisfaction, we have a **potential positive impact** on secure and fair employment for employees under an NN Group contract. These efforts can lead to a healthier, more motivated, and resilient workforce, benefiting both employees and society as a whole.	+ We have identified a **potential positive impact** on our employees by promoting a healthy work/ life balance, as well as health measures that can positively impact employees. These include measures to reduce stress and burnout, improve mental and physical health and raise the level of job satisfaction. These aim to help workers balance their personal and professional lives, leading to a more fulfilling and rewarding work experience that supports their overall well-being.	+ NN Group's commitment to equal treatment and opportunities for all workers has a **potential positive impact** on all types of employees. This includes greater financial security, improved job satisfaction, increased well-being and a stronger sense of belonging, especially for those from under-represented groups. By ensuring that all employees feel valued, respected, and supported, NN Group can boost morale and motivation, resulting in a more fulfilling and rewarding work experience for everyone. − We have a **potential negative impact** on our employees. Discrimination can significantly affect employees' emotional and mental well-being, career advancement, work relationships and sense of belonging in the workplace. Similarly, unequal pay can negatively impact employees' financial well-being, career growth opportunities and work relationships.	+ Our commitment to training and skill development has a **potential positive impact** on job satisfaction and overall well-being for employees under an NN Group contract. By equipping workers with the skills they need to excel in their roles, we can not only increase their joy in work but also prepare them for future challenges and opportunities. This proactive approach makes us a more attractive employer for new joiners and boosts employability, ensuring that employees are well-prepared for evolving job requirements.	+ We have an **actual positive impact** on communities through our community investment programme. By leveraging our resources, expertise and networks, we aim to advance the well-being of communities in all the countries where we operate.
	Own workforce				Community investment

	Workers in the value chain – secure and fair employment	Workers in the value chain – equal treatment and opportunities for all	Workers in the value chain – child labour and forced labour	Clear and secure data	Financial inclusion
Products and services				− As a financial services provider, we store customer data. Misuse of this information can lead to **potential negative impact**, including identity theft, financial losses, reputational damage and psychological distress for our customers.	− We offer people access to affordable financial services. When this access is restricted, we can have a **potential negative impact** on them as this can perpetuate poverty, limit economic growth, and lead to social exclusion, pushing individuals towards informal financial services that pose risks of fraud and exploitation. While we currently provide useful and affordable insurance products, climate change increases the risk of extreme weather events, which could affect the insurability and affordability of these products in the future.
Investments	− We have identified a **potential negative impact** on workers in the value chain as we recognise that some companies in our portfolio may not pay their workers, or those in their value chain, a living wage. This can lead to those workers being more likely to work excessive overtime, unable to meet their own basic needs and those of their families, and not able put aside savings, thus being less likely to find their way out of poverty.	− We have identified a **potential negative impact** on workers in the value chain as we recognise that some companies in our portfolio may be involved in discrimination against their workers or those in their value chain. Discrimination of workers can have a significant impact on their emotional and mental well-being, career advancement, work relationships and sense of belonging in the workplace.	− We have identified a **potential negative impact** on workers in the value chain, as we may be linked to cases of child or forced labour through the companies we invest in. Forced labour can result in physical and psychological abuse, as well as the denial of basic human rights such as freedom of movement and fair wages. Forced labour can also perpetuate poverty, hinder access to education and expose children to hazardous working conditions. Worker-paid fees can lead to debt bondage, worsening these issues.		
Business partners	− We have identified a **potential negative impact** on our workers in the value chain as we recognise that some companies we work with may not allow their workers to form or join trade unions. Consequently they may not be able to collectively bargain for fair wages, safe working conditions or other protections. This lack of collective bargaining can lead to exploitation and abuse, as workers have no way to address grievances or negotiate with their employers.	− We have identified a **potential negative impact** on our workers in the value chain as we recognise that some companies we work with may not pay their workers equally. Unequal pay can hurt workers' finances, limit their career growth and damage work relationships.			
	Workers in the value chain			Consumers and end-users	

Sustainability matters

All material impacts related to workers in our value chain are linked to NN Group's strategy and business model. This connection is illustrated in the visual on the previous page, under the value chain roles 'Investments' and 'Business partners', and serves as input for adapting the strategy, as detailed in 'General Disclosures', p. 126. NN Group has identified potential negative impacts on workers in the value chain through its activities; our sustainability disclosures cover these. The potential negative impacts that have been identified are systemic across NN Group's operations. We aim for a better understanding of which employees are at greater risk of potential negative impact.

NN Group defines 'workers in the value chain' as those performing work within NN Group's value chain, regardless of the existence or nature of any contractual relationship with NN Group. 'Workers in the value chain' encompasses workers employed by companies in both the upstream and downstream value chain, through our business partners and the companies we invest in. Through our corporate investment portfolio, we could potentially have a negative impact on vulnerable people, like trade unionists, migrant workers, home workers, women and young workers. Through our role as business partner, we could have a negative impact on people working on our premises but who are not part of our own workforce.

Our corporate investment portfolio consists of companies primarily located in Europe, the US and Japan. While incidents and potential risks from forced or child labour may exist in these geographies, the risks of causing, contributing to or being linked to forced or child labour is greater in the regions where the portfolio companies' value chains are situated. This is particularly relevant for sectors such as food production, textiles and manufacturing. Child and forced labour have also been identified as salient human rights issues in activities related to NN Group's role as investor. In the coming years, we plan to create heatmaps to pinpoint where the risks of child and forced labour are most prevalent in our corporate investment portfolio.

All material impacts related to customers are also linked to NN Group's strategy and business model. This connection is illustrated in the visual under the value chain role, 'Products and services', as detailed in 'General Disclosures' on p. 126.

Types of customers that could be impacted by NN Group include retail and corporate clients and both groups are covered by our sustainability disclosures. Additionally, the rights to privacy, data protection, freedom of expression and non-discrimination of both types of customers are potentially negatively impacted. Accurate and accessible product or service information to avoid harmful use of those products and services is also important to both types of customers, and some of them may be particularly vulnerable to marketing and sales strategies.

The potential negative impacts identified in the sustainability matter of 'clear and secure data' are typically related to individual incidents. In contrast, the potential negative impacts identified in 'financial inclusion' tend to be systemic. We have not yet developed an understanding of which types of customers are at greater risk of harm.

Human rights

As a financial services provider with a large number of stakeholders, we understand that our operations can impact many people. We view respect for human rights as a minimum standard for responsible business operations and conduct, and believe that every individual, regardless of their background, deserves to be treated with dignity, fairness and respect.

The basis of our approach to human rights is embedded in the NN statement of Living our Values, which provides guidance on how we conduct business. Our human rights approach is further supported by specific policies, described in the NN Group Human Rights Statement; these support our day-to-day operations and describe our due diligence processes.

Our Human Rights Statement sets out what we expect from ourselves and our business partners on human rights; it outlines how we implement our human rights approach in line with international standards, including the UN Guiding Principles on Business and Human Rights (UNGPs) and the Organisation for Economic Co-operation and Development (OECD) Guidelines, for different roles. The UNGPs refer to the International Bill of Human Rights, which consists of the Universal Declaration of Human Rights and the two Covenants that implement it, as well as the International Labour Organisation's Declaration on Fundamental Rights and Principles as Work.

We seek to avoid causing or contributing to adverse human rights impacts in areas we can directly influence through our management control; we seek to address such impacts if they occur. Wherever possible we strive to identify, prevent or mitigate adverse indirect human rights impacts that may be linked either to our operations, our products and services, or to our relationships with business partners or projects we have invested in or insured.

NN Group is committed to respecting human rights by working to meet the expectations set by the UNGPs and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

As a financial services provider, we are at risk of causing, contributing to and/or being linked to adverse human rights impacts. By analysing our business activities, customers, partners and suppliers, we identified our salient human rights issues in a 2023 assessment. Salient human rights issues are those human rights issues that stand out due to their severity and likelihood of negative impact on people across our value chain. As a result of this identification, we are better able to prioritise, manage and track those impacts, as well as communicate on our progress. (See visual below for the salient human rights issues we have defined for our different roles.)

To ensure a comprehensive assessment, we consulted with internal and external stakeholders including NGOs, peers, human rights experts, industry organisations, researchers and financial market supervisors. The outcomes of the salience assessment were presented for the four roles NN Group has in the value chain. Our salient human rights issues align with NN Group's Double Materiality Assessment (DMA) conducted this year.

Social roadmap

We aim to further embed human rights due diligence across our roles through policy development, monitoring and tracking of adverse impacts, strengthening our grievance mechanism, and working on access to remedy. We continue our human rights efforts in line with the UNGPs and the OECD Guidelines, by increasing our knowledge of potential negative impacts through the use of leverage, and by building awareness in our interactions with stakeholders. These actions have been included in a social roadmap that defines deliverables for our various roles over the next two years. One of the roadmap's central elements is implementing the Corporate Sustainability Due Diligence Directive (CSDDD), which applies to our own operations and upstream activities. Meeting the CSDDD requirements will further embed the UNGPs and OECD Guidelines and strengthen our due diligence processes.

We acknowledge a link between human rights and other topics, such as climate change and biodiversity. We are currently investigating how to integrate the criteria for a just transition into our activities. 'Just transition' in the context of NN Group implies that we need to further integrate social aspects into our sustainability governance, policies and due diligence processes, as well as into positive impact solutions and product development opportunities. This implies careful consideration of both the environmental and social impacts on vulnerable groups of people, and the risks and opportunities related to our financial activities (insurance underwriting, banking and investments).

In the rest of this chapter, we focus first on our own workforce, then look at how we engage with workers in the value chain before describing our interactions with customers and our commitment to safeguarding their rights and interests.

Salient human rights issues

	Equal pay	Freedom of association and collective bargaining	Data privacy and security	Financial inclusion	Non-discrimination and equality	Living wage	Child labour and forced labour
Employer	●				●		
Service provider			●	●			
Investor					●	●	●
Business partner	●	●					

Own workforce

We are committed to fostering a workplace that prioritises fairness, inclusivity and the growth of our employees. As part of our sustainability efforts, we have identified four key material topics: equal treatment and opportunities for all, human capital development and attraction, employee well-being, and secure and fair employment. (The introduction to this section gives more information on the identification process). These material topics reflect our commitment to creating a positive and supportive work environment. We focus our efforts on these topics by engaging with our workforce, implementing meaningful policies and tracking progress.

When refering to our own workforce and the associated impacts we have on them, we consider employees as people with a contract from NN.

For information on how we consider material impacts on our workforce when integrating into our strategy and business model, see p. 126.

Human Resources Framework

To strengthen this commitment, we have established the Human Resources Framework Standard (HR Framework). Its key objective is to summarise core HR principles and what they mean in practice, aiming to ensure all employees have equal opportunities wherever they are in the organisation. The Framework covers a wide range of topics. These include diversity and inclusion, recruitment, performance and talent management, remuneration, work and personal time, community investment and volunteering, leave of absence, personal health, well-being, safety, and end of employment. Another objective is to mitigate HR-related risks, such as those around employee quality, succession of key persons, employee attractiveness, remuneration, discrimination, undesired behaviour and risks related to HR regulation and legislation. The Framework is available on NN Group's internal website and applies to all NN Group employees, including business units, subsidiaries and controlled joint ventures. While each business unit must comply with the HR Framework, it implements it according to local laws and regulations.

The HR Framework plays an important role in helping ensure that NN Group is a fair employer, respecting human rights, advocating equal opportunities and encouraging diversity of thinking. The updated 2025 Human Resource Framework includes a reference to the UNGPs. While focusing on (prospective) employees, the Framework also considers other relevant stakeholders where applicable.

We believe that by promoting a unified approach to HR practices, we can attract and retain top talent, mitigate HR-related risks and ultimately drive business success. The HR Framework is issued, owned and overseen by the Chief People, Communications, and Sustainability Officer, who is a member of the Management Board NN Group.

Below, we offer an in-depth analysis of each of the four key material topics covering existing policies, how we involve employees in addressing the topics, the available channels for employees to voice their concerns, the measures we have taken, and how we evaluate the efficacy of those measures. We also detail the targets we have established to help us continuously improve our practices.

Equal treatment and opportunities for all

Our approach to diversity, equity and inclusion is simple. It is about embracing people's differences. Together we aim to build an environment where people feel welcome, valued and respected – a company where we can bring our whole selves to work, where an inclusive customer experience goes without saying, and where we contribute to the well-being of our communities. We believe our company is strongest when we embrace the full spectrum of humanity, regardless of what we look like, where we come from or who we love. NN Group does not tolerate discrimination, harassment or bullying of any kind. All allegations of this kind are taken seriously and handled according to local laws and policies.

Diversity, Equity and Inclusion strategy

In 2024, the Diversity, Equity and Inclusion (DEI) team developed a new strategic direction that explicitly includes equity as a key topic alongside diversity and inclusion. In 2024, we were recognised for our commitment to diversity, equity, and inclusion through indices and reputational measures. NN Group ranked 9th on the FT-Statista Diversity Leaders list, out of 850 companies, and number one on gender equality in the Netherlands by Equileap.

Our strategy aims to help us create a level playing field where everyone can thrive and succeed. Equity is not a new topic for us. Since 2018 we have supported, for example, the Running Blind foundation, which enables people with a visual impairment to run safely and participate in events. Our new strategic direction is accompanied by clear DEI initiatives and a communication plan to embed these principles and practices both internally and in our public domains.

Our DEI strategic objectives are:
- to be an industry leader in providing an inclusive and diverse work environment where employees can bring their whole selves to work;
- to consider diversity, equity and inclusion as part of our contributions to society.

Achieving these objectives will take time but will help achieve both structural and behavioural inclusion. We are partnering with HR teams in our efforts to look at every part of the employee journey through a DEI lens. For the broader organisation, we are working towards strengthening our employee resource groups and aim to ensure awareness around relevant legislation, such as the European Accessibility Act.

Diversity and Inclusion Statement

Our Diversity and Inclusion (D&I) Statement outlines our commitment to employees, customers and society when it comes to diverse representation, perspectives and products, equitable polices and support, and inclusive employee and customer experiences. Our approach helps us to better understand and meet the changing needs of customers and stakeholders in an ever-evolving world, particularly in the financial sector. We believe that a diverse workforce that reflects the world around us strengthens our ability to innovate and respond to change.

Diversity and Inclusion Policy

Our Diversity and Inclusion (D&I) Policy outlines our goals for diverse representation in terms of gender, nationality, ethnicity, sexual orientation, age, neuro and physical diversity for our boards and senior management. This includes NN Group's Executive Board, Management Board, Supervisory Board and senior management. (See p. 73 and p. 193 for more information on gender distribution).

Diversity at all levels, particularly at the top, makes us better able to steer and address the company's strategic opportunities. Talent acquisition and management processes for senior positions are designed with inclusion in mind to ensure objective processes to avoid bias. Clear recruitment, promotion and succession procedures are in place to help enable diverse representation in leadership. Specifically for our boards we seek to optimise gender diversity with our target of at least 40% of both women and men.

Gender and equal pay

Each year, we analyse all business units for gender equality and parity. Through our remuneration framework we aim to ensure that men and women in the same job and compensation grade, with similar experience and age, receive fair and equal pay for equal work. (See 'Remuneration Report', p. 103 for more information and outcomes.)

Diversity, equity and inclusion networks

NN Group has seven networks (see below), covering gender, ethnicity, sexual orientation, neurodiversity and generations. We cultivate and harness these networks to support our DEI strategy and champion inclusivity in our organisation by advocating for the needs of our diverse workforce. The networks provide opportunities to connect, support and engage colleagues in safe spaces to create a sense of belonging.

- **NN Pride Network** promotes LGBTQIA+ inclusion within NN Group. In 2024 partner organisation Workplace Pride researched our LGBTQIA+-focused processes and policies, and gave recommendations that will be incorporated into future Pride plans. Members of the network talked with communities across NN International Insurance to understand local needs with a view to expanding the network with local chapters in 2025.
- **NN Neurodiversity Network** focuses on creating a safe environment to discuss invisible cognitive differences. In October 2024 we celebrated ten years of our values 'clear, care and commit' with Values week, which included hosting a panel on neurodiversity. In 2024 Facilities Management also held focus groups on neurodiversity to understand the different needs of neurodiverse employees.
- **Women in Leadership Network** empowers female employees to own and influence their professional growth by holding events including discussions and knowledge-sharing sessions.
- **Women in IT Network**, founded in 2024, aims to provide a safe and supportive space for women in IT in our organisation.
- **NN Cultural Diversity Network** fosters respect for cultural differences in our company. In 2024, the network hosted a hybrid session around cultural diversity. This included introducing dialogue cards for employees and managers to facilitate connection through dialogue. In our international expat community, we hosted a connection event to continue building inclusion for all employees.
- **NN International D&I Network** promotes global inclusion by offering training and events across our international business units. This network encourages diverse perspectives and creates safe spaces for dialogue. In 2024 it focused on neurodiversity awareness as well as hosting an event at our headquarters in The Hague attended by country DEI ambassadors and leaders. This event celebrated DEI accomplishments internationally in NN Group; there was also a day of learning about neurodiversity.
- **NN Young Professionals Network** helps young employees to feel included and connected with other generations through networking and events.

Diversity, equity and inclusion learning

Our commitment to promoting equal treatment and opportunities for all is reflected in our ongoing efforts to promote diversity, equity and inclusion through a variety of learning opportunities. These include unconscious bias training for example, and inclusive leadership workshops. Several countries have also implemented their own Diversity, Equity and Inclusion (DEI) learning such as the Beyond the Limits programme in Belgium, which aims to increase physical diversity in the workplace. Another example is the mandatory D&I training for Management Team members in Poland.

Cross-country diversity, equity and inclusion benchmark

Since 2021, we have conducted an annual DEI cross-country benchmark exercise with an external partner in all NN Group countries except the Netherlands; this year the Netherlands was added. The exercise uses interviews and employee surveys to assess how mature diversity, equity and inclusion are in different countries. The results give us insights into where our strengths lie and where we can improve so we can make informed decisions and adjustments to our DEI initiatives, fostering a culture of inclusivity and equity throughout our organisation. By engaging directly with the countries, we can determine what actions are needed, listen to their feedback and ensure that our DEI efforts are measured and responsive, addressing the countries' own unique challenges and opportunities.

Diversity, equity and inclusion survey

In 2024 we addressed the insights arising from the first DEI survey that we conducted in 2023. The survey asks questions related to discrimination, including those linked to harassment, equal opportunities, diversity, equity and inclusion. It gives employees the opportunity to provide honest and open feedback, which is then taken into the DEI team, and others if necessary. One issue that arose from the survey and that we addressed this year was that many employees do not understand the Dutch language, which is perceived as dominant. As a result, we reviewed ways to conduct our DEI dialogue sessions, trainings and network events in English, to be more inclusive.

Speak Up system

To operate successfully, we understand the importance of maintaining our reputation and organisational integrity. That's why we encourage employees to report any (potentially) unethical conduct in our company to their manager or manager's manager, allowing us to maintain an open dialogue and take any necessary actions. However, we acknowledge that employees may feel uncomfortable about reporting concerns through regular channels, so we have set up alternative options: reporting to a (local) Reporting Officer and through the Speak Up system (in house).

These channels allow employees to report concerns anonymously if preferred. All concerns are taken seriously. We have the International Whistleblowing Policy and the Whistleblower Standard for Dutch Business Units and Head Office of NN Group, both of which cover all of NN Group, to investigate and address any concerns. With these measures we aim to create a safe and inclusive work environment where employees feel comfortable reporting concerns and breaches related to, for example, diversity, equity and inclusion. More information can be found on p. 116.

Promoting diversity in senior leadership

We aim for diverse representation in our senior management to ensure a wide range of perspectives and views. 'Women in leadership' remains the main strategic KPI for HR, with an aim of achieving at least 40% of senior management positions occupied by women by 2025. In 2024, we achieved 41% (2023: 40%). At the same time, we continue to focus on balanced representation in other dimensions such as nationality, age and ethnicity. We have set out various actions on the different drivers behind our DEI roadmap such as enhancing processes, data and data monitoring, visibility and networks, and mindset and awareness.
Actions include (among other things):

- taking the target of at least 40% women in leadership into account in the succession planning and appointment process for all board and senior management positions;
- holding talent review and succession planning sessions for senior management positions at least once a year;
- talent managers increasing engagement with our female talent pool to increase visibility and opportunity. Our Women in Leadership Network (see above) supports this by holding networking events and mentoring; and
- setting the aim of achieving a gender balance in our leadership training programmes and the NN Group Traineeship tracks.

Human capital development and attraction

We emphasise the importance of employee development and talent management, recognising all colleagues as valuable talents deserving opportunities for growth. Below, we provide detailed insights into how we engage with employees and the specific activities we undertake in relation to this topic.

People cycle

Our 'people cycle' includes performance and talent management processes, and is the foundation for identifying suitable learning and development solutions. During the people cycle discussions, we assess employees' potential, their development ambitions and their contributions, leading to tailored development actions or plans. We actively engage with employees to foster a culture of open communication and collaboration. Regular feedback mechanisms, such as surveys and one-on-one check-ins, encourage employees to voice their needs and aspirations, helping to ensure their perspectives are considered in development plans.

By providing a comprehensive range of training and development resources to foster continuous learning, we facilitate an environment where employees feel empowered to take ownership of their growth. Employees can choose from various methods of learning, including hands-on experience, knowledge sharing and formal training, allowing them to select opportunities that align with their personal and professional development needs.

Talent and succession process

A talent and succession process facilitates employee development and career progression. Key components include the team review and talent calibration, which help managers in assessing employees' contributions and potential, as well as fostering meaningful discussions about their development and opportunities for movement in the organisation. The structured process mandates all business units to conduct annual assessments of employee contributions, ambitions and growth potential.

Talent calibration supports a fair and consistent application of these assessments, fostering a shared understanding of the talent landscape. Regular talent calibration and a recurring succession planning process help identify potential successors across domains and functions for (key) management roles, supporting readiness and diversity while mitigating the risks associated with vacant positions.

Future skills

To be ready for the future, NN Group has been developing a global skills taxonomy to enhance skills management and enable further skills-based technologies. This will be further rolled out in 2025.

Strategic workforce planning

Through strategic workforce planning we can identify the talent we need to achieve our goals and establish a strategy to make sure we have the right mix of talent to reach these goals. Our continuous planning provides insight into the challenges and solutions. These insights and solutions are used to determine actions on attracting, hiring, developing, and engaging with our workforce. For example, we identified a new learning need around data, analytics and AI on both a specialist and non-specialist level and are addressing it by designing and implementing upskilling programmes to help employees develop in this field.

Upskilling programmes

Upskilling initiatives rolled out in 2024 included a Power BI Challenge, Inspiration Days, NN Future Skills Olympic Games and Microsoft Technical trainings. Key skills that were developed included working with MS Power Platforms, skills around data and business intelligence, process automation and specialised IT skills where colleagues had the opportunity to certify by passing Microsoft exams on topics such as Azure Administrator, Azure Fundamentals, DevOps Solutions, Data Engineering and Data Analyst.

We also launched a senior management track of the NN Data Literacy programme with the Massachusetts Institute of Technology this year. This programme is aimed at upskilling leaders on relevant data and analytics knowledge. The Data Literacy Programme for managers was piloted in 2024 to prepare for roll-out at the beginning of 2025. The Data Literacy Programme for employees will be rolled out during the course of 2025.

Leadership development

In terms of leadership development, NN Group aims to enhance the skills of current and potential leaders through tailor-made LEAD programmes that support the growth of future leaders. Aside from the LEAD programmes, the NN Group Traineeship offers three tracks, designed to attract and develop young talent.

Management onboarding

We want managers to feel they can be effective and people-oriented in their role. To this end, we embed our values into our way of working and make sure managers are aware of our D&I Statement and act accordingly. Our new Group-wide management onboarding programmes support new managers in their first 100 days; they receive a 100-day checklist, with practical tips to help them get started, and a 'managers playbook' detailing their role as a people manager, supplemented with FAQs about various processes in the employee journey. A live manager-onboarding session, introduced in September 2024, includes elements on strategy, interaction and networking opportunities as well as case discussions, interaction and networking opportunities.

Talent acquisition

We strive for a fair and transparent recruitment process, and our HR Framework Standard supports this endeavour by providing principles to follow around equal opportunities and respectful treatment. It incorporates tools such as a leadership profile and NN Competencies to assess candidates. In addition to the standard, each country has a way to take local obligations and legislation into account. For example, for the Dutch population we have a recruitment policy and an external hiring policy in place, which require internal candidates to be considered first in the case of a vacancy.

Candidates for an available position are screened on their technical expertise and behavioural competencies relevant to the position. We also strongly recommend using a (semi-)structured interview conducted by a diverse panel of two interviewers, supporting diversity and inclusivity in the hiring process. Agreements are formalised in a contract or offer letter before hiring. External staff hiring must comply with standards such as assessing appropriate rates and signing a non-disclosure agreement. NN Group encourages the movement of talents between businesses, respecting the needs of each business area and individual. Employability is promoted, and screening is required to ensure the integrity of the business and minimise risks.

Employee Value Proposition (EVP)

With our renewed Employee Value Proposition (EVP), we showcase the benefits and opportunities we offer employees, which in turn helps us attract and retain talent. The proposition consists of four drivers: 'master your skills', which is about an employee reaching their full potential with professional opportunities and employee benefits; 'move forward together', focusing on an inclusive culture and working together; 'make your work matter', about purposeful work and how our work impacts people and the world around us; and finally 'shape the future', in line with the new strategic commitment to become digital and data-driven.

Employee well-being

We want employees to feel energetic and happy in their work and believe they can only reach their full potential if they are mentally and physically fit, which will make them more resilient and energetic. Our health and well-being practices aim to create optimal working conditions, limit health risks and foster the vitality and well-being of our employees.

In 2024 we introduced the Group-wide NN Vitality Statement to underline the importance of employees' vitality. The statement's priorities are fostering vitality and employability, creating an optimal workplace with well-organised procedures, preventing and reducing absenteeism and occupational disability and reducing the number of employees with work-related health issues. Our business units have the flexibility to adopt their own local approaches to address themes that are important to them, aligned with local legislation. In the Netherlands for example, we have created a local Health and Safety, Sick Leave and Vitality policy.

Our managers play a crucial role in this process by focusing on the creation of a safe working environment, promoting awareness around resources, and supporting physical and mental health, as well as monitoring the vitality of their team members. Part of this is encouraging a good work/life balance, offering support for personal challenges, and fostering open communication and a supportive team environment where team members feel comfortable discussing any concerns or challenges they may have.

At Group level, experts in our HR Health and Vitality team monitor the overall health of our colleagues. They are responsible for ensuring that Group-wide vitality services remain relevant to their evolving needs. We monitor absenteeism on a regular basis and act whenever we notice a significant change in a business unit, department or team. We also conduct an employee engagement survey that includes questions on how colleagues perceive their work environment and whether they feel they can live a healthy lifestyle when working at NN Group. For further details on how we assess employee engagement, see p. 188.

Physical and mental health

In the Netherlands, an NN Vitality Platform allows employees to take care of their physical and mental health; it will be available Group-wide in 2025. We encourage employees to prioritise both their mental and physical health through regular exercise, a healthy and balanced diet, relaxation and sufficient sleep. We also recognise the importance of taking regular breaks and incorporating physical activity into the workday to promote productivity and reduce stress.

We want our people to feel fit and energised, both at work and in their personal lives and believe that both physical and mental health are essential to overall well-being. We stimulate colleagues to monitor and optimise their mental health by reflecting on topics such as whether they feel supported by their environment and if they feel they have a sense of purpose. We aim to create a safe environment where colleagues can discuss any concerns they might have.

Leave of absence

NN Group informs colleagues about their leave options, supports them in the field of vitality and aims to prevent absenteeism. If an employee is unable to continue in their job, NN ensures alternative employment on the basis of good employment practices. We will consider unpaid breaks (sabbaticals) of two to six months if an employee has been continuously employed for five years, and subject to business needs and local regulations.
As part of the Collective Labour Agreement in the Netherlands, employees may take 'vitality leave' to promote long-term vitality and enhance permanent employability, allowing them to take paid leave for two months while receiving 50% of their salary.

Personal health support

In the Netherlands we have the following personal health support in place:

- The Personal Health Check, giving employees insights into their lifestyle, blood pressure, cholesterol, work stress and more. The personal health report contains a risk assessment and recommendations on how to improve health.
- The Zorggenoot support line, which provides information to employees who are also caregivers about different forms of support, helps them with administrative work and supports them in finding a good balance between their own life, caregiving and work.
- As many as one in four working Dutch people experiences sleep problems, recognising associated symptoms. In 2024 we introduced the possibility of employees using the HalloSlaap programme free of charge for support in this area.
- Each quarter, NN Group provides information sessions for pregnant colleagues, where they receive practical information about our policy regarding pregnancy, including appropriate workplace conditions. They also receive tips to stay healthy and vital, and prevent complaints associated with pregnancy as much as possible.

Work/life balance

We believe that a healthy work/life balance is essential for employees to perform at their best and contribute to the success of the organisation. To that end we offer flexible employment opportunities, allowing people to work at times and locations that suit them within the limits imposed by the nature of their work, their personal situation and the interests of their team, manager and other stakeholders. Our HR Framework lays out guidelines on working hours, overtime, rest breaks and travel time to ensure that employees are treated fairly and equitably.

A safe and healthy work environment

Because we adopt a hybrid approach, allowing employees to work from home or the office, we support them in making their workspace safe and well-equipped by giving them information, advice and financial help.
In the Netherlands we complete an annual checklist, part of the Working Conditions Act (Arbowet), which allows our Health and Vitality department to pass on any suggestions for mitigating potential health and safety risks. All business units also have local workplace accident prevention policies in place to ensure employees are aware of, and adhere to, local laws and regulations.

Secure and fair employment

We are committed to providing secure and fair employment to all our employees and understand that a safe and supportive work environment is essential for their well-being and success. In this section, we discuss our efforts to prioritise workers' rights, promote social dialogue and ensure that our employees are treated with respect and dignity.

European Works Council

We have a European Works Council (EWC) in place as part of this commitment, to secure employment, social dialogue, and workers' rights across all business units. The rights and obligations of EWC members are outlined in the EWC agreement, aiming to ensure that employee representation is integrated into corporate governance. Most countries have one or more local works councils (see next page), from which members are delegated to the EWC.

The EWC plays a vital role in fostering social dialogue by addressing issues that affect workers across different countries. Important topics discussed in the council range from data and AI to upskilling, reskilling, strategic workforce planning and the European Pay Transparency Directive. These discussions not only facilitate the sharing of information, experiences and best practices but also create a platform for consultation on significant matters affecting employees, thus promoting a culture of transparency and collaboration. A formal meeting takes place twice a year in the presence of the executive and the member of the Management Board responsible for NN International Insurance, ensuring that the highest levels of management are engaged in these critical dialogues.

The framework for worker representation, including the EWC and local works councils, supports workers' rights by providing a structured mechanism for employees to express their views and concerns. The EWC agreement specifies that important transnational matters are discussed within the EWC, fostering a sense of security among employees knowing that their voices are heard in decisions that may impact their working conditions. If the EWC is consulted on an important transnational issue, its opinion can still have a significant impact on the decision to be made.

The EWC meets with the Head of HR International as well as internally, without the presence of the executive. The executive is supported by an employee of NN HR Legal & Labour Relations, who also serves as a liaison between the executive and the EWC.

Local works councils

In accordance with local customs, laws and regulations, most countries have one or more local works council. Hungary and Czechia, without local works councils, delegate employee-elected members to the EWC. Worker representative bodies, including the EWC, are facilitated in terms of time and resources.

The degree to which participation in local works councils is an inherent part of the culture varies from country to country, as does the extent to which trade unions participate. In the Netherlands for example, which has a long tradition of participation, the works council and trade unions have separate functions. In Belgium, however, there is no such distinction, and employees can only become members of the works council if they are also a member of a trade union. Eastern European countries generally have a less long-standing tradition of participation.

Collective Labour Agreement

The Netherlands, Belgium, Greece, Spain and Romania have a Collective Labour Agreement (CLA) in place, negotiated with works councils and trade unions where applicable. These agreements not only enhance job security but also reinforce our commitment to adequate wages and equitable working conditions for all employees.

Adequate wages

We are committed to providing market-competitive rewards through a clear and transparent remuneration framework. This framework is built on several key elements, including a 'total compensation' approach that aligns pay with relevant local market conditions. It differentiates based on business needs and individual performance, and considers the competencies and experience required for each role. The remuneration system is designed to attract, hire and retain talent while aiming to ensure consistency with NN Group's strategic positioning and development goals, reflecting the company's values and its role in society. This focus on competitive pay also relates to secure employment by providing financial stability for employees, essential for long-term job satisfaction and retention. See 'Remuneration Report', p. 103 for more information.

Data privacy

We value the privacy and security of our employees and recognise that personal data must be handled with care. We do this in line with legislative data protection requirements; the EU General Data Protection Regulation (GDPR) being the most important of these. See p. 117 for more information on data privacy.

Living our values

We have implemented several measures to encourage our employees to exhibit appropriate and expected behaviour and actions. (See 'Our values and behaviours', p. 7.)

Monitoring progress on material topics

By monitoring progress on these material topics through tools such as engagement surveys and benchmarks, we can track our performance and identify where we can improve.

Engagement survey

Acknowledging that engaged colleagues are key to obtaining our strategic ambition, we conduct Group-wide engagement surveys twice a year and have set a clear ambition to sustain high levels of engagement across the organisation. Therefore it is important that we listen carefully to what our colleagues experience, think and feel. We communicate this ambition internally and externally as part of our strategic ambitions. The engagement scores and progress are made public on a semi-annual basis. The HR department is responsible for coordinating this process.

We currently partner with Peakon to survey our employee engagement. The Peakon platform automatically translates information into the desktop language setting of the participant, which is usually their native language. We also manually review translations to ensure their accessibility and quality, and thus their comprehension, as well as the reliability of the results. For employees who have difficulty reading, Peakon supports the in-browser text-to-speech functionality, allowing them to listen to survey questions and feedback. Survey responses deliver insights that help us create an optimal working environment together.

We invite all NN Group employees with a fixed term and permanent contract, as well as third-party contractors, to take part in the survey. Participation is voluntary. High participation rates are obtained in both the mid-year and year-end survey, ensuring reliable survey results.

The survey contains no gendered language, and each business unit may add up to five closed-ended items and three open-ended questions to ensure the content suits local needs. Closed-ended items are scored on a scale from one to ten; open-ended questions that are included allow for written feedback. To support data interpretation, we include internal and external benchmark information alongside survey results; responses are confidential, and individuals cannot be identified through the results. Peakon uses the Net Promotor Score methodology to give additional insights.

The survey is designed to measure employee engagement as well as a broad range of employee experience topics. Items included in the survey are grouped into drivers, such as engagement, accomplishment, autonomy, freedom of opinion, goal setting, growth, management support, meaningful work, organisational fit, peer relationships, recognition, reward, strategy and workload. Specific items within NN Group's standard set of questions represent the four material topics detailed below.

- We evaluate 'Equal treatment and opportunities for all' by asking if people from all backgrounds are treated fairly in the employee's business unit, and how confident they are that reporting unethical behaviour would lead to subsequent action.
- 'Human capital development and attraction' is rated by asking if the respondent feels they are growing professionally, if they are encouraged and supported to do so, and whether they are enabled to learn and develop new skills.
- 'Employee well-being' is captured by asking employees if they feel they can live a physically healthy lifestyle and to what extent they find their workload manageable.
- 'Secure and fair employment' is assessed by asking employees if they feel their opinions are valued and to what extent they experience open discussions about acting in accordance with company values.

All these items are consistently scored favourably at Group level and therefore not considered for Group-wide action planning. However, depending on the results, they may be included in unit or team action plans.

Additional data analysis showed health and professional and personal growth to be an area for improvement, so we have introduced an NN vitality platform to boost the vitality of all our colleagues across NN. We also plan to optimise talent management processes through digitalisation and better use of data, increase the visibility of internal development opportunities and determine the reskilling and upskilling needs of the workforce.

Analysing the data obtained through the survey leads to recommendations and the development of data-driven action plans to improve the employee experience and achieve business goals. The Peakon platform facilitates this, as well as the necessary analytical capabilities to gain actionable insights. All managers are asked to share the survey outcomes with their team(s), and initiate dialogue with them to discuss what is going well and what could be improved. Likewise, business units are asked to create an action plan which details what actions they will take to improve results for their unit; the Management Board discusses the results on a Group level, determining priorities and actions, which range from launching new initiatives to updating policies and processes.

Our 2025 ambition is to achieve an employee engagement score of 8 or higher, which was derived from the financial benchmark of Peakon. Our 2024 score stayed at a stable 7.9 with a participation rate of 83%.

NN certified Top Employer Europe

In 2024, for the sixth consecutive year, all ten business units in NN International Insurance were certified Top Employer by the Top Employers Institute, a globally recognised accreditation programme that certifies organisations based on the participation and results of their HR Best Practices Survey. The survey covers six HR domains and 20 topics, such as People Strategy, Work Environment, Talent Acquisition, Learning, Well-being, and Diversity & Inclusion.

NN Group is ranked sixth in the institute's top ten ranking in Europe, having more than five business units certified as Top Employer in Europe with a high aggregated score, moving up four places since 2023. NN International Insurance reached an overall score of 96% in the Top Employer certification, up from 94% the previous year. We also showed substantial improvement since 2023 in the areas related to our four material topics. These areas are: work environment (from 91% to 97%), well-being (from 80% to 86%) and career (from 90% to 96%).

NN International Insurance scores showed room for improvement in our offboarding practices, which will be a focus area in 2025.

Employees

An employee is an individual who is in an employment relationship with NN Group or one of its subsidiaries according to national law or practice. Employee data is reported in headcount at the end of the reporting period. 'Employees' does not generally include interns. The number of interns is reported separately.

Gender

NN Group discloses employees in three categories: female, male and other. 'Other' includes all gender identifications other than 'female' and 'male', and includes employees whose gender is not specified.

Interns

The headcount in the table is excluding the total number of interns: 243 (2024) and 254 (2023).

Employees by gender and by contract type and full-time/part-time

	Female		Male		Other		Total	
2024	Headcount	Percentage	Headcount	Percentage	Headcount	Percentage	Headcount	Percentage
Permanent employees	7,529	92%	7,692	93%	1	100%	15,222	93%
Temporary employees	660	8%	557	7%			1,217	7%
Non-guaranteed hours employees								
Total number of employees	**8,189**	**100%**	**8,249**	**100%**	**1**	**100%**	**16,439**	**100%**
Full-time employees	5,918	72%	7,579	92%			13,497	82%
Part-time employees	2,271	28%	670	8%	1	100%	2,942	18%
Total number of employees	**8,189**	**100%**	**8,249**	**100%**	**1**	**100%**	**16,439**	**100%**

	Female		Male		Other		Total	
2023	Headcount	Percentage	Headcount	Percentage	Headcount	Percentage	Headcount	Percentage
Permanent employees	7,566	92%	7,655	94%			15,221	93%
Temporary employees	662	8%	516	6%	1	100%	1,179	7%
Non-guaranteed hours employees								
Total number of employees	**8,228**	**100%**	**8,171**	**100%**	**1**	**100%**	**16,400**	**100%**
Full-time employees	5,856	71%	7,502	92%	1	100%	13,359	81%
Part-time employees	2,372	29%	669	8%			3,041	19%
Total number of employees	**8,228**	**100%**	**8,171**	**100%**	**1**	**100%**	**16,400**	**100%**

Employees by country and by contract type in headcount

2024	Permanent employees	Temporary employees	Non-guaranteed hours employees	Total	Full-time employees	Part-time employees	Total
The Netherlands	8,892	889		9,781	7,265	2,516	9,781
Poland	1,028	113		1,141	1,115	26	1,141
Japan	982	49		1,031	1,031		1,031
Czech Republic	748	44		792	714	78	792
Belgium	706			706	543	163	706
Spain	625	6		631	591	40	631
Romania	549	38		587	557	30	587
Hungary	575	4		579	537	42	579
Greece	567	8		575	561	14	575
Slovak Republic	403	49		452	419	33	452
Other	147	17		164	164		164
Total	**15,222**	**1,217**	**0**	**16,439**	**13,497**	**2,942**	**16,439**

2023	Permanent employees	Temporary employees	Non-guaranteed hours employees	Total	Full-time employees	Part-time employees	Total
The Netherlands	8,858	902		9,760	7,184	2,576	9,760
Poland	1,136	51		1,187	1,142	45	1,187
Japan	972	48		1,020	1,020		1,020
Czech Republic	739	56		795	719	76	795
Belgium	695			695	535	160	695
Spain	594	6		600	562	38	600
Greece	567	16		583	567	16	583
Hungary	541	4		545	496	49	545
Romania	535	25		560	511	49	560
Slovak Republic	400	53		453	421	32	453
Other	184	18		202	202		202
Total	**15,221**	**1,179**	**0**	**16,400**	**13,359**	**3,041**	**16,400**

Country
NN Group uses the countries in which it operates for the breakdown by region. The consolidation on country level for the Sustainability Statement is in line with the consolidated annual accounts.

The number of empoyees in the company remained relatively stable throughout the year with only minor fluctuations.

Employee turnover

	2024	2023
Employee turnover (headcount)	1,845	1,876
Total number of employees (headcount)	16,439	16,400
Employee turnover rate (%)	11%	11%

Employee turnover
Percentage is based on the employees who left NN Group in 2024 compared to the headcount year-end. NN Group does not include interns in the employee turnover rate.

Employees covered by collective labour agreements and workers' representation

	Covered by collective labour agreements (%)		Covered by workers' representation (%)	
	2024	2023	2024	2023
The Netherlands	85%	85%	100%	100%
Poland	0%	0%	100%	100%
Japan	0%	0%	100%	100%
Czech Republic	0%	0%	0%	0%
Belgium	100%	100%	100%	100%
Spain	100%	100%	73%	75%
Romania	100%	100%	100%	100%
Hungary	0%	0%	0%	0%
Greece	100%	100%	100%	100%
Slovak Republic	0%	0%	90%	90%
Other	0%	0%	90%	91%
Total	**66%**	**65%**	**90%**	**91%**

NN Group provides insight into the extent to which its working conditions and terms of employment are determined by, or influenced by, collective labour agreements, as well as to the extent to which NN Group's employees are represented in social dialogue at country level. In this context, NN Group has a European Works Council (EWC). See p. 187 for more information.

Percentage is based on the coverage and representation of employees at year-end.

Employees by age category

	2024		2023	
	Headcount	Percentage	Headcount	Percentage
<30 years of age	1,858	11%	1,955	12%
30 - 50 years of age	9,818	59%	9,861	59%
>50 years of age	5,006	30%	4,838	29%
Total number of employees	**16,682**	**100%**	**16,654**	**100%**

Numbers represent the headcount per age group at year-end. Interns are included in the numbers for age categories.

Employees covered by health and safety systems

	2024	2023
	Percentage	Percentage
Employees covered by H&S system	100%	100%

Percentage is based on the coverage of employees at year-end.

Gender distribution at top management level

	2024		2023		Base year (2021)	Target 2025	% Actuals / Target
	Headcount	Percentage	Headcount	Percentage	Percentage	Percentage	Percentage
Number of females in top management	73	41%	73	40%	34%	40%	103%
Number of males in top management	103	59%	109	60%			
Number of other in top management							
Total number of employees in top management	**176**	**100%**	**182**	**100%**			

Top management

At NN Group we use the following definition of 'top management': employees (in headcount, at year-end) that hold positions in the Management Board or managerial positions reporting directly to the Management Board, as well as the managerial positions reporting directly to the CEOs of Non-life, NN Bank or the CEOs of NN International business units.

Newly hired managers

'Newly hired managers' includes the headcount of all employees who have joined NN Group during the reporting period whose responsibilities include managing other employees.

Newly hired managers

	2024		2023	
	Headcount	Percentage	Headcount	Percentage
Number of newly hired managers female	21	34%	44	41%
Number of newly hired managers male	40	66%	63	59%
Number of newly hired managers other				
Total number of newly hired managers	**61**	**100%**	**107**	**100%**

Spend on training and development per employee

	2024	2023
	(EUR)	(EUR)
Spend on training and development per employee (EUR)	1,220	946

Spend on training and development

NN Group provides insights to enable an understanding of the training and skills development-related activities that have been offered to employees. The total amount spent on training and development is expressed in euros and divided by the total number of employees (including interns) in headcount at the end of the reporting period.

Performance review

	2024	2023
	Percentage	Percentage
Female employees with completed performance review	86%	85%
Male employees with completed performance review	89%	87%
Other employees with completed performance review	100%	
Employees with completed performance review	**87%**	**86%**

To calculate this percentage we used the completed performance reviews of the previous year, excluding interns.

Reasons for performance reviews that are not completed include new hires, end of employment, redundancy and (long-term) illness.

Incidents and complaints

	2024	2023
Incidents of discrimination, incl. harassment (# of cases)	10	8
Complaints filed through channels for people in NN's own workforce to raise concerns (incl. grievance mechanisms) (# of cases)	40	31
Total amount of fines, penalties, and compensation for damages as a result of work-related incidents and complaints (EUR million)	0	0
Total number of severe human rights incidents (# of cases)	0	0
Total amount of fines, penalties, and compensation for damages regarding identified cases of severe human rights (EUR million)	0	0

Incidents

'Incidents' refers to any work-related event that has occurred, and has been formally registered, and that relates to discrimination including harassment.

Complaints

'Complaints' are those that are formally registered. They must relate to a complaint between the employee who reports the complaint and NN Group.

Severe human rights

NN Group discloses whether severe human rights issues and incidents connected to its upstream and downstream value chain have been reported. An incident can be classified as a severe human rights impact if it meets these two criteria: it covers one of three incident categories (forced labour, human trafficking, child labour); it meets the definition of 'severe' by virtue of one or more of the characteristics scale, scope and irremediability.

A total of ten incidents are reported under category ESRS 1-17 103(a) discrimination, including harassment. The sources used are whistleblowing reports and concerns, CSI investigations, and HR complaints that qualified as an incident. A report is qualified as an incident when disciplinary measure(s) is taken.

A total of 40 other complaints related to matters of working conditions in paragraph 2 under ESRS 1-17 103(b), are reported. The sources used are all other whistleblowing reports and concerns, excluding all whistleblowing reports and concerns which are related to incidents reported in 103(a) and excluding the whistleblowing reports which are not related to matters of working conditions in paragraph 2, and adding the complaints reported by HR. Multiple reports of complaints may result in an incident. Therefore, all complaints associated with an incident are excluded during the deduplication process. Overtime figures may fluctuate slightly due to ongoing investigations into certain complaints.

Workers in the value chain

We strive to contribute to the well-being of people and planet and to create sustainable long-term value for all our stakeholders. In our key roles as employer, business partner, financial services provider and investor, we affect the lives of many people across a wide range of sectors, geographies and value chains. In the context of workers in the value chain we identified the roles of business partner and investor as material, and it is those we will concentrate on in this chapter.

Our DMA identified 'workers in the value chain' as a sustainability matter in both these roles. We used the outcomes of our 2023 salience assessment as input for the 2024 DMA. For our investment activities, the identification was based on three underlying salient issues: non-discrimination and equality, living wage, and child and forced labour. As a business partner, the identification was based on two underlying salient issues: equal pay, and freedom of association and collective bargaining, (see p. 211 for definitions of these terms). These salient issues were reconfirmed during the 2024 DMA. For more information on the salience assessment, please see the introduction to this section, on p. 182.

As an investor, our diverse investment portfolio covers investment assets invested for own risk (proprietary assets) and those that are invested for risk of policyholders (client assets). This chapter will focus on assets invested for own risk. As a business partner, we procure goods and services in categories that include IT, professional services and facility management; each with its own value chain and with its own human rights risks, usually location- and work-specific. Across all these activities, in both roles, we may be linked with potential negative impacts on people’s lives.

In the following paragraphs we describe our policies, processes, actions and targets to help mitigate potential negative impact on workers in the value chain, addressing each topic first from our role as investor, and then as supplier.

For information on how the interests, views and rights of workers in the value chain inform our strategy and business model, see the connectivity table on p. 126.

Policies

As an investor, we are supported by a solid policy framework and governance structure. Our responsible investment policies are based on relevant international standards, principles and guidelines, such as the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, the UNGPs and the ten principles of UN Global Compact (UNGC). We respect human rights and, as a responsible investor, aim to use our influence to cease, prevent or mitigate (potential) adverse impacts on human rights and the environment.
Because we maintain a large, broadly diversified proprietary investment portfolio that includes investments in various companies, operating in a wide array of countries and industries, we may be directly linked to any potential or actual negative impacts those companies have on human rights, according to the principles of 'cause, contribute, and directly linked' outlined in the UNGPs. Where we are directly linked to adverse human rights impacts caused or contributed to by the companies we invest in, we have a responsibility to encourage these companies to prevent, cease or mitigate these impacts.

We have translated our commitment to international standards, principles and guidelines into norms-based criteria in our Responsible Investment (RI) Framework policy. The objective of this policy is to systematically incorporate sustainability IROs into the investment process. NN Group considers non-alignment with its RI Framework policy to be controversial conduct. In the context of human rights and labour rights, examples of this would be the limitation of freedom of association, forced labour, child labour and discrimination. When working with external asset managers or investing in third-party funds, we seek to align with our RI Framework policy as far as possible. We also conduct periodic monitoring and reviews of asset managers and funds to evaluate this alignment. If necessary, we proactively engage with them to further improve their practices, results and disclosures.

The RI Framework policy contains several underlying policies and guidelines that aim to embed our responsibility to respect human rights across our organisation. These are the Voting Policy for Proprietary Assets, the Engagement Policy for Proprietary Assets, the NN Group Exclusion list, and the Investment Guidance papers on Human Rights and Labour Rights. The voting and engagement policies include the minimum active ownership criteria we expect all investee companies and external asset managers to investing on our behalf to respect. The Investment Guidance papers describe our understanding of the key financial risks and adverse impacts related to people across all sectors. The papers aim to provide external asset managers with guidance on evaluating environmental, social and governance (ESG) factors when making investment decisions on our behalf, and are linked to NN Group's Human Rights Statement. By publishing these papers externally, we aim to express our position and use it to leverage change in our investment activities.

The Management Board is responsible for approving material changes to NN Group’s responsible investment (RI) strategy and the RI Framework policy. The RI Committee advises the Management Board on RI strategy and policies, oversees our RI approach, and decides on RI standards, non-material policies and updates, as well as investment restrictions. The committee is chaired by the Chief Investment Officer and includes members from various departments, including the Management Board, the Responsible Investment team and Investment Risk Management. For background on the governance of RI-related decision-making see p. 78.

As a business partner, we are committed to making sustainable procurement decisions and we encourage our own suppliers to do the same. We are a key client for many of our suppliers and try to work together to drive socio-economic issues and inclusiveness throughout our supply chain. We ask suppliers to share details of their labour policy as part of our supplier qualification process so we can determine if working conditions for their employees are in line with our expectations. We also assess human rights risks in our supply chain by asking suppliers to disclose the measures they take to prevent modern slavery and human trafficking in their own business and supply chain.

Our Procurement and Outsourcing Policy governs our approach to, and minimum requirements for, sourcing and contract management. The policy refers to our Sustainable Procurement Statement, which explains how we address environmental impacts and human rights issues related to our purchasing decisions and supply chain. NN Group's Terms and Conditions include our most important standards on these issues and by signing them our suppliers agree to meet the standards we have included on human rights, environmental care, labour rights, and anti-bribery and corruption. When agreements are based on supplier terms and conditions, a thorough check is conducted to ensure that the standards are included.

Our Supplier Code of Conduct (SCC) outlines what we require from suppliers in terms of policies and practices covering the environment, human rights, diversity and inclusion, and integrity and ethics, including compliance with, among other things, the core conventions of the International Labour Organization (ILO). By either acknowledging the minimum standards laid out in the SCC, or confirming that they have in place a code of conduct of a similar nature, suppliers commit to all existing and future relationships with NN Group being subject to these standards. If these minimum requirements are not reached, suppliers shall inform their primary NN contact and agree on a timeframe to take measures to meet them. We offer support where the supplier is unable to take these measures on its own. Consequences for non-compliance with the action plan are decided on a case-by-case basis. In 2025, we aim to investigate the possibility of defining a standardised approach.

Our Human Rights Statement highlights our requirements on human rights not only for suppliers but for all stakeholders. See ‘Stakeholder engagement’ on p. 128 for information on how the interests of workers in the value chain have been considered. This year, our Terms and Conditions, SCC, Sustainable Procurement Statement and Human Rights Statement were revised and updated to include human rights policy commitments relevant to workers in the value chain, as well as to meet the requirements of the Corporate Sustainability Reporting Directive (CSRD).
NN Group expects suppliers to not only adhere to the outlined standards but to actively encourage these principles in their own supply chains.

Processes

Identifying and addressing impacts

As an investor, to identify the potential adverse impacts we are exposed to, we assessed our proprietary assets portfolio (corporate listed equity and fixed income) according to the specific risks (to people) that may be linked to the particular company, the sector in which it operates and the country of location.

We carried out the assessment using available data from our ESG-data provider Sustainalytics, supported by data from other external sources. Consequently, we were able to narrow down the list of all potential adverse impacts on people to a shortlist of those that are relevant to NN Group. This shortlist was used as input for the salience assessment described on p. 182.

The assessment resulted in three salient human rights issues related to workers in investee companies’ own operations and supply chains. NN Group recognises the salient human rights impacts as material negative social impacts in its DMA. See p. 180 for more information.

NN Group's Controversy and Engagement Council plays a key role in addressing and monitoring adverse impacts. It oversees our direct, collaborative and delegated controversy engagement activities. Established in 2023, the Council is chaired by the RI team, with members from NN Group's Investment Office and Sustainability and Social Impact (SSI) department. If indications of severe human rights issues arise, the Council is responsible for determining whether they constitute a non-alignment with our RI criteria and if so, how they should be addressed.

Our Engagement Policy for Proprietary Assets outlines the triggers for engagement, one of them being (the increased risk of) violation of NN Group’s norms-based criteria. The norms-based criteria include human and labour rights. If the Council determines that engagement to address the adverse impacts is feasible, the company in question will be included in NN Group's engagement programme, which means that we can either engage with it directly, or through external asset managers or engagement service providers.

If we are not able to exert the necessary leverage with an investee company or sector, we may decide to exclude the issuer or activity from our investment universe. However, it is important to note that we see divestment in the case of adverse human rights impacts as a last resort since it has the potential to worsen negative impact instead of alleviating it.
If a company is included in our engagement programme, a plan is developed that outlines engagement objectives, milestones, timeframes, and engagement activities. The engagement approach varies depending on the type of engagement and frequency of contact with the company. While our policies do not explicitly mention vulnerable groups or people, we do describe vulnerable groups related to investments in our investment guidance paper on human rights.

Next to the active ownership activities carried out by our external asset managers, we have an in-house active ownership function as part of the RI team. The RI Committee oversees the team's activities and reports to the Management Board on progress and challenges at least once a year. In the past two years, we have increased our involvement in industry initiatives and engagements.

Through our active ownership programme, we address our commitment to human rights in several ways. For example, we are active participants in Sustainalytics' human rights thematic engagement programme, and an active member of the Platform Living Wage Financials (PLWF). Sustainalytics' human rights programme aims to accelerate the adoption of the UNGPs by engaging from a human rights perspective with companies in several high-risk sectors: metals and mining, infrastructure, electronics, food and services. The programme addresses human rights issues that include most of NN Group's salient human rights risks. The PLWF is a collaborative initiative that encourages investee companies from the garment and food sectors to enable living wages and incomes in their global supply chains, and monitors the progress these companies are making. Over 2024, NN Group led the engagement trajectories with Nestlé and Ahold Delhaize.

We require our asset managers to regularly provide updates on their voting and engagement efforts, which are then combined with our own active ownership activities and included in the NN Group's Active Ownership report. Our Active Ownership report also contains the number of engagement dialogues we have held with investee companies on human rights, and information on engagement dialogues with companies involved in controversies.

In our role as business partner, we reviewed our due diligence process to identify and remediate (potential) adverse human rights impacts. As a result, we have revised the onboarding process for new suppliers to embed salient issues in contracts, and scan current suppliers to identify high-risk pockets of activity (taking a risk-based approach based on sector geography and an understanding of the value chain). In addition, we have set up supplier engagement with relevant suppliers, and revised the SCC and other relevant policies to increase focus on salient issues.

NN Group's Terms and Conditions require suppliers to perform regular due diligence in their value chain, and if adverse impacts occur to take action and inform NN Group. Suppliers are also required to update our supplier qualification questionnaire every year and provide us with information related to the outcomes of their own due diligence process. This is part of NN Group's overall Supplier Risk Management process.

This year we launched a Supplier ESG Engagement Programme, assessing selected suppliers on the human rights-related strategies and policies they have in place and on how they report on gender equality and equal pay. We asked those suppliers we found lacking to commit to providing a timeline for correcting the gap.

For 2025, the engagement programme will also include assessments on freedom of association and collective bargaining for suppliers where it is found to be relevant. The supplier engagement occurs during the lifetime of the contract execution, and implementation of action plans are followed up during the regular performance meetings that contract managers have with the relationship managers on the supplier side. These regular meetings can be quarterly, semi-annual, or annual, depending on the criticality of goods or services that the supplier delivers, and the spend.

The Chief Procurement Officer is operationally responsible for the programme. While we do not engage directly with all value chain workers, we consider the vendor representative and their sustainability teams to be reliable proxies for the salient issues identified. In 2024 the scope of the programme was limited to suppliers of the Dutch business units and NN Group support functions, representing more than 25% of the spend in the Netherlands. In 2025, we will expand the scope to include other operating countries and to cover 30% of the spend of NN Group.

Remediating negative impacts

One way we help remediate negative impacts is by having mechanisms in place for employees, contractors, subcontractors and suppliers to report concerns around human rights wherever they occur across the value chain, including in NN Group itself. We do not restrict value chain workers from using these mechanisms. While we do not currently assess if value chain workers are aware of, or trust, these mechanisms for raising and addressing their concerns, in 2025 we aim to look at how we can establish a process to improve efficient communication and adequate trust. For information about our International Whistleblower Policy and Whistleblower Standard for Dutch Business Units and Head Office of NN Group, as well as the process, see p. 116.

Potential non-alignment of investee companies with NN Group's norms-based RI criteria may be raised by stakeholders such as NGOs, media sources, external ESG researchers, engagement providers, external asset managers or NN Group research staff. Throughout the different phases of the due diligence process, we actively seek dialogue with stakeholders if they signal specific (severe human rights-related) issues, or if we have concerns about a specific case. We aim to understand their concerns and, where relevant and possible, adjust our responsible investment policies and processes. Potentially affected stakeholders can also report their grievances with us, including those related to human rights and environmental issues. We recognise that we can make our grievance mechanism for stakeholders more accessible, including those stakeholders that are negatively affected by our investee companies.

We acknowledge that the preferred route is to ensure suppliers have their own mechanisms for reporting human rights concerns, as recommended by the OECD guidelines on due diligence. We assess whether suppliers have such mechanisms in place during the supplier onboarding process. All suppliers who sign our SCC commit to enabling their employees and other stakeholders to report concerns, including potentially unlawful practices, in the workplace.

Procurement does not yet have established processes in place to provide or enable remedy in the event of material negative impacts. Over the course of 2025 we plan to establish a Target Operating Model Sustainable Procurement, which will include such processes.

Acting on material impacts and mitigating material risks

As an investor, we have made significant efforts in recent years to improve our due diligence process, including active participation in the International Responsible Business Conduct Agreement for the Dutch insurance sector, a multi-stakeholder initiative. (See 'Our strategy and business' on p. 37 for more information about this Agreement.) In 2024, we took a step towards addressing the challenging issue of measurability around human rights. It is not easy to determine metrics to measure the impact and effectiveness of our due diligence efforts on people on the ground. As a step in this direction, we have created a social roadmap that includes investigating meaningful metrics on effectively addressing adverse impact and strengthening our company-wide grievance mechanism to enable affected stakeholders to voice concerns. We aim to further implement this roadmap during 2025 and 2026. See p. 182 for more information.

When it comes to our role as business partner, no severe human rights issues or incidents connected to NN Group's upstream value chain have been reported or identified via negative news screening. We currently do not have a documented process to identify what action is needed and appropriate in response to actual or potential negative impact on value chain workers. If impacts are identified, they will be treated on a case-by-case basis. During 2025, we will investigate the need of establishing a documented process.

Our Supplier ESG Engagement programme (see above) works as our mitigating strategy for potential impacts on value chain workers. One of the steps in the programme is to request suppliers in scope to commit to establishing action plans to improve their current policies and strategies around gender equality and equal pay in their workforce. For 2025, our focus will expand to encourage suppliers to respect the right to freedom of association and collective bargaining for their employees. We will measure the effectiveness of the Supplier ESG Engagement programme by yearly monitoring of suppliers in scope, from the moment they joined the programme until the engagement is considered complete. As the programme launched in 2024, we have not yet been able to assess its effectiveness. We train all procurement professionals to consider sustainability and human rights issues when selecting a new supplier. Our terms and conditions are applicable to all new contract and renewals, and they outline our minimum environmental and social requirements. NN Group's Procurement Sustainability Officers regularly join peer learning groups to support the development of collaborative action.

Targets

We do not yet have specific targets for managing material negative impacts, advancing positive impacts or managing material risks and opportunities for our role as investor or business partner. As part of our social roadmap, NN Group plans to investigate establishing targets, tracking our progress against them and identifying possible areas and related actions for improvements.

Community investment

NN Group has made a strategic commitment to contribute to the well-being of people and the planet. As part of this commitment, we aim to support the financial, physical and/or mental well-being of one million people in the communities in which we operate by 2025. Our community investment focuses particularly on people in our communities whose well-being is under pressure or at risk.

We invest resources, expertise, and networks to make positive change in those communities, together with community partners such as non-profit organisations, social enterprises and knowledge institutes.

Our activities related to financial well-being aim to improve people's ability to meet financial obligations, increase confidence in their financial future and improve their ability to succeed in work and life. Our activities related to physical and mental well-being aim to empower people by improving their health literacy (the ability to find, understand and use health services) and provide access to quality healthcare. We also intend to help people stay socially engaged and reduce potential loneliness.

We apply a globally consistent and locally relevant approach. 'Globally consistent' means we all adhere to the same Group-wide standards and work on societal issues that are close to our business priorities. 'Locally relevant' indicates that we apply the local context in developing interventions tailored to specific local challenges and needs.

Our community investment programme adds value to the business in various ways. It creates sustainable long-term value for stakeholders and is in line with our values and purpose. The programme is aligned with the business by focusing on topics that are relevant to business, society, customers and employees. In our employee engagement survey (Peakon), colleagues score an average of 8.5 on a scale from one to ten when asked if they agree with the statement: 'I think it's important for NN to contribute to society by supporting charitable organisations and volunteering'.

Interest in our community investment efforts is recognised externally. NN Group receives invitations to give presentations, keynotes and guest lectures at events and knowledge institutions. Our community investment activities are aligned with NN Group's DMA. See p. 125 for more information.

For information on how the interests, views and rights of communities inform our strategy and business model, see the connectivity table on p. 126.

Policies related to community investment

Our Sponsorship and Charitable Donation policy encompasses objectives, scope, target audience, risk management, control objectives and minimum requirements related to sponsorships and community investment. It serves as a guide for both sponsorship and charitable donations, highlighting their similarities and differences. The policy's primary goal is to establish mandatory principles and minimum requirements for every charitable donation or contribution we make, outlining the responsibilities of all involved parties.

The policy has a dual purpose. First, we aim to strengthen the positive impact of sponsorships and/or community investment on our brand strength, visibility, distinct positioning, and SSI profile by establishing key themes to focus on. Second, we seek to prevent and manage the potential reputational risks and inherent risk of corruption and conflict of interest caused by sponsorships and community investment. We also clarify what is in scope and what is not.

At NN Group, community investment includes cash contributions, management costs, volunteer hours and in-kind giving (the last two are both monetised). Cash contributions are the gross monetary amount that we pay to support a community organisation or project. These include charitable donations, membership of community organisations and research for the public good.

Volunteer hours are paid working hours that employees spend on a community organisation or project. They include volunteering, training, technical assistance and secondments. 'In-kind giving' consists of free donations of company goods, used equipment, meeting rooms or other resources. Management costs include the salaries, benefits and other overheads of community investment staff, along with spend on research and communications if it is used to help us engage with the community.

Two key documents support this policy: the Charitable Donations Flowchart and the Charitable Organisation Qualification Questionnaire. The Flowchart helps determine whether a contribution falls within scope and, if so, outlines the necessary steps to take, such as compliance checks. The questionnaire, part of our due diligence process developed in consultation with local compliance officers and/or operational risk managers, supports our selection of legitimate, reputable charitable organisations while mitigating associated risks.

We align our policy with the Business for Societal Impact (B4SI) framework for measuring social impact. We report according to its Corporate Community Investment Guidance Manual, and Corporate Community Investment Guidance Notes. We also have an impact measurement framework in place, in line with the policy and B4SI standard, to further refine our transparency and accountability in terms of the impact of community investment.

The Sponsorship and Charitable Donations policy applies to all NN Group businesses, including head office and those under NN Group's management control. In cases where local laws or regulations impose stricter rules, those prevail. The policy extends to our own operations. The Chief People, Communications, and Sustainability Officer is accountable for policy implementation. The full policy is available on NN Group's intranet, for employees only. The B4SI framework is publicly available on our own website. The Guidance Manual and Guidance Notes are available to B4SI members.

We base our community investment activities on five key principles, shown in the table below.

Our local markets receive annual budgets for community investment. Each year, based on these budgets, the representative responsible for community investment presents a business plan including a three-year forecast on their cash contributions, management costs, volunteer hours (monetised), and in-kind giving (monetised). The annual budgets are set in November for the following year. All activities within the scope of our policy are downstream and focused on our markets.

In 2024, we implemented a Community Investment Impact Framework for internal use, providing further details on our methodology and specifying in which cases we can claim impact.

Results

People supported in their financial, physical and/or mental well-being

We have the target to support the financial, physical and/or mental well-being of one million people by 2025 through our community investment programme. The target is absolute and measured by number of people supported. We define 'people supported' as the number of beneficiaries who receive a product or service through our contribution. We divide that into two categories: 'Financial well-being' and 'Physical and mental well-being'. To avoid double-counting, we only account for people supported when the support comes to an end, and only for those people who have been supported thanks to our contribution. Also, in many instances, people who received support once, do not return for the same support again. But for a small portion of activities there remains a small risk of double counting. To protect the privacy of beneficiaries, we cannot track this but consider this risk to be limited. NN Group accounts for 'people supported' through reporting from external partners.

Our partners report the number of people supported by us in their half-year and full-year reports. For the Disaster Relief Fund, NN Group refers to actual reports and project proposals to define the number of people supported whenever possible. However, when the Red Cross provides immediate disaster relief, they are often unable to confirm the number of people supported through reports. In such cases, we use a monetary proxy of EUR 90 per person, which is a cautious estimate of the cost of an emergency aid package, per person, in 2024, provided by Red Cross Netherlands. This figure can be revised if new estimates or reports become available during any of the emergency aid campaigns supported by NN Group.

In 2024, we supported a total of 364,904 people, of which 217,302 were supported in their financial well-being and 147,602 in their physical or mental well-being.

Five key principles for community investment

We bring the best of NN	We are globally consistent and locally relevant	We build strong partnerships for lasting impact	We take a systems approach	We are transparent and accountable
Whether through funding, volunteering, (in-kind) donations or our own expertise, we work to strengthen our communities by bringing the best we have to offer.	Challenges in one community are different from those in another. Our global, Group-wide standards provide clarity and consistency to our work, and yet we always take local context into account.	We not only support individual organisations that have social impact, but also bring different partners together to increase scope and strengthen our partners' organisational capacity with our own expertise.	By working with a variety of partners with complementary expertise, we stimulate stakeholder dialogue, collaboration and research.	Using the Business for Social Impact (B4SI) framework, we ensure a professional, consistent and credible approach to reporting and impact measurement.

Total contributions to communities

Total contributions are disclosed in euros and include cash contributions, management costs, volunteer hours and in-kind giving (both monetised). NN Group discloses this amount as a percentage of its operating capital generation (OCG). For this purpose, the average OCG of the three preceding years is used. Until 2023, NN Group disclosed community investment as a percentage of Operating Result. In line with OCG being NN Group's primary metric for its financial performance, as of 2024 the community investment amount is disclosed as a percentage of OCG. The comparative figures in the table were adjusted accordingly. This change had no impact on the community investment target to support the financial, physical and/or mental well-being of one million people by 2025.

In 2024, we contributed 1.1% of OCG (the average of 2021, 2022 and 2023) or EUR 18.7 million. The scope of any community investment metric or action is all NN Group markets with a business unit employing more than 100 FTEs, unless there has been a waiver procedure in line with our policy.

This year we continued our efforts to build strong partnerships for lasting impact. Our local business units further developed their partnerships in line with our strategy and targets.

In 2024, the NN Social Innovation Fund committed to invest EUR 2 million in Rubio Impact Ventures to support social enterprises that positively impact those whose well-being is at risk. Also we allocated EUR 2 million to launch the partnership Mental Well-being & Resilience for the Next Generation in collaboration with SOS Children's Villages and Save the Children, two organisations working to improve the psychosocial well-being of children worldwide. By the end of 2025, through this initiative, we hope to support over 40,000 children, adolescents and caregivers with essential resources and care.

We also strengthen our partners' organisational capacity and take a systemic approach. For instance, in the Netherlands, the 'coaching for impact' programme supports individual organisations in their organisational development. We supported Emma at Work for example, with its strategy development. By using detailed data research of the target group, Emma at Work adjusted its proposition and has set the ambition to increase its impact tenfold. NN Group also works with various partners that have complementary expertise, and stimulates stakeholder dialogue, collaboration and research. As well as our participation in the Dutch National Coalition for Financial Health (see below), we support the University of Ghent in its research on happiness in Belgium, and the University of Amsterdam with the development of its Research Centre for Longevity Risk.

The time horizons of the actions described above vary from one partner to another; we have multi-year agreements with some partners and annual agreements with others. Our intention with all of our partners is to build long-term sustainable partnerships that work towards lasting impact.

The table below shows our progress on each of the actions and metrics disclosed for the period 2022 to 2024.

Overview of our contributions to society (amounts in EUR million)

	2024	2023	2022
Cash contributions	14.4	16.0	9.7
In-kind donations (monetised)	0.3	0.4	0.2
Volunteer hours[1]	2.3	2.0	1.5
Management costs	1.6	1.6	1.4
Total contribution	**18.7**	**20.1**	**12.8**
% of operating capital generation[2]	1.1	1.4	1.0
People supported with financial well-being	217,302	120,705	63,870
People supported with physical and mental well-being	147,602	50,896	165,409
Total number of people supported	**364,904**	**171,601**	**229,279**
Cumulative progress on target of people supported (2022-2024)	765,784	400,880	229,279

1 Monetised at EUR 55 p/h in 2024, and at EUR 50 p/h in 2023 and 2022.
2 Based on the average of three preceeding years.

Cash contributions

In 2024, we contributed EUR 14.4 million to our community investmentment partners through cash contributions.

NN Group's cash contributions are measured in euros. We account for our cash contributions through contracts and invoices for example. Our Disaster Relief Fund, set up in 2023, helps to mitigate potential risks for our company and our stakeholders in the case of (natural) disasters. In 2024, this fund was used to support those impacted by the earthquake in Japan, wildfires in Greece, and floods in Poland, Czech Republic, Romania, Hungary and Spain.

Management costs

In 2024, NN Group spent EUR 1.6 million on management costs to professionally organise the community investment programme. We account for management costs based on, for example, contracts and invoices. We account for FTE costs based on the internal overview of cost allocation of FTEs at the respective department where the community investment programme is run.

In 2024, total management costs for community investment represented 8.7% of total contributions to communities.

Volunteer hours

In 2024, we volunteered 42,409 hours across our markets. This has a monetised value of EUR 2.3 million.

Volunteer hours are monetised at EUR 55 per hour and based on time contributions. Since 2022, we calculate time contribution costs based on the average hourly rate at NN Group for the previous year, rounding it down to approximate actual costs. In, 2024, in line with the methodology used in previous years, we calculated the hourly rate based on the total employee remuneration across NN Group as disclosed in our 2023 Annual Report, divided by 1,650 hours a year, as this is the NN Group standard for a full-time equivalent (FTE). This is rounded down to a total cost of EUR 55 per hour.

The parties we volunteer for confirm the volunteer hours through reports or email. We then reconcile the hours confirmed with our internal registration. A potential limitation of this methodology is that it does not represent market value or actual value to society.

Every business unit with a community investment programme offers year-round volunteer opportunities. Since 2020, NN Group has organised an NN Volunteer week. In 2024, 2,106 employees signed up to volunteer for a partner organisation during that week. We continue to further build this programme, seeking a balance between employee interests, social impact and business relevance. This approach is expected to lead to an increase in volunteering hours in the coming years.

In-kind donations (monetised)

In 2024, NN Group contributed EUR 310,000 in ‘in-kind giving’. All in-kind contributions are valued at what they have cost the company to make, not at what the beneficiary organisation would otherwise have had to pay in the open market[1].

In-kind giving is measured in euros, at day value (e.g. day value at amortised costs and based on evidence from internal finance/service department or against actual costs for NN through invoices). We account for our in-kind donations based on contracts and invoices for example, or external sources that confirm the value.

Where appropriate, we look into how office equipment such as furniture and laptops can be shared with partner organisations. We do not plan or steer on this but take a case-by-case approach based on the added value our in-kind resources can bring to these organisations and their beneficiaries.

Actions

National Coalition of Financial Health

Since 2023 we have been part of the Dutch National Coalition of Financial Health, which aims to improve the financial health of households in the Netherlands. Through our participation in this coalition, we intend to contribute to the financial health of employees, lead the working group for small and medium-sized enterprises (SMEs) and to contribute EUR 10,000 to support the coalition’s mission. The time horizon is multi-year, but we may reconsider our engagement with the coalition each year. The actions we take are downstream and in the Netherlands only. The current focus is on employees, but in the future the coalition intends to broaden its scope to include other stakeholders such as customers. In 2024, NN Group actively participated in the working group on SMEs to support SME employers with the financial health of their employees.

[1] B4SI Guidance Manual, 2021, Chapter 1.2, p. 12.

Consumers and end-users

‘Consumers and end-users’ comprises customers, both retail and business, and our corporate clients. Customers are the starting point for everything we do. We aim to support them in dealing with both expected and unforeseen changes at key moments in their lives by offering products and services that are easy to understand and use.

We operate in an ever-changing landscape. People live longer, digital technologies are evolving rapidly, and global warming is of growing concern. We support customers in navigating this landscape by providing products and services that aim to address both their changing needs and societal issues, assisted by our digital capabilities.

We have identified two material sustainability matters that impact all our customers: ‘financial inclusion’ and ‘clear and secure data’.

Material IROs and how they interact with strategy and business model

All material impacts related to customers are linked to NN Group’s strategy and business model; this is illustrated in the visual on p. 180 under the value chain role ‘Our products and services’ and detailed further in ‘General disclosures’ on p. 126.

We identified financial inclusion as a material sustainability matter for several reasons. Both retail and corporate clients could be exposed to potentially negative impacts on their right to privacy, data protection, freedom of expression and non-discrimination. They also both rely on accurate and accessible information about avoiding harm when using our products and services. We acknowledge there may be customers who are potentially vulnerable to marketing and sales practices. Both of these customer groups are covered by our sustainability disclosures.

We strive to offer products and services that serve customers, and we aim to safeguard financial inclusion. Our marketing practices, including the way we communicate with customers, are designed to support transparency, fairness and customers’ well-being. Our approach to arrears management reflects our commitment to treating customers fairly and responsibly, while also maintaining the financial stability of our business.

The potential negative impacts identified in the sustainability matter ‘clear and secure data’ are typically related to individual incidents. In contrast, the potential negative impacts identified in ‘financial inclusion’ can be more systemic. We have not yet developed an understanding of which types of customers are at greater risk of harm.

For information on how the interests, views and rights of customers inform our strategy and business model, see the connectivity table on p.126. See p. 122 for information on how we integrate considerations around material impacts on customers into our strategy and business model.

Policies and standards

We have several policies and standards in place that relate to the identified material sustainability matters ‘clear and secure data’ and ‘financial inclusion’. Policies are set centrally and implemented locally. Each policy or standard is therefore applicable to NN Group as a whole and serves as a baseline for our business units. Below we describe relevant policies and standards and indicate how our business units (NN Bank, NN Non-life, NN life and NN International) implement them locally.

Details about changes to the policies in the period covered are described in each respective paragraph. Where relevant, policies reflect the views and expectations of stakeholders, and are set and approved by NN according to the applicable governance.

Product Policy

NN Group’s Product Policy gives concrete guidance on fulfilling our strategic commitments towards customers and distribution partners and relates to the material topic of financial inclusion. Its most important guiding legislation is the European Insurance Distribution Directive, supplemented by the EC-delegated regulation regarding product oversight and governance requirements for insurance undertakings and insurance distributors. The interests of key stakeholders are considered in the policy setting. NN Bank has additional, dedicated, product-related policies to accommodate the specific characteristics of banking products.

The Product Approval and Review Process (PARP), part of the Product Policy, aims to reduce product risk by assessing effective design, underwriting and claims management, and the adequate pricing of products, as well as assessing their suitability for customers. PARP also safeguards that products are reviewed on a regular basis and can be effectively managed throughout their lifetime.

We regularly assess the product portfolio for compliance with the Product Policy, as well as its effectiveness. The policy owners are responsible for informing the relevant functional line in the business regarding policy updates and other (potential) changes. Regulation related to our products may vary locally, but all local standards and policies must comply with the Product Policy as maintained by NN Group. The policy was updated in December 2024, adding sustainability elements and ensuring alignment with product descriptions.

Responsible Insurance Underwriting Framework Policy

The Responsible Insurance Underwriting (RIU) Framework Policy, which also covers financial inclusion, sets the minimum standard for implementing sustainability in our underwriting and related product development and risk management activities. The policy was published in April 2024 and aims to integrate sustainability matters into insurance activities by evaluating the sustainability risks and opportunities associated with a product or service, as well as considering the potential impact on clients, society and the environment. The policy currently applies to the Dutch insurance activities for the retail and commercial lines of Nationale-Nederlanden Schadeverzekering Maatschappij N.V., ABN AMRO Schadeverzekering N.V., Nationale-Nederlanden Levensverzekering Maatschappij N.V. and NN Re (Netherlands) N.V.

NN Group's business units in the Netherlands were given a year from the policy's publication date to define an implementation processes to align their business activities. The implementation deadline for NN Group's business units in the Netherlands is still running. Each business unit may develop its own implementation process, based on the RIU Policy and guided by the RIU Committee, to accommodate its specific context. In the meantime, the RIU Policy serves as a guiding principles for our insurance activities beyond the Netherlands. We will review the policy annually and revise it when necessary to keep it relevant.

Data Protection Policy

The Group Data Protection Policy aims to support adherence to the principles of the General Data Protection Regulation (GDPR), as well as considering the interests of key stakeholders and mitigating risks associated with non-compliance to data protection requirements, laws and regulations. The policy applies to all NN Group entities established in the EU that process personal data, and to those that process the personal data of data subjects within the EU, regardless of whether they are located in the EU. Compliance with the policy is established by implementing and monitoring related work processes and statements, such as the Data Protection Officer (DPO) Charter, the NN Privacy Statement and the NN Code of Conduct. The Group Data Protection Policy also includes a process for reporting data breaches. There were no material changes to this policy in 2024.

NN Artificial Intelligence Framework

The NN Artificial Intelligence Framework (NN AI Framework) aims to achieve adequate implementation and use of trustworthy AI within NN Group for the ethical, transparent, and responsible use and development of AI technologies. The Framework aligns with the EU's Artificial Intelligence Act (AI Act). All business units and staff departments must adhere to the NN AI Framework by conducting AI Assessments before developing or using AI systems. The AI Working Group validates these AI Assessments with a specific focus on ethical aspects. NN life and NN Non-life are both adding their own enhancements. NN Non-life for example, is setting up a local AI working group to help ensure there is focus on the ethical implementation of AI, and that potential follow-up actions are taken.

The AI Working Group is developing an AI Governance model that empowers business units to implement an effective AI governance structure and that can be resized to meet their specific needs. The Framework was updated in 2024 to ensure alignment with the AI Act that came into force in August 2024.

Incident Management Standard

The Incident Management Standard aims to ensure adequate and timely reaction to (potential) incidents to limit their impact, including any material breaches of laws, regulations, internal policies or standards. It also aims to create a feedback loop for learning from such incidents, and to enable disclosure to regulatory bodies if appropriate or required. The Standard applies to all NN Group's processes. Compliance with the Standard, and its effectiveness, are monitored through regular reporting, monitoring of key performance indicators, and regular assessment of the incident management process. The Standard was revised in June 2024.

Human rights

The relevant policies are aligned with NN Group's Human Rights Statement and designed to ensure we respect and protect human rights, including those associated with privacy, data protection and the fair treatment of customers. Our NN AI guidelines also include ethical considerations for the development and use of AI, safeguarding that we do not violate either human rights or data privacy.

We do not track cases of not respecting these standards that involve customers, as there is no labelling system in place to identify such cases in the downstream value chain. Therefore, we cannot confirm if there has been a case of non-respect.

NN Group is committed to promoting responsible business practices and upholding human rights and labour rights standards in our operations and supply chain. Engagement with customers regarding human rights is part of our salient human rights analysis and general human rights efforts. (See p. 181-182 for a full description of our human rights approach.)

Processes for engaging with customers

When we develop products, we use market research to help us meet the needs of a diverse range of customers and aim to ensure they receive all relevant information before making a purchase. We also reach out to clients if documentation or information is needed to avoid mis-selling, and do our best to make sure they have access to the financial services and support they need.

Regarding our material sustainability matters of 'financial inclusion' and 'clear and secure data', we have not yet taken specific steps to identify those customers who are particularly vulnerable to financial non-inclusion or exposure to data breaches. It is for this reason that we describe our general processes.

The processes for engaging with customers, including the frequency of engagement, vary depending on the product and distribution channel, as does the most senior role responsible for that engagement. We enable direct customer contact through our call centres and conduct surveys allowing customers to share their experience with us. In certain cases, we discuss issues with consumer organisations representing a broad range of customers. We evaluate how effective our engagement is through periodic product reviews and customer feedback. The NN statement of Living our Values and our Communication Approval Process both provide guidance on engaging with customers, and safeguard that the communication contains all relevant information and is in line with our communication standards.

To reflect our commitment to financial inclusion for all customers, NN Bank has a dedicated team that aims to help customers who fall behind on payments. In the Netherlands, NN Life harnesses services such as Pensioen Hulp and Pensioen TV to help customers over the age of 50 prepare for their pension date. Pensioen Hulp is free and used by around 70,000 Dutch customers. Pensioen TV is also free for all active and inactive users of our pension products. It explains what recent changes in the Dutch pension system mean for them as NN customers.

Processes to remediate negative impacts and for raising concerns

Each business unit has processes for addressing concerns and negative impacts, as well as channels available for customers to raise concerns. Multiple channels, such as online calls and dedicated contact centres, are available for customers to raise concerns on matters related to financial inclusion and privacy, among other topics. Our approach is to monitor, and where possible remedy, the material negative impacts we have identified for customers, as well as assess how aware customers are of the channels that are available to them, and what their experience is of using them.

We recognise that it is important to not only have complaints policies and procedures in place, but also that our customers are aware of them. That is why we include procedures for complaints, and for communicating negative impacts experienced by customers, clearly and in detail on our website. We also provide an overview of NN Group's procedures for response and how we help ensure that such impacts are addressed, together with routes for escalation, including details of the appropriate regulatory channels in those cases where the customer does not feel we have addressed such negative impacts satisfactorily. The Incident Management Standard aims to ensure adequate and timely reaction to incidents such as data breaches.

In the event of a data breach, NN Group actively advises the party that caused the breach to take measures. We have GDPR control frameworks in place, and our policies detail the designated roles and functions of people in the company who advise on GDPR implementation and who monitor compliance.

To address the material negative impacts our products may have on customers, we hold periodic product reviews and optimisations during product design and throughout the lifecycle. If there is a material negative impact on customers relating to product design, marketing or sales, we make adjustments to the relevant (communication) process. We monitor and review products that have already been launched to identify anything that could materially affect the product's main features, their risk coverage or guarantees. The Product Risk Committee, Operational Risk Committee, and Data Protection Officer (DPO) all play significant roles in the processes of addressing negative impacts.

Remediation

As part of our financial inclusion remedies, we apply forbearance measures if a client is experiencing, or anticipating, difficulty meeting their financial commitments. We may, for example, grant concessions for premium payments where appropriate. Since NN Bank is our clients' loan and mortgage provider, we have established arrears management practices with the bank to assist customers experiencing difficulties with their mortgage repayments. We believe this approach reflects our commitment to treating customers fairly and responsibly, while maintaining the financial stability of our business. Financial inclusion and data privacy are also salient items, as described in our human rights approach on p. 182 , which also outlines our grievance mechanism.

Complaints and concerns channels

While there is no Group-wide policy for addressing complaints, local business units have complaints policies to guide them on how we remediate and monitor concerns and negative impacts on customers. All business units have multiple channels for customers to raise concerns about our products or services, either directly, through our website, or through tied agents/advisors, phone calls, or formal, regulatory complaints channels. Complaints are recorded, processed and monitored for timely resolution, and we have quality control measures in place to handle them appropriately. Initial responses are shared with the client within a short timeframe before assessing the complaint to determine potential remediation. The local complaints policies aim to protect complainants from retaliation when they use these channels and processes. The local complaints policies and available channels can be found on the (local) website, along with a clear description of the complaints and remediation process.

We monitor the effectiveness of complaints policies and how complaints are treated. We analyse the nature of the complaints, the product area, customer group, root cause and effectiveness of the response, including remediation efforts, publishing our findings in the Klachtenrapportage (complaints report). Our findings are incorporated into the risk control framework to aid effectiveness, and recommendations are made for improvement. In some countries where we operate third-party sales, partners are also able to use our customer complaints channels. All business units have internal processes and committees to deal with complaints and, where possible, remediate the issues arising from incidents.

We document lessons learned from the processes described above and aim to follow up and/or resolve all incidents in a timely manner. We review unresolved complaints and seek resolutions (or escalations, if resolutions are not possible) in the existing framework. We also measure the effectiveness of our channels by asking clients for feedback about our complaints processes, inviting suggestions for improvement.

Data protection

The Data Protection Policy includes a data breach reporting process and NN Group is committed to addressing any concerns or negative impacts that might arise. This reporting process involves recording and processing complaints, seeking solutions and monitoring the timely resolution of complaints. Channels for customers to raise their concerns or needs include an online complaint form, physical mail, email and phone. NN Group aims to protect complainants from retaliation when using the above-mentioned structures or processes.

We aim to ensure these channels are effective through a transparent communication process, where responses are given in understandable language and there is always the possibility of further contact. NN Group tracks and monitors issues raised and addressed. Channels are available to customers directly through NN Group or through participation in third-party mechanisms. NN Group supports or requires its business partners to make similar channels available.

Communication Approval Process

To further protect customers, our local Communication Approval Process helps ensure all communications we issue are accurate and clear and comply with legal and regulatory requirements.

Actions

The policies and standards described above guide the processes to determine what action we need to take to prevent, mitigate, and remediate negative material impacts on customers related to the sustainability matters ‘clear and secure data’ and ‘financial inclusion’. Recognising the importance of these topics, we take policy-based actions, and the responsible business unit or Group function evaluates the effectiveness of each action. There is no specific time horizon for current or planned actions. The specific contribution of each action to the achievement of policy objectives or targets is not measured. The scope of each action includes all our customers, as defined on p. 203.

Regarding data protection, ongoing actions include:

- training relevant employees to recognise situations where risks might occur, and how to prevent breaches;
- rolling out e-learnings, some of them mandatory for all NN Group employees, aiming to educate them about the risks and impacts around data protection, and the processes and policies we have in place to avoid them;
- if data breaches occur, we inform the local data protection authority and data subjects, in accordance with the requirements of applicable data protection law;
- documenting and monitoring data breaches and their impact, managed from the relevant risk perspectives (reputational, regulatory and financial). Learning from incidents helps us strengthen he RMF, avoid repeating such incidents in the future, and continually improve our policies and processes.

Future data protection-related actions include:

- simplifying and digitising our internal processes to reduce errors and provide a better service for customers.

To help ensure these actions are effective, the DPO oversees processes that could cause impact in the area of data protection.

Regarding financial inclusion, ongoing actions include:

- helping customers who currently face, or who are in danger of facing, financial distress, and continuing our efforts committed to make our products and services financially inclusive;
- referring customers in the Netherlands to the National Debt Relief Route’s ‘Geldfit’, which provides information about appropriate support organisations;
- facilitating contact with budget coaches or job coaches if needed.

Future financial inclusion-related actions include:

- having received positive feedback, we plan to extend a training that was piloted in 2023 and continued in 2024, about how to recognise employees who are under financial stress, offering it free to the HR directors of our pension clients;
- we assume that the ongoing implementation of the RIU Policy in the Netherlands and abroad will also lead to actions related to financial inclusion and, specifically, to product design. See p. 203 for more details of the policy.

By focusing on financial inclusion, we can help to reduce inequality and take steps to enable customers to benefit from a low-carbon economy.

No additional actions or initiatives are in place that have the primary purpose of positively contributing to improved social outcomes. For information regarding the integration of risks regarding our customers, see ‘Managing our risks’ p. 52-62.

Targets

We have not yet set specific targets for financial inclusion, and do not yet have targets on clear and secure data. As we monitor changes in customer needs and in the world around us, we will be making every effort to respond to these changes.

Governance

Contents

Good corporate governance is deeply rooted in our purpose and essential to achieving our strategic goals. Our culture and values guide our daily decisions and shape our interactions with internal and external stakeholders. We are committed to conducting business according to our values, which help ensure compliance with laws and regulations across the various jurisdictions where we operate. They also contribute to the continued trust of our clients, shareholders, employees, business partners and society.

Through our materiality assessment, we identified ‘corporate culture’, and ‘corruption and bribery in our own operations’ as material topics for business conduct. Non-adherence to our values of ‘care, clear, commit’ can negatively impact our corporate culture and thereby our stakeholders. Corruption and bribery are illegal practices that do not align with NN Group’s core values. They can exacerbate economic inequality by allowing those with resources to influence decisions in their favour, often at the expense of the wider population. They can also potentially harm NN Group’s reputation.

Using our values to guide our decisions, interactions and strategic framework will positively impact our corporate culture, and help us create sustainable long-term value and fulfil our purpose of caring for what matters most to people.

Information about combatting corruption and bribery can be found on p. 209. For more about business conduct see ‘Our values’ on p. 7 and ‘Our Code of Conduct and other policies’ on p. 115, while additional information about our corporate culture can be found in ‘Our strategy’ on p. 25.

Governance sustainability matters

Positive impact
Negative impact

Own operations

Corporate culture

- (+) By adhering to our core values 'care, clear, and commit', we can have an **actual positive impact** both on individuals and the environment. Our values are the foundation of our culture, serve as a compass for decision-making, guide us in all our interactions and are an integral part of our strategic framework. By adhering to them we aim to create sustainable long-term value for our stakeholders. Through this approach, we foster a culture of responsibility and sustainability, helping people protect what they value most.
- (−) If we do not live up to our values of 'care, clear, and commit', we have a **potential negative impact** on our stakeholders. Poor decision-making or failure to address highlighted areas of concern and recommendations for improvement can undermine trust and damage relationships.

Corruption and bribery

- (−) When we do not live up to our core values of 'care, clear, and commit', there is a risk that we have a **potential negative impact** if individuals in the organisation engage in corruption and bribery. Corruption and bribery is 1) (in most jurisdictions) illegal, 2) not in line with NN's values and 3) could lead to economic inequality, as those with resources might unfairly influence decisions to their advantage, often at the expense of the wider population.

Products and services

Investments

Business partners

Governance

Prevention and detection of corruption and bribery

Fighting corruption and bribery is integral to our Code of Conduct, which strictly prohibits the offering or accepting of bribes. We have established policies and processes to prevent, detect and address (allegations of) corruption and bribery. Examples of these include the Outside Positions and Outside Interests Standard, and the Gifts, Events and Business meals Policy.
To help prevent corruption and bribery, our risk framework prescribes periodic risk assessments, which includes the assessment of bribery and corruption risk. We also conduct an annual review of policies to reflect our evolving risk landscape. These policies are communicated to all employees through e-learnings and the annual acknowledgment of the NN Code of Conduct and Manager Annex.

We monitor participation rates and compliance awareness through our Integrity Dashboard for first-line management and the Compliance Dashboard for the Compliance community. All employees (which includes members of the Management Board and not members of the Supervisory Board), including new joiners, must complete the Conflicting Matters e-learning, which covers corruption, bribery and conflicts of interest risk, as well as ‘The Code’ e-learning, which covers expectations related to employee conduct. These trainings are available in all local NN languages. Additionally, NN Group has several mandatory e-learnings focusing on raising awareness about confidential and price-sensitive information, market abuse and insider trading, the whistleblowing procedure and the use of data. Since corruption and bribery was added as a material topic based on the DMA of 2024, we are assessing the need for additional training in this area, as well as the measures needed to calculate the percentage of at-risk functions covered by training programmes, and the general trainings and local initiatives we have in place for functions (inherently) at risk, such as certain commercial functions, procurement and teams from investment and/or transactions.

To detect corruption and bribery, we leverage data analytics to create dashboards that consolidate data from various sources, enhancing risk management and compliance monitoring. This supports effective allocation of resources to manage compliance risks. We also evaluate and integrate new technologies, including AI, approved by the AI Working Group, to address emerging risks. The AI Working Group oversees AI assessments and the deployment of AI in the organisation.
We expect (suspected) material breaches of the Code of Conduct, including bribery and corruption, to be reported to senior management, who can commission an independent investigation; the results are reported to its commissioner and a multidisciplinary Settlement Council decides on the next steps and (disciplinary) measures to be taken.

As part of NN Group’s risk framework, a detailed quarterly report is provided to the NN Group Management Board on (the effectiveness of mitigating) compliance risks in the business units and Group support functions, including Business Conduct Risk, which covers bribery and corruption. We have protocols and mechanisms in place for the timely investigation of misconduct, including root cause analysis.

Confirmed incidents of corruption or bribery

	2024	2023
Convictions for corruption/bribery (# of cases)	0	0
Amount of fines for corruption/bribery (EUR million)	0	0
Number of confirmed incidents of corruption/bribery (# of cases)	0	1

Throughout 2024, no reports on bribery or corruption were received through either the Speak Up system or Corporate Security and Investigations, so no disciplinary measures (warning, reprimand, termination of employment or instant dismissal) were taken.

As there have been no cases of corruption or bribery in 2024, NN Group has not needed to take any additional mitigating actions.

Annex

Definitions of material topics

This table includes the definitions of the material sustainability matters identified in the DMA process. These definitions are based on the list of ESRS and made specific to NN Group.

Environmental topics	Definition
Climate change adaptation	Process of adjustment to actual and expected climate change and its impacts. Ways of how an organisation adjusts to current and anticipated climate change-related physical and transitional risks, as well as how it contributes to the ability of societies and economies to withstand impacts from climate change. This matter also covers an organisation's strategy in relation to the transition to a low-carbon economy and the impacts of that transition on workers and local communities.
Climate change mitigation	Process of reducing GHG emissions and holding the increase in the global average temperature to well below 2 °C and pursuing efforts to limit it to 1.5 °C above pre-industrial levels, as laid down in the Paris Agreement.
Nature (biodiversity and water)	Water: the sum of effluents and water released into surface water or groundwater that is outside a company's boundaries, or the boundaries of a third party, over the course of the reporting period. The amount of water drawn into the boundaries of the undertaking or facility, and used, over the course of the reporting period. Factors that can directly affect biodiversity and lead to its decline. These drivers are typically human-induced changes that negatively impact ecosystems and species that inhabit them. The human use or management of a natural resource that lies within a specific area, that area having a specific purpose (such as residential, agricultural, recreational, industrial, etc.).
Sustainable repair (circular economy)	A circular economy fosters a looped system where goods are reused, repaired, recycled or repurposed, as opposed to the traditional linear economy's 'take-make-dispose' approach. A circular economy includes the preferred option of repair as a solution to damages we cover as an insurer with our products and services.
Social topics	
NN workers' secure and fair employment	Secure employment: increasing the percentage of workforce with employment contracts (especially permanent contracts) and social protection. This includes the freedom of expression, which is the right to seek, receive and impart information and ideas of your choice without interference and regardless of frontiers. Adequate wages: wages that provide for the satisfaction of the needs of the worker and his/her family in the light of national economic social conditions. Social dialogue, workers' rights and collective agreements: extending social dialogue to more establishments and/or countries. This includes the increasing percentage of own workers being covered by collective bargaining, negotiating collective bargaining agreements over sustainability issues. This also includes privacy rights of NN Group employees, where these rights protect them from unlawful and unnecessary surveillance.
NN workers' well-being	Extending work/life balance measures to a greater percentage of own workers and increasing the vitality and well-being of our people.

Definitions of material topics continued

Equal treatment and opportunities for all at NN	Refers to a workforce that is representative and inclusive. This includes promoting gender equality and equal pay, increasing the presence of women in the workforce and top management, reducing the wage gap, the employment and inclusion of persons with disabilities, as well as increasing the representation of underrepresented groups in the workforce and top management to foster a diverse and inclusive organisational culture.
Human capital development and attraction at NN	Human capital can be broadly defined as the stock of knowledge, skills and other personal characteristics that people have that helps them to be productive. This is gained by pursuing formal education (early childhood, formal school system, adult training programmes) but also through informal and on-the-job learning and work experience. This is all investment in human capital. The impact NN Group has on its own workforce by nurturing a culture that supports continuous learning and collaboration and investing in personal and professional development. Also, the impact that attracting, retaining and developing the right talent, as well as fostering employee satisfaction, has on NN Group and our ability to execute our business strategy. This includes reskilling our workforce towards evolving ways of working and developing insurance business models.
Workers in the value chain (investments)	Equal treatment and opportunities for all: within the value chain this means ensuring that every individual, regardless of their gender, race, ethnicity, age, disability, sexual orientation, religion or any other characteristic, is given the same rights, responsibilities, and chances to succeed, within the same job context. This principle is based on the concept of non-discrimination, which requires that no individual or group is treated less favourably than another in similar situations. Equal pay: The States Parties to the present Covenant, part of the International Covenant on Economic, Social and Cultural Rights, recognises the right of everyone to the enjoyment of just and favourable conditions of work which ensure, in particular: (a) Remuneration which provides all workers, as a minimum, with: (i) fair wages and equal remuneration for work of equal value without distinction of any kind, in particular women being guaranteed conditions of work not inferior to those enjoyed by men, with equal pay for equal work; (ii) a decent living for themselves and their families in accordance with the provisions of the present Covenant; (b) safe and healthy working conditions; (c) equal opportunity for everyone to be promoted in their employment to an appropriate higher level, subject to no considerations other than those of seniority and competence; (d) rest, leisure and reasonable limitation of working hours and periodic holidays with pay, as well as remuneration for public holidays. Child labour: all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, forced or compulsory recruitment of children for use in armed conflict, procuring or offering of a child for illicit activities, work which is likely to harm the health, safety or morals of children. Forced and compulsory labour: all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily. Forced labour encompasses traditional practices such as vestiges of slavery or slave-like practices, and various forms of debt bondage, as well as new forms of forced labour that have emerged in recent decades, such as human trafficking, also called 'modern slavery'.

Definitions of material topics continued

Workers in the value chain (business partner)	Secure and fair employment: the right of everyone to the enjoyment of just and favourable conditions of work which ensure, in particular: fair wages and equal remuneration, a decent living for themselves and their families, safe and healthy working conditions, equal opportunity for everyone to be promoted, rest, leisure and reasonable limitation of working hours and periodic holidays with pay. Collective bargaining: everyone shall have the right to freedom of association with others, including the right to form and join trade unions for the protection of their interests.
Community investment	The impact of NN Group on the communities around us by investing our resources, expertise and networks to maximise positive change in our communities, specifically around financial, mental and physical well-being (together with non-profit organisations and research institutes).
Financial inclusion	Financial inclusion of consumers and/or end-users means that individuals and businesses have access to useful and affordable financial products and services that meet their needs: transactions, payments, savings, credit and insurance, delivered in a responsible and sustainable way.
Clear and secure data	Secure data: data privacy and security of end-user information call for more transparency: 1. No-one shall be subjected to arbitrary or unlawful interference with their privacy, family, home or correspondence, nor to unlawful attacks on their honour and reputation. 2. Everyone has the right to the protection of the law against such interference or attacks. Clear data: access to (quality) information, giving consumers transparency regarding the products and services they are obtaining so they have the opportunity to make a well-informed decision.
Governance topics	
Corporate culture	Corporate culture expresses goals through values and beliefs. It guides the undertaking's activities through shared assumptions and group norms such as values or mission statements or a code of conduct.
Corruption and bribery	Refers to unethical practices involving the misuse of power, influence, or resources for personal gain or advantage. It involves actions such as offering, giving, receiving, or soliciting bribes, as well as engaging in fraudulent or dishonest activities that undermine the integrity and fairness of business operations.

Our contribution to the Sustainable Development Goals (SDGs)

Sustainability matter	Role	SDG	Contribution	Chapter reference[2]
Climate change[1]	Investments	7 Affordable and clean energy	With our investment strategy on climate solutions related to energy efficiency and renewable energy, such as renewable energy structure, we contribute to universal access to affordable and clean energy by boosting clean energy investments.	Sustainability Statement - Environment - Climate Change p. 142-143
		13 Climate action	With our Responsible Investment (RI) Framework policy, which also includes exclusion criteria for fossil fuel activities, as a signatory of the Paris Aligned Asset Owner (PAAO) and participation in the Paris Aligned Investment Initiative (PAII), we are committed to aligning our portfolios with the objectives of the Paris Agreement.	Sustainability Statement - Environment - Climate Change p. 138-139
	Own operations	13 Climate action	We contribute to this SDG by adopting strategies in our buildings and own operations that reduce emissions and mitigate then negative effects on climate change.	Sustainability Statement - Environment - Climate Change p. 136-138
	Products and services	13 Climate action	By considering climate change mitigation and adaptation as part of our underwriting and product development we contribute to mitigating our negative impacts and strengthen resilience and adaptative to climate-related hazards.	Sustainability Statement – Environment - Climate Change p. 143-145
Nature (biodiversity and water)	Investments	6 Clean water and sanitation; 14 Life below water; 15 Life on land	We support the development of a holistic view of environmental topics and aim to integrate nature-related considerations into our responsible investment activities.	Sustainability Statement – Environment - Nature p. 167-168
Sustainable repair	Products and services	12 Responsible consumption and production	By advancing our sustainable repair practices we contribute to ensure sustainable consumption by extending the life of products and encourage reuse and repair of materials.	Sustainability Statement - Environment - Sustainable repair p.169
NN workers' secure and fair employment	Own operations	5 Gender equality; 8 Decent work and economic growth	By fostering social dialogue through the European Works Council (EWC) and local works councils and negotiating Collective Labour Agreements (CLAs) we contribute to decent work for all.	Sustainability Statement - Social - Own workforce p. 187-188
NN workers' well-being	Own operations	3 Good health and well-being; 8 Decent work and economic growth	By offering flexible employment opportunities and promote a healthy work/life balance we contribute to achieve full and productive employment and decent work for all.	Sustainability Statement - Social - Own workforce p. 186-187
Equal treatment and opportunities for all at NN	Own operations	5 Gender equality; 8 Decent work and economic growth; 10 Reduced inequalities	With our implementation of a Diversity, Equity & Inclusion strategy and policy we directly contribute to the goal of ensuring women's full and effective participation and equal opportunities for managerial positions. In this strategy we strive to be an inclusive employer and reduce inequalities for our employees.	Sustainability Statement - Social - Own workforce p. 183-185

[1] Concerns both our contribution to climate change mitigation as well as adaptation.
[2] In these chapters more information can be found on the impacts, risks and opportunities associated with our material sustainability matters.

Our contribution to the SDGs (continued)

Sustainability matter	Role	SDG	Contribution	Chapter reference[1]
Human Capital Development and attraction at NN	Own operations	8	By offering upskilling programs in areas like data, analytics and AI we prepare employees for future technological advances and contribute to higher levels of economic productivity through diversification, technological upgrading, and innovation.	Sustainability Statement – Social – Own workforce p. 185-186
Workers in the value chain	Investments	5, 8, 10	With our Responsible Investment (RI) framework policy we contribute to SDG 5, 8 and 10 we try to mitigate our negative impacts, with our investments on workers in the value chain by ensuring that investments align with international standards.	Sustainability Statement – Social – Workers in the value chain p. 195-196
	Business partners	8, 10	With our Supplier Code of Conduct and Sustainable Procurement Statement we contribute to SDG 8 and 10 by trying to mitigate our negative impact on workers in the value chain by requiring suppliers to adhere to fair labour practices and disclose measures to prevent modern slavery and human trafficking.	Sustainability Statement – Social – Workers in the value chain p. 195-196
Community investment	Own operations	1, 3	With our community investment activities, we aim to contribute to SDG 1 and 3 by focusing on people's financial, physical and/or mental well-being.	Sustainability Statement – Social – Community Investment p. 199-202
Financial inclusion	Products and services	8, 12	With our Product Policy we aim to reduce our negative impact and ensure we offer products and services that are easy to understand and use to ensure access to financial services for all. We support our customers who encounter or are at risk of encountering financial distress.	Sustainability Statement – Social – Consumers and end-uers p. 203-204
Clear and secure data	Products and services	8, 9	With our Data Protection Policy we aim to adhere to the General Data Protection Regulation (GDPR) principles to safeguarding privacy and security of customer information and mitigate misuse of customer data fostering secure and stable economic environment and a secure and resilient infrastructure.	Sustainability Statement – Social – Consumers and end-users p. 204
Corporate culture	Own operations	3, 8	With our Code of Conduct and awareness initiatives we support and promote our NN values and beliefs to create a safe, healthy, and productive workplace.	About NN - Our values and behaviours p. 7-8
Corruption and bribery	Own operations	16	With the establishment of policies and processes such as Outside Positions and Interests Policy and the Gifts, Events and Meals Policy alongside conducting periodic risk assessments we contribute to reduce corruption and bribery in all forms.	Governance – Our Code of Conduct and other policies p. 115-118 Sustainability Statement – Governance – Prevention and detection of corruption and bribery p. 209

[1] In these chapters more information can be found on the impacts, risks and opportunities associated with our material sustainability matters.

List of policies[1]

Policy	IRO	Objective	Scope	Policy implementation, accountability and monitoring	Third-party standards or initiatives NN Group commits to through implementation
Code of Conduct including Manager Annex	Potential negative and actual positive impact of our corporate culture on own operations. Potential negative impact of corruption and bribery in own operations.	To outline our views and expectations related to how NN Group interacts, handles information and (personal) data, deals with conflicts of interest, fraud, financial economic crime, and competition law, uses equipment and the Internet, reports breaches, and addresses breaches. The Manager Annex explains NN Group's expectations on these topics for managers and board members.	All employees employed by NN Group under an employment agreement and anyone representing NN Group in any capacity. The Manager Annex applies to all managers and board members.	The Chief Compliance Officer is accountable for implementing this policy. The policy is reviewed once a year. If the review indicates that an update is necessary, the policy is revised accordingly. Additionally every employee must formally acknowledge every year that they have read and agree to follow the NN Code of Conduct and managers and board members acknowledge yearly that they have read and agree to follow the Manager Annex. The policy is made available on our intranet and our external website.	DNB Good Practices SIRA obligation The Dutch Corporate Governance Code Directive 2009/138/EC, Solvency II Directive Financial Supervision Act (Wet op het financieel toezicht, Wft)
Data Protection Policy	Potential negative impact of products and services on clear and secure data.	To mitigate the risks associated with non-compliance. To support this aim, the policy provides a clear statement on our compliance with (European) data protection regulations, and outlines the main consequential obligations for the management and employees of NN Group and its majority-owned entities, who are subject to the General Data Protection Regulation (GDPR).	Operations of NN Group in the EU that process personal data in the context of their business activities. It also covers NN entities that process the personal data of data subjects within the EU, regardless of whether these entities are established in the EU, provided that the processing activities are related to the offering of goods and services or the monitoring of their behaviour.	The Head of Legal Holding Team is accountable for implementing this policy. The policy is reviewed at least once every two years. If the review indicates that an update is necessary, the policy is revised accordingly. The policy is made available on our intranet.	The GDPR principles, next to (local) law and guidance from (data protection) regulators.
Diversity & Inclusion Policy	Potential positive and potential negative impact of our own operations on equal treatment and opportunities for all.	To set forth our approach to reaching a diverse and inclusive composition of NN Group's Executive Board, Management Board, Supervisory Board and senior management.	NN Group's Executive Board, Management Board, Supervisory Board and Senior Management Group.	The Chief People, Communications, and Sustainability Officer is accountable for the implementing this policy. The monitoring process is described in the Social chapter. The policy is disclosed on the NN Group website.	
Engagement Policy for Proprietary Assets	Potential positive and potential negative impact of our investments on climate change mitigation. Potential negative impact of our investments on workers in the value chain, (secure and fair employment, equal treatment and opportunities for all, and issues related to child labour and forced labour).	To set out the objectives, overall approach and governance of engagement, which is an integral part of the investment process of NN Group's Proprietary Assets.	All proprietary investments and mandates for the proprietary investment portfolios of NN Group.	The Responsible Investment Committee is responsible for implementing this policy on behalf of the Management Board. The policy is reviewed once a year. If the review indicates that an update is necessary, the policy is revised accordingly. The policy is made available on our external website.	

[1] In this list of policies NN Group refers to all entities within NN Group, which is consistent with the scope of the consolidated annual accounts.

List of policies[1] continued

Policy	IRO	Objective	Scope	Policy implementation, accountability and monitoring	Third-party standards or initiatives NN Group commits to through implementation
Forbearance Policy	Potential negative impact of products and services on financial inclusion.	To provide the framework for determining 'forbearance'. Forbearance measures are concessions that may be granted by NN Bank to minimise the likelihood of a client defaulting on one or more of their loan commitments. These may be granted if a client is experiencing, or is about to experience, difficulties in meeting their financial commitments. Such concessions are also known as forbearance measures. The policy outlines which operational manuals, standards and procedures are impacted by these measures; it aims to set down how NN Bank interprets and applies Annex V Commission Implementing Regulation (EU) No. 680/2014, of April 16 2014.	NN Bank's consolidated assets, including those managed and/or administered by third parties, with the exception of asset types to which no forbearance measures are granted.	Policy is governed by the NN Bank Credit Risk Committee under the responsibility of the Chief Risk Officer (CRO). The policy must be reviewed and updated at least annually and is made available on our intranet.	NN Bank's interpretation and application of the EU's Annex V Commission Implementing Regulation No. 680/2014 of April 1 2014 as amended by the EU's Commission Implementing Regulation, 2015/2274, in which forbearance is described in detail. The policy also outlines NN Bank's interpretation and application of EBA's Final Guidelines. (EBA/GL/2018/06) on managing non-performing and forborne exposures.
Gifts, Events and Business meals Policy	Potential negative impact of corruption and bribery in own operations.	To support NN Group and its underlying entities in mitigating the risk of bribery and corruption and conflicts of interest related to Gifts, Events/ Entertainment and Business meals Entertainment.	Employees of NN Group business units outside the Netherlands. under an employment agreement.	The Chief Compliance Officer is accountable for implementing this policy. The policy is reviewed annually. If the review indicates that an update is necessary, the policy is revised accordingly. The policy is made available on our intranet.	Financial Supervision Act (Wet op het financieel toezicht, Wft) - Wft part 3 - Wft part 4 - Besluit prudentiële regels Wft UK Bribery Act US Foreign Corrupt Practices Act De Nederlandsche Bank Good Practices' Systematic Integrity Risk Analysis obligation.
Gifts, Events and Business meals Standard for NN Netherlands including Group Head Office	Potential negative impact of corruption and bribery in own operations.	To support NN Group and its underlying entities in mitigating the risk of bribery and corruption and conflicts of interest related to Gifts, Events/ Entertainment and Business meals/Entertainment.	All employees employed by NN Group under an employment agreement in the Netherlands, Group Head Office and Group Support Functions.	The Chief Compliance Officer is accountable for implementing this standard, which is reviewed annually. If the review indicates that an update is necessary, the standard is revised accordingly. The standard is available on our intranet.	Financial Supervision Act (Wet op het financieel toezicht, Wft) - Wft part 3 - Wft part 4 - Besluit prudentiële regels Wft UK Bribery Act US Foreign Corrupt Practices Act De Nederlandsche Bank Good Practices' Systematic Integrity Risk Analysis obligation.
Global Business Travel Guideline	Potential negative impact of our own operations on climate change mitigation.	To set out our expectations and guidelines for business travel outside the Netherlands.	All employees under contract with NN Group in the Netherlands, which may include freelancers and temporary workers. The policy reflects the minimum standard to be upheld in relation to employees of NN Group outside the Netherlands, as far as is possible and reasonable.	The Chief People, Communications, and Sustainability Officer is responsible for implementing this policy. The policy is reviewed at least once a year. If the review indicates that an update is necessary, the policy is revised accordingly. There is currently no monitoring process in place for this policy. The policy is made available on our intranet.	

1 In this list of policies NN Group refers to all entities within NN Group, which is consistent with the scope of the consolidated annual accounts.

List of policies[1] continued

Policy	IRO	Objective	Scope	Policy implementation, accountability and monitoring	Third-party standards or initiatives NN Group commits to through implementation
Health & Safety, Sick Leave and Vitality Policy	Potential positive impact of own operations on employee well-being.	To outline our approach if an employee becomes sick or occupationally disabled.	All employees employed by NN Group under an employment agreement in the Netherlands.	The Chief People, Communications, and Sustainability Officer is accountable for implementing this policy. Monitoring processes are in place to monitor this policy. The policy is made available on our intranet.	
Human Resources Framework Standard	Potential positive impact of our own operations on secure and fair employment. Potential positive impact of our own operations on employee well-being. Potential positive and potential negative impact of our own operations on equal treatment and opportunities for all. Potential positive impact of our own operations on human capital development.	To summarise our core HR principles, and what they mean in practice. It supports the objective of all of our employees having the same opportunities regardless of where they work in our organisation. The document describes common standards for diversity, talent, employee development and performance.	All employees employed by NN Group under an employment agreement.	The Chief People, Communications, and Sustainability Officer is accountable for implementing this policy. The policy is reviewed at least once every two years. If the review indicates that an update is necessary, the policy is revised accordingly. The policy is made available on our intranet.	- Universal Declaration of Human Rights - United Nations' Global Compact
Incident Management Standard	Potential negative impact of products and services on clear and secure data.	To limit the impact of incidents and near misses by ensuring an adequate and timely response. The policy aims to create a feedback loop so that learning from incidents strengthens the Risk Management Framework (RMF) and reduces the occurance of such incidents in the future. Additionally, it enables disclosure to regulatory bodies if appropriate or required.	All processes including supporting technology and other resources within NN Group. In the event of a conflict with local law, the latter prevails.	The CRO is accountable for implementing this policy. The policy is reviewed at least once every two years. If the review indicates that an update is necessary, the policy is revised accordingly. The policy is made available on our intranet.	
International Whistleblower Policy	Potential negative and potential positive impact of own operations on equal treatment and opportunities for all. Potential negative impact of our business partners on workers in the value chain (secure and fair employment, equal treatment and opportunities for all). Potential negative impact of the corporate culture of our own operations. Potential negative impact of corruption and bribery in own operations.	To provide requirements for the protection of whistleblowers, to foster an open culture, and to enable whistleblowers to speak up and report (suspected) wrongdoing by or within NN Group.	Employees of NN Group business units outside the Netherlands who acquire information about concerns and/or breaches in a work-related context with NN.	The Chief Compliance Officer is accountable for implementing this policy. The policy is reviewed at least once every two years. If the review indicates that an update is necessary, the policy is revised accordingly. The policy is made available on our external website.	- Directive (EU) 2019/1937, the EU Whistleblower Protection Directive - The Whistleblowers Protection Act (Wet bescherming klokkenluiders)
Investigation Standard	Potential negative impact of corruption and bribery in our own operations.	To provide a regulation concerning the reporting, the investigation and the settlement of incidents within NN Group in a consistent, transparent and professional manner.	Compliance with this standard is mandatory for NN Group.	The Head of Corporate Security and Investigations is accountable for implementing this policy. The policy is reviewed annually. If the review indicates that an update is necessary, the policy is revised accordingly. The policy is made available on our intranet.	

1 In this list of policies NN Group refers to all entities within NN Group, which is consistent with the scope of the consolidated annual accounts.

List of policies[1] continued

Policy	IRO	Objective	Scope	Policy implementation, accountability and monitoring	Third-party standards or initiatives NN Group commits to through implementation
NN Artificial Intelligence (AI) Framework	Potential negative impact of products and services on clear and secure data.	To safeguard the ethical, transparent and responsible use and development of AI technologies.	All AI systems and AI models that are part of AI systems of NN Group.	The Head of Holding team Group Legal is the owner of the policy. For each entity, the business unit director is accountable for the implementation of the policy. The policy is reviewed at least once every two years. If the review indicates that an update is necessary, the policy is revised accordingly. The policy has been updated this year and will be updated in the upcoming year to be compliant with applicable obligations of the AI Act. The policy is made available on our intranet.	
NN statement of Living our Values[2]	Potential positive impact of our own operations on secure and fair employment. Potential negative and actual positive impact of the corporate culture of our own operations.	Potential positive impact of our own operations on secure and fair employment. Potential negative impact and actual positive impact of our own operations on corporate culture.	Every NN Group employee, including those of subsidiaries and anyone representing NN in any capacity.	The Head of Corporate Culture & Affairs is accountable for monitoring the effectiveness of policy implementation, as well as conducting reviews and proposing improvements. Each year, the Management Board receives a report detailing insights into the Living our Values programme, highlighting areas of attention and concern and recommendations for improvements. The report is approved by the Management Board, who is also responsible for incorporating and maintaining the values within the company and its affiliated enterprises.	- The Bankers Oath for the Financial Sector - Dutch Corporate Governance Code
NN Terms & Conditions	Potential negative impact of our business partners on workers in the value chain (secure and fair employment, equal treatment and opportunities for all).	To establish in a contractual manner the commitments outlined in the Supplier Code of Conduct and the Sustainable Procurement Statement. Includes the most important standards in our approach to the environment and human rights, which our suppliers agree to when doing business with us.	Agreements between NN Group and its suppliers, and all entities under the managerial control of NN Group.	The Chief Procurement Officer is accountable for creating and implementing this policy. The policy is reviewed at least once every two years, in cooperation with Group Legal. If the review indicates that an update is necessary, the policy is revised accordingly. The policy is made available both on our intranet and external website.	- The UN's Guiding Principles on Business and Human Rights - The OECD's Guidelines for Multinational Enterprises.
Oil & Gas Policy	Potential positive and potential negative impact of our investments on climate change mitigation.	To set out the objectives, governance and minimum requirements for investments in oil and gas activities.	All assets managed by majority-owned NN Group businesses, and businesses under NN Group's management control.	The Responsible Investment Committee is responsible for implementing this policy. The policy is reviewed at least once every two years. If the review indicates that an update is necessary, the policy is revised accordingly. The policy is made available on our intranet.	Strategic Framework for Paris Alignment

1 In this list of policies NN Group refers to all entities within NN Group, which is consistent with the scope of the consolidated annual accounts.
2 This statement has been included in the policy table for completeness. However, it should be noted that it does not meet all the MDR-Ps of ESRS 2.

List of policies[1] continued

Policy	IRO	Objective	Scope	Policy implementation, accountability and monitoring	Third-party standards or initiatives NN Group commits to through implementation
Outside Positions and Outside Interests Standard	Potential negative impact of corruption and bribery in our own operations.	To support NN Group and its underlying entities in mitigating the risks of bribery and corruption and conflict of interests related to outside positions and outside interests.	All employees employed by NN Group under an employment agreement.	The Chief Compliance Officer is accountable for implementing this policy. The policy is reviewed at annually. If the review indicates that an update is necessary, the policy is revised accordingly. The policy is made available on our intranet.	Financial Supervision Act (Wet op het financieel toezicht, Wft) - Wft part 3 - Wft part 4 - Besluit prudentiële regels Wft Mededingingswet DNB Good Practices SIRA obligation The Dutch Corporate Governance Code
Procurement and Outsourcing Policy	Potential negative impact of our business partners on workers in the value chain (secure and fair employment, equal treatment and opportunities for all).	To describe the objectives and requirements around managing the risks related to procuring goods and services and outsourcing functions or activities.	Agreements between NN Group and its suppliers, and to all entities under the managerial control of NN Group. The agreements that are not in scope of this policy are: a) intra-group outsourcing; b) the order-to-pay process; and c) all other arrangements for categories not listed above, such as reinsurance, mandated brokers, mandatory memberships, investment and asset management, fund management, banking services and financial securities, and Sales and Purchase Agreements related to mergers and acquisitions.	The Chief Procurement Officer is accountable for creating and implementing this policy. The policy is reviewed at least once every year. If the review indicates that an update is necessary, the policy is revised accordingly. The policy is made available on our intranet.	
Product Policy/PARP	Potential negative impact of products and services on financial inclusion.	To mitigate product risk through effective design, underwriting and claims management, as well as the adequate pricing of all products, and also to safeguard their suitability for customers. The Product Approval and Review Process (PARP) aims to safeguard the effective management of products throughout their lifetime.	All NN Group business units carrying product risk.	The process of creating the policy runs via the policy owners in NN Group Legal, Risk and Compliance. It is reviewed by representatives from the business units and finally approved by the Management Board. NN Group Legal, Risk and Compliance perform product risk oversight that covers the monitoring of those products that require central approval, beyond business unit approval. The policy is reviewed at least once every two years. If the review indicates that an update is necessary, the policy is revised accordingly. The policy is made available on our intranet.	The EU's Insurance Distribution Directive (IDD, EU 2016/97), including product oversight and governance requirements (POG)
Recruitment Policy and Policy for Hiring External Staff	Potential positive and potential negative impact of our own operations on equal treatment and opportunities for all.	To ensure a fair and consistent recruitment process by providing clear guidelines and procedures for managers, recruiters and candidates, outlining the responsibilities of HR and hiring managers, and detailing the use of recruitment tools.	NN Group business units where employees are employed under an employment agreement with NN Personeel B.V.	The Chief People, Communications, and Sustainability Officer is accountable for implementing this policy. The policy is updated when there are changes in the policy or legislation. It is made available on our intranet.	

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List of policies[1] continued

Policy	IRO	Objective	Scope	Policy implementation, accountability and monitoring	Third-party standards or initiatives NN Group commits to through implementation
Remuneration Framework Standard	Potential positive impact of our own operations on secure and fair employment. Potential positive and potential negative impact of our own operations on equal treatment and opportunities for all.	To provide a clear framework for remuneration of NN Group employees.	All employees employed by NN Group under an employment agreement.	The Executive Board is accountable for implementing this policy. The policy is reviewed at least once every two years. If the review indicates that an update is necessary, the policy is revised accordingly. It is made available on our intranet.	
Responsible Insurance Underwriting Framework Policy	Potential positive and potential negative impact of our products and services on climate change mitigation. Potential negative impact of our products and services on financial inclusion.	To provide direction on the integration of sustainability matters into insurance underwriting and product development.	Dutch insurance activities for retail and commercial lines of Nationale-Nederlanden Schadeverzekering Maatschappij N.V., ABN AMRO Schadeverzekering N.V., Nationale-Nederlanden Levensverzekering Maatschappij N.V. and NN Re (Netherlands) N.V.	The Responsible Insurance Underwriting Committee is responsible for implementing this policy on behalf of the Management Board. The policy is reviewed annually. If the review indicates that an update is necessary, the policy is revised accordingly. It is made available on our external website.	
Responsible Investment Framework Policy	Potential positive and potential negative impact of our investments on climate change mitigation. Financial risk to our investments because of climate change. Financial opportunity of investments in climate solutions. Actual positive impact of our investments on climate change adaptation. Potential negative impact of our investments on nature (biodiversity and water). Potential negative impact of our investments on workers in the value chain, (secure and fair employment, equal treatment and opportunities for all, and child labour and forced labour).	To support subsidiaries of NN Group, the NN Group Investment Office,and other relevant NN Group functions in incorporating Environmental, Social and Governance (ESG) impacts, risks and opportunities into their investment processes when feasible and possible.	Every asset category where it is possible and feasible to consider ESG factors.	The Responsible Investment Committee is responsible for implementing this policy on behalf of the Management Board. The policy is reviewed at least once every two years. If the review indicates that an update is necessary, the policy is revised accordingly. It is made available on our external website.	- Strategic Framework for Paris Alignment - ICMA's Green Bond Principles - UN Global Compact - UN Guiding Principles on Business and Human Rights - OECD Guidelines for Multinational Enterprises
Sponsorship and Charitable Donations Policy	Actual positive impact of our own operations on community investment.	To provide guidance for, and maximise the benefits of, sponsorships and community investment, including charitable donations. The policy aims to prevent and manage potential reputational risks and the inherent risks of corruption and conflict of interest associated with these activities. It also introduces key themes that affect the strength, visibility and distinct positioning of our brand and corporate citizen profile.	NN Group.	The Chief People Communications, and Sustainability Officer is responsible for implementing this policy. The policy is reviewed at least once every two years. If the review indicates that an update is necessary, the policy is revised accordingly. It is made available on our intranet.	The Business for Social Impact (B4SI) Framework
Stakeholder Engagement Policy	This policy is not related to a specific IRO but is essential for adequately integrating the interests of our stakeholders across our value chain.	To outline the principles and approach regarding our relations with stakeholders and how we balance their interests.	NN Group's material activities.	The Chief People, Communications, and Sustainability Officer is accountable for implementing this policy. Currently, there is no official monitoring process in place, as we are still working on extending it. It is made available on our external website.	

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List of policies[1] continued

Policy	IRO	Objective	Scope	Policy implementation, accountability and monitoring	Third-party standards or initiatives NN Group commits to through implementation
Supplier Code of Conduct	Potential negative impact of our business partners on workers in the value chain (secure and fair employment, equal treatment and opportunities for all).	To outline our expectations of the sustainability policies and practices of our suppliers and sub-contractors.	Agreements between NN Group and those suppliers who went through our Supplier Qualification process (with a spend above EUR 100k) or that signed the NNTC24. The policy applies to NN Group.	The Chief Procurement Officer is accountable for implementing this policy. The policy is reviewed at least once every two years. If the review indicates that an update is necessary, the policy is revised accordingly. It is made available on our external website.	- The Strategic Framework for Paris Alignment - UN's Guiding Principles on Business and Human Rights - The OECD's Guidelines for Multinational Enterprises
Sustainable Renovation Policy	Potential negative impact of our own operations on climate change mitigation.	To set out objectives to realise sustainable renovation for all offices buildings in the Netherlands and reach net-zero operations.	All office buildings in locations serviced by Facility Management in the Netherlands.	Head of Facility Management (FM) is responsible for implementing this policy. The policy is monitored throughout the year as it is actively used for all renovations. Updates will take place if required. This policy is made available by FM on our intranet.	- Dutch Green Building Council (DGBC) - Milieukostenindicator (MKI) - Zero Waste
Sustainable Repair Policy	Potential positive impact of the sustainable repair of our products and services on the circular economy.	To define our approach to advancing sustainable repair practices and to facilitate the further development of a sustainable repair network in the Netherlands within the property segment of Non-life.	Retail Schade & Zorg (RSZ) for the domain 'property'.	The CEO NN Schade & Inkomen is accountable for implementing this policy. The policy will be reviewed each year and the inclusion of other business lines will be discussed.	The Dutch Association of Insurers' (Verbond van Verzekeraars) Manifesto Sustainable Damage Repair
Voting Policy for Proprietary Assets	Potential positive and potential negative impact of our investments on climate change mitigation. Potential negative impact of our investments on workers in the value chain, (secure and fair employment, equal treatment and opportunities for all, and issues related to child labour and forced labour).	To describe the framework that NN Group uses when exercising voting rights attached to its own assets at shareholder meetings or via proxy voting.	All proprietary investments and mandates for the proprietary investment portfolios of NN Group.	The Responsible Investment Committee is responsible for implementing this policy on behalf of the Management Board. The policy is reviewed once a year. If the review indicates that an update is necessary, the policy is revised accordingly. It is made available on our external website.	
Whistleblower Standard for Dutch Business Units and Head Office of NN Group	Potential negative and potential positive impact of our own operations on equal treatment and opportunities for all. Potential negative impact of our business partners on workers in the value chain (secure and fair employment, equal treatment and opportunities for all). Potential negative impact of the corporate culture of our own operations. Potential negative impact of corruption and bribery in our own operations.	To provide requirements aiming to ensure the protection of whistleblowers, foster an open culture, and enable whistleblowers to speak up and report (suspected) wrongdoing by or within NN Group.	Employees of NN Group or reporting persons in the Netherlands who acquire information about concerns and/or breaches in a work-related context with NN Group.	The Chief Compliance Officer is accountable for implementing this standard. The standard is reviewed annually. If the review indicates that an update is necessary, the standard is revised accordingly. It is made available on our external website.	Directive (EU) 2019/1937, the Whistleblower Protection Directive. The Whistleblowers Protection Act (Wet bescherming klokkenluiders).

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Reference table

The table below provides references to the sections in the Annual Report where the information required by the European Sustainability Reporting Standards, published by the European Commission on 31 July 2023, can be found. It also includes data points required by other sustainability regulations and phase-in requirements. If whole topical chapters are not material, they are not shown in the overview below.

Disclosure	Description	Reference	Page(s)	Explanation
General disclosures				
BP-1	General basis for preparation of the Sustainability Statement	Sustainability Statement - General disclosures - General basis for preparation Sustainability Statement - General disclosures - Our value chain	p. 122 p. 123	We do not report on paragraph 5(d) and 5(e) as they are not applicable to NN Group.
BP-2	Disclosures in relation to specific circumstances	Governance - Remuneration Report - Remuneration in general Governance - Remuneration Report - Remuneration of the executive board - Pay ratio Sustainability statement - General disclosures - General basis for preparation Sustainability statement - Environment - Climate change - Progress Sustainability statement - Environment - Sustainable repair Sustainability statement - Social - Own workforce Sustainability statement - Social - Community investment Sustainability statement - Annex - Reference table Appendix - GHG emissions	p. 106-107 p. 113 p. 122 p. 145-158 p. 169 p. 190-194 p. 201-202 p. 222-232 p. 403-405	The information included in the appendix relates to non-material information.
GOV-1	The role of the administrative, management and supervisory bodies	Governance - Corporate governance - Executive Board Governance - Corporate governance - Management Board Governance - Corporate governance - Supervisory Board Governance - Corporate governance - Self-assessment and education programme Governance - Corporate governance - Composition of NN Group's Executive, Management and Supervisory Boards and senior management Governance - Corporate governance - Sustainability governance Governance - Report of the Supervisory Board	p. 66-67 p. 67-69 p. 70-72 p. 72 p. 73 p. 77-80 p. 95-97, p. 102	
GOV-1 paragraph 21 (d)	Board's gender diversity	Governance - Corporate governance - Composition of NN Group's Executive, Management and Supervisory Boards and senior management	p. 73	
GOV-1 paragraph 21 (e)	Percentage of board members who are independent	Governance - Corporate governance - Profile of the Supervisory Board	p. 71	
GOV-2	Information provided to, and sustainability matters addressed by, the undertaking's administrative, management and supervisory bodies	Governance - Corporate governance - Sustainability governance	p. 77-80	
GOV-3	Integration of sustainability-related performance in incentive schemes	Governance - Remuneration Report	p. 107-114	
GOV-4	Statement on due diligence	Sustainability Statement - General disclosures - Due diligence process references	p. 132	This covers GOV-4 paragraph 30.
GOV-5	Risk management and internal controls over sustainability reporting	Sustainability Statement - General disclosures - Risk management and internal controls	p. 133	

Reference table continued

Disclosure	Description	Reference	Page(s)	Explanation
SBM-1	Strategy, business model and value chain	Our strategy and business - Progress on our commitments Our strategy and business - Value creation model - How we create value Sustainability Statement - General disclosures - Integrating sustainability into our strategy Sustainability Statement - General disclosures - Our value chain	p. 26-30 p. 33-34 p. 122-123 p. 124	
SBM-1 paragraph 40(d)i-iv	Involvement in activities related to fossil fuel activities, chemical production, controversial weapons, cultivation and production of tobacco	Our strategy and business - Progress on our commitments - Responsible insurance underwriting	p. 28	We currently have limited insight into our involvement in chemical production, as this is not specifically addressed in our RIU and RI policy. Consequently, we do not provide specific disclosures on this topic.
SBM-2	Interests and views of stakeholders	Our strategy and business - Stakeholder engagement and international commitments	p. 35-38	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	About NN Group - Determining our material matters - Outcome DMA Managing our risks - Step 2: risk assessment - Strategic Risk Assessment (SRA) and Own Risk and Solvency Assessment (ORSA) Sustainability statement - General Disclosures - Our material sustainability matters Sustainability statement - General Disclosures - Connecting our sustainability matters to our strategy and business model Sustainability statement - Environment - Introduction Sustainability statement - Environment - Climate Change - Anticipated financial effects Sustainability statement - Social - Introduction Sustainability statement - Governance - Introduction	p. 20-21 p. 57 p. 125 p. 126 p. 135 p. 159-166 p. 180 p. 208	
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	About NN Group - Determining our material matters - Our approach About NN Group - Determining our material matters - Our roles in the value chain Sustainability statement - General Disclosures - Our approach to the DMA Sustainability statement - General Disclosures - Topical sustainability matters	p. 20 p. 20 p. 127-129 p. 130-131	
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	Sustainability statement - Annex - Reference table	p. 222-232	
MDR-P	Policies adopted to manage material sustainability matters	Sustainability Statement - Annex - List of policies	p. 215-221	

Reference table continued

Disclosure	Description	Reference	Page(s)	Explanation
MDR-A	Actions and resources in relation to material sustainability matters	About NN - Our values and behaviours Governance - Our Code of Conduct and other policies Sustainability statement - Environment - Climate change - Approach - Own operations Sustainability statement - Environment - Climate change - Approach - Investments Sustainability statement - Environment - Climate change - Approach - Insurance underwriting Sustainability statement - Environment - Nature (biodiversity and water) Sustainability statement - Environment - Sustainable repair Sustainability statement - Social - Own workforce Sustainability statement - Social - Workers in the value chain Sustainability statement - Social - Community investment Sustainability statement - Social - Consumers and end-users	p. 7-8 p. 115-118 p. 137-138 p. 140 p. 143-144 p. 167-168 p. 169 p. 183-189 p. 196-198 p. 202 p. 206	
MDR-M	Metrics in relation to material sustainability matters	About NN - Our values and behaviours Governance - Our Code of Conduct and other policies Sustainability statement - Environment - Climate change - Approach - Own operations Sustainability statement - Environment - Climate change - Progress - Own operations Sustainability statement - Environment - Climate change - Progress - Investments Sustainability statement - Environment - Climate change - Progress - Insurance underwriting Sustainability statement - Environment - Sustainable repair Sustainability statement - Social - Own workforce Sustainability statement - Social - Community investment Sustainability statement - Governance - Prevention and detection of corruption and bribery processes	p. 8 p. 117 p. 138 p. 146 p. 148, p. 151-154 p. 156 p. 169 p. 190-194 p. 201 p. 209	
MDR-T	Tracking effectiveness of policies and actions through targets	About NN - Our values and behaviours Governance - Corporate Governance - Targets on sustainability matters Sustainability statement - Environment - Climate change - Approach - Own operations Sustainability statement - Environment - Climate change - Approach - Investments Sustainability statement - Environment - Climate change - Approach - Insurance underwriting Sustainability statement - Environment - Nature (biodiversity and water) Sustainability statement - Environment - Sustainable repair Sustainability statement - Social - Own workforce Sustainability statement - Social - Workers in the value chain Sustainability statement - Social - Community investment Sustainability statement - Social - Consumers and end-users	p. 8 p. 79 p. 138 p. 140-143 p. 144-145 p. 168 p. 169 p. 188-189 p. 198 p. 200-201 p. 206	
ESD	Metrics related to the Supervisory Board	Governance - Report of the Supervisory Board - Profile of the Supervisory Board	p. 95	
ESD	Our contribution to the SDGs	Sustainability statement - General disclosures - Our contribution to the SDGs Sustainability statement - Annex - Our contribution to the SDGs	p. 123 p. 213-214	

Reference table continued

Disclosure	Description	Reference	Page(s)	Explanation
ESRS E1 – Climate change				
NA	EU Taxonomy information	Sustainability Statement - Environment - EU Taxonomy Sustainability Statement - Annex - EU Taxonomy Disclosure Tables	p. 170-176 p. 233-242	
GOV-3	Integration of sustainability-related performance in incentive schemes	Governance - Remuneration Report	p. 111	
E1-1	Transition plan for climate change mitigation	Sustainability Statement - Environment - Climate change - Approach - Own operations Sustainability Statement - Environment - Climate change - Approach - Investments Sustainability Statement - Environment - Climate change - Approach - Insurance underwriting	p. 136-137 p. 138-139 p. 143	This covers E1-1 paragraph 14.
E1-1 paragraph 16 (g)	Undertakings excluded from Paris-aligned benchmarks	Sustainability Statement - Environment - Climate change - Approach - Own operations	p. 136	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Managing our risks - Step 2: Risk assessment - Strategic Risk Assessment (SRA) and Own Risk and Solvency Assessment (ORSA) Managing our risks - Step 2: Risk assessment - Strategic asset allocation Sustainability statement - Environment - Introduction Sustainability statement - Environment - Anticipated financial effects	p. 57 p. 58 p. 135 p. 159-166	
IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	Sustainability Statement - General Disclosures - Topical sustainability matters	p. 130	
E1-2	Policies related to climate change mitigation and adaptation	Sustainability Statement - Environment - Climate change - Approach - Own operations Sustainability Statement - Environment - Climate change - Approach - Investments Sustainability Statement - Environment - Climate change - Approach - Insurance underwriting	p. 137-138 p. 139-140 p. 143	
E1-3	Actions and resources in relation to climate change policies	Sustainability Statement - Environment - Climate change - Approach - Own operations Sustainability Statement - Environment - Climate change - Approach - Investments Sustainability Statement - Environment - Climate change - Approach - Insurance underwriting	p. 137-138 p. 140 p. 143-144	We do not report resources because the actions do not require significant OpEx or CapEx beyond normal operations, therefore there is limited information materiality.
E1-4	Targets related to climate change mitigation and adaptation	Sustainability Statement - Environment - Climate change - Approach - Own operations Sustainability Statement - Environment - Climate change - Approach - Investments Sustainability Statement - Environment - Climate change - Approach - Insurance underwriting	p. 138 p. 140-143 p. 144-145	This covers E1-4 paragraph 34.
E1-5	Energy consumption and mix	Appendix - Energy consumption and mix and Sustainability indices and ratings	p. 406	This covers E1-5 paragraph 37, 38, and 40 to 43. This information is included in the appendix as it is not material.

Reference table continued

Disclosure	Description	Reference	Page(s)	Explanation
E1-6	Gross scope 1, 2, 3 and total GHG emissions	Sustainability Statement - Environment - Climate change - Progress	p. 146	This covers E1-6 paragraph 53 to 55. Total scope 1 and 2, as well as material scope 3 GHG emissions, are disclosed in the Sustainability Statement. Additionally, the non-material scope 3 categories are disclosed in the appendix.
E1-6 paragraph 44	Gross scope 1, 2, 3 and total GHG emissions	Sustainability Statement - Environment - Climate change - Progress Appendix - GHG emissions	p. 146 p. 403	Total scope 1 and 2, as well as material scope 3 GHG emissions, are disclosed in the Sustainability Statement. Additionally, the non-material scope 3 categories are disclosed in the appendix.
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	Sustainability Statement - Environment - Climate change - Approach - Own operations	p. 138	This covers E1-7 paragraph 56.
E1-8	Internal carbon pricing	NA	NA	We do not disclose this as NN Group does not apply internal carbon pricing.
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Sustainability statement - General Disclosures - Our material sustainability matters Sustainability Statement - Environment - Anticipated financial effects	p. 125 p. 159-166	We do not report paragraph 67(c) in FY24 as we make use of the phase-in option for quantitative disclosures for climate change-related risks. We do not report paragraph 69 as our target for euros invested gives more relevant information for the climate-related opportunity.
E1-9 paragraph 66	Exposure of the benchmark portfolio to climate-related physical risks	Sustainability Statement - Environment - Anticipated financial effects	p. 162-166	This covers E1-9 paragraphs 66(c). We do not report paragraph 66(a) in FY24 as we make use of the phase-in option for quantitative disclosures for climate change-related risks.
ESD	Metrics related to investments	Sustainability Statement - Environment - Climate change - Progress - Investments	p. 148, p. 151-154	
ESD	Metrics related to investments in climate solutions	Sustainability Statement - Environment - Climate change - Progress - Investments	p. 154	
ESD	Metrics related to products and services	Sustainability Statement - Environment - Climate change - Progress - Insurance underwriting	p. 156	

Reference table continued

Disclosure	Description	Reference	Page(s)	Explanation
ESRS E2 – Pollution				
E2	All data requirements	NA	NA	Not material.
ESRS E3/E4 – Nature (biodiversity and water)				
IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	Sustainability Statement - General Disclosures - Topical sustainability matters	p. 130	
E3-1	Policies related to water and marine resources	Sustainability Statement - Environment - Nature (biodiversity and water)	p. 167	This covers E3-1 paragraph 9 and 14.
E3-1 paragraph 13	Dedicated policy	NA	NA	We do not report this as the datapoints relate to own operations, which is not material for E3.
E3-2	Actions and resources related to water and marine resources	Sustainability Statement - Environment - Nature (biodiversity and water)	p. 167-168	We do not report resources because the actions do not require significant OpEx or CapEx beyond normal operations, therefore there is limited information materiality.
E3-3	Targets related to water and marine resources	Sustainability Statement - Environment - Nature (biodiversity and water)	p. 168	
E3-4	Water consumption	NA	NA	We do not report this as the datapoints relate to own operations, which is not material for E3. This covers E3-4 paragraphs 28 (c) and 29.
E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	NA	NA	We do not report this as the datapoints relate to topics that are material from a financial perspective. E3 is not material from a financial perspective.
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	Sustainability Statement - Environment - Nature (biodiversity and water)	p. 167	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Sustainability Statement - Environment - Introduction	p. 135	This covers SBM-3 - E4 paragraph 16(b). We do not report paragraph 16(a) and (c) as they relate to own operations, which is not material for E4.

Reference table continued

Disclosure	Description	Reference	Page(s)	Explanation
IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	Sustainability Statement - General Disclosures - Topical sustainability matters	p. 130	
E4-2	Policies related to biodiversity and ecosystems	Sustainability Statement - Environment - Nature (biodiversity and water)	p. 167	This covers E4-2 paragraph 24 (b), (c) and (d).
E4-3	Actions and resources related to biodiversity and ecosystems	Sustainability Statement - Environment - Nature (biodiversity and water)	p. 167-168	We do not report resources because the actions do not require significant OpEx or CapEx beyond normal operations, therefore there is limited information materiality.
E4-4	Targets related to biodiversity and ecosystems	Sustainability Statement - Environment - Nature (biodiversity and water)	p. 168	
E4-5	Impact metrics related to biodiversity and ecosystems change	NA	NA	We do not report this as the datapoints relate to own operations, which is not material for E4.
E4-6	Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	NA	NA	We do not report this as the datapoints relate to topics that are material from a financial perspective. E4 is not material from a financial perspective.
ESRS E5 – Resource use and circular economy				
E5	All data requirements	NA	NA	Not material.
ESD– Sustainable repair				
ESD	Policies related to sustainable repair	Sustainability statement - Environment - Sustainable repair	p. 169	
ESD	Actions and resources related to sustainable repair	Sustainability statement - Environment - Sustainable repair	p. 169	
ESD	Targets related to sustainable repair	Sustainability statement - Environment - Sustainable repair	p. 169	
ESD	Metrics related to sustainable damage repair	Sustainability statement - Environment - Sustainable repair	p. 169	
ESRS S1 – NN workers' secure and fair employment, NN workers' well-being, Equal treatment and opportunities for all at NN, Human capital development and attraction at NN				
SBM-2	Interests and views of stakeholders	Our strategy and business - Stakeholder engagement and international commitments	p. 36	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Sustainability Statement - Social - Introduction	p. 180	This covers SBM-3 - S1 paragraph 14(f) and (g).

Reference table continued

Disclosure	Description	Reference	Page(s)	Explanation
S1-1	Policies related to own workforce	Sustainability Statement - Introduction Sustainability Statement - Social - Own workforce	p. 181-182 p. 183-188	
S1-1 paragraph 20	Human rights policy commitments	Sustainability Statement - Introduction Sustainability Statement - Social - Own workforce	p. 181-182 p. 183	
S1-1 paragraph 21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	Sustainability Statement - Introduction	p. 181-182	
S1-1 paragraph 22	Processes and measures for preventing trafficking in human beings	NA	NA	We do not report this as child labour and forced labour are not material for S1.
S1-1 paragraph 23	Workplace accident prevention policy or management system	Sustainability Statement - Social - Own workforce	p. 187	
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	Sustainability Statement - Social - Own workforce	p. 187-188	
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	Sustainability Statement - Social - Own workforce	p. 183-185	This covers S1-3 paragraph 32 (c).
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Sustainability Statement - Social - Own workforce	p. 183-188	We do not report resources because the actions do not require significant OpEx or CapEx beyond normal operations, therefore there is limited information materiality.
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Sustainability Statement - Social - Own workforce	p. 188-189	
S1-6	Characteristics of the undertaking's employees	Sustainability Statement - Social - Own workforce	p. 190-191	
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	NA	NA	We do not report this disclosure in FY24 as we make use of the phase-in option.
S1-8	Collective bargaining coverage and social dialogue	Sustainability Statement - Social - Own workforce	p. 192	
S1-9	Diversity metrics	Sustainability Statement - Social - Own workforce	p. 193	
S1-10	Adequate wages	Governance - Remuneration Report - Remuneration in general	p. 106	
S1-11	Social protection	NA	NA	We do not report this disclosure in FY24 as we make use of the phase-in option.
S1-12	Persons with disabilities	NA	NA	We do not report this disclosure in FY24 as we make use of the phase-in option.

Reference table continued

Disclosure	Description	Reference	Page(s)	Explanation
S1-13	Training and skills development metrics	Sustainability Statement - Social - Own workforce	p. 194	Partially we do not report this disclosure in FY24 as we make use of the phase-in option.
S1-14	Health and safety metrics	Sustainability Statement - Social - Own workforce	p. 192	Partially we do not report this disclosure in FY24 as we make use of the phase-in option.
S1-14 paragraph 88 (b) and (c)	Number of fatalities and number and rate of work-related accidents	NA	NA	We do not report this disclosure in FY24 as we make use of the phase-in option.
S1-14 paragraph 88 (e)	Number of days lost to injuries, accidents, fatalities or illness	NA	NA	We do not report this disclosure in FY24 as we make use of the phase-in option.
S1-15	Work/life balance metrics	NA	NA	We do not report this disclosure in FY24 as we make use of the phase-in option.
S1-16	Compensation metrics (pay gap and total compensation)	Governance - Remuneration Report - Remuneration in general Governance - Remuneration Report - Pay ratio	p. 106-107 p. 113	
S1-16 paragraph 97 (a)	Unadjusted gender pay gap	Governance - Remuneration Report - Remuneration in general	p. 107	
S1-16 paragraph 97 (b)	Excessive CEO pay ratio	Governance - Remuneration Report - Pay ratio	p. 113-114	
S1-17	Incidents, complaints and severe human rights impacts	Sustainability statement - Social - Own workforce	p. 194	This covers S1-17 paragraph 103(a) and 104 (a).
ESD	Metrics related to own workforce	Sustainability statement - Social - Own workforce	p. 193	
ESRS S2 – Workers in the value chain				
SBM-2	Interests and views of stakeholders	Our strategy and business - Stakeholder engagement and international commitments	p. 36	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Sustainability Statement - Social - Introduction	p. 180	This covers SBM-3 - S2 paragraph 11 (b).
S2-1	Policies related to value chain workers	Sustainability Statement - Social - Workers in the value chain	p. 195-196	This covers S2-1 paragraph 17, 18 and 19.
S2-2	Processes for engaging with value chain workers about impacts	Sustainability Statement - Social - Workers in the value chain	p. 196-198	
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	Sustainability Statement - Social - Workers in the value chain	p. 196-198	

Reference table continued

Disclosure	Description	Reference	Page(s)	Explanation
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	Sustainability Statement - Social - Workers in the value chain	p. 198	This covers S2-4 paragraph 36 We do not report resources because the actions do not require significant OpEx or CapEx beyond normal operations, therefore there is limited information materiality.
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Sustainability Statement - Social - Workers in the value chain	p. 198	
ESRS S3 - Affected communities				
S3	All data requirements	NA	NA	Not material.
ESRS S4 – Financial inclusion, Clear and secure data				
SBM-2	Interests and views of stakeholders	Our strategy and business - Stakeholder engagement and international commitments	p. 36	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model.	Sustainability Statement - Social - Introduction	p. 180	
S4-1	Policies related to consumers and end-users	Sustainability Statement - Social - Consumers and end-users	p. 203-204	This covers S4-1 paragraphs 16 and 17.
S4-2	Processes for engaging with consumers and end-users about impacts	Sustainability Statement - Social - Consumers and end-users	p. 204-205	
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Sustainability Statement - Social - Consumers and end-users	p. 205-206	
S4-4	Taking action on material impacts, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users and effectiveness of those actions and approaches	Sustainability Statement - Social - Consumers and end-users	p. 206	We do not report resources because the actions do not require significant OpEx or CapEx beyond normal operations, therefore there is limited information materiality.
S4-4 paragraph 35	Human rights issues and incidents	Sustainability Statement - Social - Consumers and end-users	p. 205	

Reference table continued

Disclosure	Description	Reference	Page(s)	Explanation
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Sustainability Statement - Social - Consumers and end-users	p. 206	
ESD – Community Investment				
ESD	Policies related to community investment	Sustainability Statement - Social - Community investment	p. 199-200	
ESD	Actions in relation to community investment	Sustainability Statement - Social - Community investment	p. 202	
ESD	Targets related to community investment	Sustainability Statement - Social - Community investment	p. 200-201	
ESD	Metrics related to community investment	Sustainability Statement - Social - Community investment	p. 201	
ESRS G1 – Corporate culture, corruption and bribery				
GOV-1	The role of the administrative, supervisory and management bodies	Governance - Corporate governance - Diversity and Skills matrix Governance - Corporate governance Governance - Corporate governance - Report of the Supervisory Board - Diversity and Skills matrix	p. 69 p. 83-84 p. 102	
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Sustainability Statement - General Disclosures - Topical sustainability matters	p. 130	
G1-1	Corporate culture and business conduct policies and corporate culture	About NN - Our values and behaviours Governance - Our Code of Conduct and other policies Sustainability Statement - Governance - Prevention and detection of corruption and bribery processes	p. 7-8 p. 115-118 p. 209	This covers G1-1 paragraph 10 (b) and (d).
G1-2	Management of relationships with suppliers	NA	NA	We do not report this as G1-2 is not material.
G1-3	Prevention and detection of corruption and bribery	Sustainability Statement - Governance - Prevention and detection of corruption and bribery processes	p. 209	
G1-4	Confirmed incidents of corruption or bribery	Sustainability Statement - Governance - Prevention and detection of corruption and bribery processes	p. 209	This covers G1-4 paragraph 24 (a) and (b).
G1-5	Political influence and lobbying activities	NA	NA	We do not report this as G1-5 is not material.
G1-6	Payment practices	NA	NA	We do not report this as G1-6 is not material.
ESD	Metrics related to corporate culture	About NN - Our values and behaviours	p. 8	

EU Taxonomy disclosure tables

This appendix contains additional mandatory EU Taxonomy disclosures that should be read in conjunction with the disclosures related to the EU Taxonomy Investment KPI included in 'Environment' on p. 171.

Investments

In this section NN Group provides the following mandatory EU Taxonomy disclosure tables:
- Denominator of the Investment KPI
- Numerator of the Investment KPI
- Numerator of the Investment KPI by environmental objective and economic activity
- Eligibility of the four non-climate environmental objectives
- Gas and nuclear activities

For investments for which there is no externally reported information available, estimates are used[1]. The estimated eligibility and alignment are reported voluntarily[2] and are therefore not part of the mandatory disclosures.

All amounts are in millions of euros unless indicated otherwise.

Denominator of the Investment KPI

In the table below, information on the denominator (covered assets) of the Investment KPI is provided. The largest part of the denominator (38%) relates to investments in other counterparties which consist of retail mortgages loans and direct real estate investments. The investments in Non-Financial Reporting Directive (NFRD) companies are in total 9% of the denominator. These two figures together (47%) comprise the investments of NN Group subject to a mandatory eligibility and alignment assessment.

[1] The only exception are externally managed mortgages, which are presented as non-aligned in the reported figures in case of no data available.
[2] NN Group reports against the EU Taxonomy voluntarily because it recognises the importance of increasing transparency about how companies are progressing in changing of and adapting to climate change, even if the regulation is evolving and not yet mature.

Additional, complementary disclosures: breakdown of denominator of the KPI

	Mandatory	Voluntary[1]		Mandatory	Voluntary[1]
The percentage of derivatives relative to total assets covered by the KPI.	2%	2%	The value in monetary amounts of derivatives:	2,967	2,967
The proportion of exposures to financial and non-financial undertakings from EU-countries not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:			Value of exposures to financial and non-financial undertakings from EU-countries not subject to Articles 19a and 29a of Directive 2013/34/EU:		
For non-financial undertakings: %	3%	3%	For non-financial undertakings: amount	4,613	4,613
For financial undertakings: %	40%	40%	For financial undertakings: amount	63,651	63,651
The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:			Value of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU:		
For non-financial undertakings: %	4%	4%	For non-financial undertakings: amount	6,766	6,766
For financial undertakings: %	5%	5%	For financial undertakings: amount	7,237	7,237
The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:			Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:		
For non-financial undertakings: %	5%	5%	For non-financial undertakings: amount	7,246	7,246
For financial undertakings: %	4%	4%	For financial undertakings: amount	5,952	5,952
The proportion of exposures to other counterparties and assets over total assets covered by the KPI: %	38%	38%	Value of exposures to other counterparties and assets: amount	60,247	60,247
The proportion of NN Group's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities: %	N/A for NN	N/A for NN	Value of NN Group's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities: amount	N/A for NN	N/A for NN
The value of all the investments that are funding economic activities that are not Taxonomy-eligible relative to the value of total assets covered by the KPI:			Value of all the investments that are funding economic activities that are not Taxonomy-eligible:		
Turnover-based: %	64%	90%	Turnover-based: amount	101,792	142,373
Capital expenditures-based: %	97%	98%	Capital expenditures-based: amount	153,456	155,165
The value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned relative to the value of total assets covered by the KPI:			Value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned:		
Turnover-based: %	25%	7%	Turnover-based: amount	40,302	11,172
Capital expenditures-based: %	2%	2%	Capital expenditures-based: amount	2,582	3,218

[1] Estimated EU Taxonomy figures are reported on a voluntary basis in addition to the mandatory EU Taxonomy figures, therefore there is no overlap in mandatory and voluntary figures.

Numerator of the Investment KPI

In the table below, we provide information on the numerator (taxonomy-alignment) by type of counterparty of the Investment KPI. This shows that NN Group's mandatory alignment is mainly driven by investments in other counterparties, which are the retail mortgage loans, and to a small extent by investments in non-financial companies. There is limited alignment from investments in financial companies because alignment information of these counterparties, other than investments funds, is not yet available as these companies are reporting this information at the same time as NN Group.

Additional, complementary disclosures: breakdown of numerator of the KPI

The proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:	Mandatory	Voluntary[1]	Value of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:	Mandatory	Voluntary[1]
For non-financial undertakings:			For non-financial undertakings:		
Turnover-based	1%	0%	Turnover-based	917	2
CapEx-based	1%		CapEx-based	1,281	
For financial undertakings:			For financial undertakings:		
Turnover-based	0%	3%	Turnover-based	669	4,169
CapEx-based	1%	0%	CapEx-based	1,361	297
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned over total assets covered by the KPI:			Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned:		
Turnover-based	N/A for NN	N/A for NN	Turnover-based	N/A for NN	N/A for NN
CapEx-based	N/A for NN	N/A for NN	CapEx-based	N/A for NN	N/A for NN
The proportion of Taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI:			Value of Taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI:		
Turnover-based	9%	1%	Turnover-based	15,000	964
CapEx-based			CapEx-based		

[1] Estimated EU Taxonomy figures are reported on a voluntary basis in addition to the mandatory EU Taxonomy figures, therefore there is no overlap in mandatory and voluntary figures.
[2] NN Group does not have non-life insurance contracts where the investment risk is borne by policy holders.

Numerator of the Investment KPI by environmental objective and economic activity

In the table below, we provide information on the numerator (taxonomy-alignment) of the Investment KPI by environmental objective and type of economic activity. This shows that NN Group's mandatory alignment is related to the climate change mitigation objective and only to a very limited extent related to transitional and enabling activities[3]. This can be explained by the fact that mandatory alignment is mainly driven by the retail mortgage loans that link to the economic activity 'Acquisition and ownership of buildings', which is not a transitional[4] or enabling activity, and makes a substantial contribution to climate change mitigation.

Breakdown of the numerator of the KPI per environmental objective

Taxonomy-aligned activities – provided 'do-not-significant-harm' (DNSH) and social safeguards positive assessment:

			Transitional		Enabling	
	Mandatory	Voluntary[1]	Mandatory	Voluntary[1]	Mandatory	Voluntary[1]
Climate change mitigation						
Turnover	10%	3%	0%	0%	1%	1%
CapEx	1%	0%	0%	0%	1%	0%
Climate change adaptation						
Turnover	0%	0%			0%	0%
CapEx	0%	0%			0%	
The sustainable use and protection of water and marine resources						
Turnover						
CapEx						
The transition to a circular economy						
Turnover						
CapEx						
Pollution prevention and control						
Turnover						
CapEx						
The protection and restoration of biodiversity and ecosystems						
Turnover						
CapEx						

1 Estimated EU Taxonomy figures are reported on a voluntary basis in addition to the mandatory EU Taxonomy figures, therefore there is no overlap in mandatory and voluntary figures.

3 Under the EU Taxonomy, enabling activities are economic activities that directly enable other activities to make a substantial contribution to one or more of the six environmental objectives of the EU Taxonomy.
4 Under the EU Taxonomy, transitional activities are ones that support the transition to a climate-neutral economy in a manner that is consistent with a pathway to limit the temperature increase to 1.5 degrees Celsius above pre-industrial levels.

Based on the information currently available, the tables above provide insight into the composition of NN Group's Investment KPI. Further explanation on this information, associated assumptions and limitations, is presented below.

Eligibility of the four non-climate environmental objectives

In 2023 the EU Commission introduced the Environmental Delegated Act defining the economic activities that make a substantial contribution to one or more of the four non-climate environmental objectives. Under the Environmental Delegated Act, taxonomy-eligibility information related to the four non-climate environmental objectives is required to be disclosed from 2023 onwards.

NN Group has reported counterparty information when available. For the remainder, we assessed this eligibility based on the NACE codes of the counterparties and presented this as a voluntary disclosure. The EU Taxonomy includes NACE codes in the description of economic activities. If the NACE code of the counterparty for the remaining exposures matches those included in the EU Taxonomy, these are considered taxonomy-eligible; if the NACE code of the counterparty does not match to the EU Taxonomy, these are considered taxonomy non-eligible. An inherent limitation in this approach is that the outcome of the assessment of the counterparty using the NACE code is binary, and therefore does not reflect a counterparty's multiple economic activities.

As shown below, non-climate eligibility amounts to EUR 688 million and represents 0% of covered assets. In calculating these figures, investments for reported climate eligibility were adjusted based on turnover, where applicable.

	Amount	Proportion %
Non-climate eligible	688	0%
Assets covered by the KPI	158,680	100%

Gas and nuclear activities

From 2023 the Complementary Delegated Act added gas and nuclear activities to the economic activities that can make a substantial contribution to climate change mitigation and climate change adaptation. Following the inclusion of gas and nuclear economic activities in the scope of the EU Taxonomy disclosures, NN Group is required to disclose information on eligibility and alignment of gas and nuclear activities as described in the EU Taxonomy.

The tables below are required under the EU Taxonomy Regulation and reflect whether NN Group finances or invests in gas and nuclear activities.

EU Taxonomy data is not available for all gas and nuclear investments. Therefore, at aggregated level, adjustments were made so that the sum of alignment, non-alignment and non-eligible equals covered assets. The investment alignment figures were used as a base for totals for each template. For certain rows in each template, the alignment figures have been determined by deducting the sum of fossil gas and nuclear economic activities from the respective total number. Where alignment data was received for both the climate change mitigation and climate change adaptation objectives, the alignment has been included in the climate change mitigation section.

The table below shows the mandatory overview of activities. While a YES can be shown in the first table it is possible that the following tables show no data in the respective fields, due to the small amount of exposure. In general, most alignment stems from other activities with limited gas and nuclear data available.

Template 1: nuclear- and fossil gas-related activities

Nuclear energy related activities	Mandatory	Voluntary[1]
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO	NO
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES	YES
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES	YES

Fossil gas related activities		
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES	YES
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES	NO
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO	NO

[1] Estimated EU Taxonomy figures are reported on a voluntary basis in addition to the mandatory EU Taxonomy figures, therefore there is no overlap in mandatory and voluntary figures.

The tables below (Template 2 and Template 3) provide information on the amount and proportion of taxonomy-aligned exposures to gas and nuclear economic activities. Template 2 sets the alignment into perspective to covered assets (denominator).

Template 2: gas and nuclear taxonomy-aligned economic activities (denominator)

	Mandatory Turnover						Mandatory CapEx					
	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI												
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%			0	0%	0	0%		
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	5	0%	5	0%			5	0%	5	0%		
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	13	0%	13	0%			16	0%	16	0%		
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI												
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI												
Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	16,568	10%	16,460	10%	108	0%	2,621	2%	2,341	1%	281	0%
Total applicable KPI	**16,586**	**10%**	**16,478**	**10%**	**108**	**0%**	**2,642**	**2%**	**2,361**	**1%**	**281**	**0%**

	Voluntary Turnover[1]						Voluntary CapEx[1]					
	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI												
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI												
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI												
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI												
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI												
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI												
Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	5,135	3%	5,131	3%	4	0%	297	0%	295	0%	2	0%
Total applicable KPI	**5,135**	**3%**	**5,131**	**3%**	**4**	**0%**	**297**	**0%**	**295**	**0%**	**2**	**0%**

[1] Estimated EU Taxonomy figures are reported on a voluntary basis in addition to the mandatory EU Taxonomy figures, therefore there is no overlap in mandatory and voluntary figures.

The table below (Template 3) aims to show the gas and nuclear portion of the overall taxonomy-alignment. Therefore, the total alignment is used as a base instead of covered assets.

Template 3: gas and nuclear taxonomy-aligned economic activities (numerator)

	Mandatory Turnover						Mandatory CapEx					
	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI									0			
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%			0	0%	0	0%		
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	5	0%	5	0%			5	0%	5	0%		
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	13	0%	13	0%			16	1%	16	1%		
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI												
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI												
Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	16,568	100%	16,460	100%	108	0%	2,621	99%	2,341	89%	281	11%
Total applicable KPI	**16,586**	**100%**	**16,478**	**100%**	**108**	**0%**	**2,642**	**100%**	**2,361**	**89%**	**281**	**11%**

	Voluntary Turnover[1]						Voluntary CapEx[1]					
	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI												
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI												
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI												
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI												
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI												
Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI												
Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	5,135	100%	5,131	100%	4	0%	297	100%	295	99%	2	1%
Total applicable KPI	**5,135**	**100%**	**5,131**	**100%**	**4**	**0%**	**297**	**100%**	**295**	**99%**	**2**	**1%**

1 Estimated EU Taxonomy figures are reported on a voluntary basis in addition to the mandatory EU Taxonomy figures, therefore there is no overlap in mandatory and voluntary figures.

The table below (Template 4) provides information on the amount and proportion of taxonomy-eligible but not taxonomy-aligned exposures to gas and nuclear economic activities.

Template 4: taxonomy-eligible but not taxonomy-aligned gas and nuclear economic activities

	Mandatory Turnover						Mandatory CapEx						Voluntary Turnover[1]						Voluntary CapEx[1]					
	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI																								
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%			0	0%	0	0%														
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%																				
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	91	0%	91	0%			15	0%	15	0%														
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%			0	0%	0	0%														
Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI																								
Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	40,210	25%	39,217	25%	993	1%	2,567	2%	1,962	1%	605	0%	11,172	7%	7,076	4%	4,096	3%	3,218	2%	1,117	1%	2,101	1%
Total applicable KPI	**40,302**	**25%**	**39,308**	**25%**	**993**	**1%**	**2,582**	**2%**	**1,977**	**1%**	**605**	**0%**	**11,172**	**7%**	**7,076**	**4%**	**4,096**	**3%**	**3,218**	**2%**	**1,117**	**1%**	**2,101**	**1%**

1 Estimated EU Taxonomy figures are reported on a voluntary basis in addition to the mandatory EU Taxonomy figures, therefore there is no overlap in mandatory and voluntary figures.

The table below (Template 5) provides information on the amount and proportion of gas and nuclear exposures that are not taxonomy-eligible.

Template 5: taxonomy-non-eligible economic activities

	Mandatory Turnover		Mandatory CapEx		Voluntary Turnover[1]		Voluntary CapEx[1]	
Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI								
Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	1	0%	0	0%	1	0%
Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	151	0%	151	0%	23	0%	24	0%
Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	854	1%	894	1%	371	0%	434	0%
Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	11	0%	11	0%				
Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI								
Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	100,775	64%	152,399	96%	141,979	89%	154,706	97%
Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	**101,792**	**64%**	**153,456**	**97%**	**142,373**	**90%**	**155,165**	**98%**

Annual accounts

Consolidated annual accounts

Parent company annual accounts

Other information

Consolidated balance sheet

amounts in millions of euros, unless stated otherwise

	notes	2024	2023
Assets			
Cash and cash equivalents	2	6,929	8,207
Investments at fair value through Other Comprehensive Income	3	106,050	110,100
Investments at cost	4	22,234	21,488
Investments at fair value through profit or loss	5	54,968	49,392
Investments in real estate	6	2,512	2,620
Investments in associates and joint ventures	7	7,036	6,231
Derivatives	19	2,684	2,486
Investments		**202,413**	**200,524**
Insurance contracts	12	409	355
Reinsurance contracts	14	680	733
Insurance and reinsurance contracts		**1,089**	**1,088**
Property and equipment	8	302	348
Intangible assets	9	1,229	1,270
Deferred tax assets	31	94	146
Other assets	10	5,248	5,565
Other		**6,873**	**7,329**
Total assets		**210,375**	**208,941**

	notes	2024	2023
Equity			
Shareholders' equity		19,831	19,624
Minority interests		85	79
Undated subordinated notes		1,736	1,416
Total equity	11	**21,652**	**21,119**
Liabilities			
Insurance contracts	12	147,541	145,064
Investment contracts	13	3,859	3,621
Reinsurance contracts	14	112	144
Insurance, investment and reinsurance contracts		**151,512**	**148,829**
Debt instruments issued	15	1,196	1,195
Subordinated debt	16	2,346	2,680
Other borrowed funds	17	7,987	9,992
Customer deposits	18	17,474	16,460
Funding		**29,003**	**30,327**
Derivatives	19	3,671	4,067
Deferred tax liabilities	31	764	559
Other liabilities	20	3,773	4,040
Other		**8,208**	**8,666**
Total liabilities		**188,723**	**187,822**
Total equity and liabilities		**210,375**	**208,941**

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

Consolidated profit and loss account

For the year ended 31 December	notes	2024	2023
Release of contractual service margin		857	778
Release of risk adjustment		134	168
Expected claims and benefits		5,139	5,104
Expected attributable expenses		1,280	1,237
Recovery of acquisition costs		415	363
Experience adjustments for premiums		18	12
Insurance income Premium Allocation Approach		2,863	2,791
Insurance income	21	**10,706**	**10,453**
Incurred claims and benefits		5,110	5,126
Incurred attributable expenses		1,298	1,250
Amortisation of acquisition costs		415	363
Changes in incurred claims and benefits previous periods		–17	18
(Reversal of) losses on onerous contracts		–45	209
Insurance expenses Premium Allocation Approach		2,490	2,287
Insurance expenses	22	**9,251**	**9,253**
Net insurance result		**1,455**	**1,200**
Net reinsurance result		–198	–236
Insurance and reinsurance result		**1,257**	**964**

For the year ended 31 December	notes	2024	2023
Investment income		5,051	4,707
Gains (losses) on investments		4,036	3,594
Other investment result		416	364
Investment result	23	**9,503**	**8,665**
Finance result on (re) insurance contracts	24	6,751	5,913
Result on investment contracts		7	9
Finance result other	24	1,309	1,033
Finance result		**8,067**	**6,955**
Net investment result		**1,436**	**1,710**
Fee and commission result	25	440	388
Result on disposals of group companies		13	16
Non-attributable operating expenses	26	–1,325	–1,718
Other		115	172
Other result		**–757**	**–1,142**
Result before tax		**1,936**	**1,532**
Taxation	31	334	348
Net result		**1,602**	**1,184**

Consolidated profit and loss account continued

Net result

For the year ended 31 December	2024	2023
Net result attributable to:		
Shareholders of the parent	1,583	1,172
Minority interests	19	12
Net result	**1,602**	**1,184**

Earnings per ordinary share

For the year ended 31 December and amounts in euros per ordinary share	notes	2024	2023
Basic earnings per ordinary share	27	5.58	4.04
Diluted earnings per ordinary share	27	5.58	4.04

Reference is made to Note 27 ‘Earnings per ordinary share’ for the disclosure on the Earnings per ordinary share.

Consolidated statement of comprehensive income

For the year ended 31 December	2024		2023	
Net result		**1,602**		**1,184**
– finance result on insurance contracts, recognised in OCI	–447		–2,634	
– finance result on reinsurance contracts, recognised in OCI	35		–15	
– revaluations on debt securities at fair value through OCI	–1,121		1,866	
– revaluations on loans at fair value through OCI	897		732	
– realised gains (losses) transferred to the profit and loss account	757		248	
– changes in cash flow hedge reserve	44		–53	
– share of OCI of investments in associates and joint ventures	–1		–9	
– foreign currency exchange differences	–66		–80	
Items that may be reclassified subsequently to the profit and loss account		**98**		**55**
– revaluations on equity securities at fair value through OCI	–81		270	
– revaluations on property in own use			–1	
– remeasurement of the net defined benefit asset/liability	8		–12	
Items that will not be reclassified to the profit and loss account		**-73**		**257**
Total other comprehensive income		**25**		**312**
Total comprehensive income		**1,627**		**1,496**

For the year ended 31 December	2024	2023
Comprehensive income attributable to:		
Shareholders of the parent	1,608	1,484
Minority interests	19	12
Total comprehensive income	**1,627**	**1,496**

Reference is made to Note 31 ‘Taxation’ for the disclosure on the income tax effects on each component of comprehensive income.

Consolidated statement of cash flows

For the year ended 31 December	2024	2023
Result before tax	**1,936**	**1,532**
Adjusted for:		
– depreciation and amortisation	157	152
– changes in (re) insurance and investment contracts	5,737	5,156
– (un) realised results and impairments on investments	–4,049	–3,829
– other	–95	339
Net premiums, claims, and attributable expenses on (re) insurance contracts	–3,244	–3,055
Tax paid (received)	–304	–270
Changes in:		
– derivatives	–1,279	–2,039
– investments at cost	–544	–708
– other assets	788	1,995
– customer deposits	675	10
– other liabilities	–179	779
Net cash flow from operating activities	**–401**	**62**
Investments and advances:		
– group companies, net of cash acquired	–3	–18
– investments at fair value through OCI	–15,292	–17,857
– investments at cost	–73	–113
– investments at fair value through profit or loss	–10,863	–11,375
– investments in associates and joint ventures	–706	–507
– investments in real estate	–114	–193
– other investments	–74	–76
Disposals and redemptions:		
– group companies	13	19
– investments at fair value through OCI	18,889	23,614
– investments at cost	68	75
– investments at fair value through profit or loss	10,240	10,651
– investments in associates and joint ventures	244	259
– investments in real estate	206	50
– other investments	30	4
Net cash flow from investing activities	**2,565**	**4,533**
Proceeds from issuance of undated subordinated notes	750	
Repayments of undated subordinated notes	–416	–333
Proceeds from issuance of subordinated notes		993
Repayments of subordinated notes	–335	–667
Repayments of debt instruments issued		–500
Proceeds from other borrowed funds	7,313	9,595
Repayments of other borrowed funds	–9,417	–10,938
Dividend paid	–693	–428
Purchase (sale) of treasury shares	–529	–632
Coupon on undated subordinated notes	–84	–76
Net cash flow from financing activities	**–3,411**	**–2,986**
Net cash flow	**–1,247**	**1,609**

Consolidated statement of cash flows continued

Included in net cash flow from operating activities

For the year ended 31 December	2024	2023
Interest received	4,494	4,193
Interest paid	–1,352	–762
Dividend received	689	608

Cash and cash equivalents

For the year ended 31 December	2024	2023
Changes in Cash and cash equivalents - opening balance	8,207	6,670
Net cash flow	–1,247	1,609
Effect of foreign currency exchange differences on cash and cash equivalents	–31	–72
Changes in Cash and cash equivalents - closing balance	**6,929**	**8,207**

Consolidated statement of changes in equity (2024)

	Share capital	Share premium	Reserves	Total Shareholders' equity (parent)	Minority interest	Undated subordinated notes	Total equity
Balance at 1 January 2024	**34**	**12,579**	**7,011**	**19,624**	**79**	**1,416**	**21,119**
Finance result on insurance contracts recognised in OCI			–447	–447			–447
Finance result on reinsurance contracts recognised in OCI			35	35			35
Revaluations on debt securities at fair value through OCI			–1,121	–1,121			–1,121
Revaluations on loans at fair value through OCI			897	897			897
Realised gains (losses) transferred to the profit and loss account			757	757			757
Changes in cash flow hedge reserve			44	44			44
Share of OCI of investments in associates and joint ventures			–1	–1			–1
Foreign currency exchange differences			–66	–66			–66
Revaluations on equity securities at fair value through OCI			–81	–81			–81
Remeasurement of the net defined benefit asset/liability			8	8			8
Total amount recognised directly in equity (OCI)	**0**	**0**	**25**	**25**	**0**	**0**	**25**
Net result for the year			1,583	1,583	19		1,602
Total comprehensive income	**0**	**0**	**1,608**	**1,608**	**19**	**0**	**1,627**
Issuance (redemption) of undated subordinated notes				0		320	320
Changes in share capital	–2	2		0			0
Dividend			–680	–680	–13		–693
Purchase (sale) of treasury shares			–529	–529			–529
Employee stock option and share plans			1	1			1
Coupon on undated subordinated notes			–62	–62			–62
Changes in the composition of the group and other changes			–131	–131			–131
Balance at 31 December 2024	**32**	**12,581**	**7,218**	**19,831**	**85**	**1,736**	**21,652**

Consolidated statement of changes in equity (2023)

	Share capital	Share premium	Reserves	Total Shareholders' equity (parent)	Minority interest	Undated subordinated notes	Total equity
Balance at 1 January 2023	**35**	**12,578**	**6,652**	**19,265**	**73**	**1,764**	**21,102**
Finance result on insurance contracts recognised in OCI			–2,634	–2,634			–2,634
Finance result on reinsurance contracts recognised in OCI			–15	–15			–15
Revaluations on debt securities at fair value through OCI			1,866	1,866			1,866
Revaluations on loans at fair value through OCI			732	732			732
Realised gains (losses) transferred to the profit and loss account			248	248			248
Changes in cash flow hedge reserve			–53	–53			–53
Share of OCI of investments in associates and joint ventures			–9	–9			–9
Foreign currency exchange differences			–80	–80			–80
Revaluations on equity securities at fair value through OCI			270	270			270
Remeasurement of the net defined benefit asset/liability			–12	–12			–12
Revaluations on property in own use			–1	–1			–1
Total amount recognised directly in equity (OCI)	**0**	**0**	**312**	**312**	**0**	**0**	**312**
Net result for the year			1,172	1,172	12		1,184
Total comprehensive income	**0**	**0**	**1,484**	**1,484**	**12**	**0**	**1,496**
Issuance (redemption) of undated subordinated notes				0		–348	–348
Changes in share capital	–1	1		0			0
Dividend			–422	–422	–6		–428
Purchase (sale) of treasury shares			–632	–632			–632
Employee stock option and share plans			1	1			1
Coupon on undated subordinated notes			–57	–57			–57
Changes in the composition of the group and other changes			–15	–15			–15
Balance at 31 December 2023	**34**	**12,579**	**7,011**	**19,624**	**79**	**1,416**	**21,119**

Notes to the Consolidated annual accounts

1 Accounting policies

Basis of preparation
NN Group N.V. (NN Group) is a public limited liability company (naamloze vennootschap) incorporated under Dutch law. NN Group has its official seat in Amsterdam, the Netherlands and its office address in The Hague, the Netherlands. NN Group is recorded in the Commercial Register under number 52387534. The principal activities of NN Group are described in the section 'About NN'. Amounts in the annual accounts are in millions of euros, unless stated otherwise.

NN Group prepares its Consolidated annual accounts in accordance with International Financial Reporting Standards as endorsed by the European Union (IFRS-EU) and Part 9 of Book 2 of the Dutch Civil Code. In the Consolidated annual accounts, the term IFRS-EU is used to refer to these standards, including the decisions NN Group made with regard to the options available under IFRS-EU. IFRS-EU provides a number of options in accounting policies. The key areas, in which IFRS-EU allows accounting policy choices and the related NN Group accounting policy, are summarised as follows:
- NN Group disaggregates insurance finance result between profit or loss and in the 'Revaluation reserve' in 'Other comprehensive income' (OCI) in equity.
- NN Group's accounting policy for real estate investments is fair value, with changes in the fair value reflected immediately in the Consolidated profit and loss account.
- NN Group's accounting policy for property in own use is fair value, with changes in the fair value reflected, after tax, in the 'Revaluation reserve' in 'Other comprehensive income' (equity). A net negative revaluation on individual properties is reflected immediately in the Consolidated profit and loss account.
- For hedge accounting NN Group continues to apply the IAS 39 hedge accounting requirements.

NN Group applies fair value hedge accounting to portfolio hedges of interest rate risk (macro hedging) under the EU 'carve out' of IFRS-EU. NN Group currently does not apply the IFRS-EU exemption for aggregation of certain insurance contracts.

NN Group's accounting policies under IFRS-EU, its decision on the options available and significant judgement used are included in the relevant notes.

Changes in IFRS-EU effective in 2024
The following changes to existing standards became effective in 2024:
- Amendment to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements.
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants.
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback.

These changes had no material impact on NN Group's Consolidated annual accounts.

Upcoming changes in IFRS-EU
The following amendments and revisions to standards and interpretations have been issued by the IASB but are not yet effective:
- Amendments to IAS 21 Lack of Exchangeability.
- Amendments to the classification and measurement of financial instruments - Amendments to IFRS 9 and IFRS 7.
- IFRS 18 Presentation and disclosure in financial statements.
- IFRS 19 Subsidiaries without public accountability: disclosures.
- Annual improvements volume 11.

These changes are not expected to have a material impact on NN Group's shareholders' equity or net result.

Changes in presentation
The presentation of, and certain terms used in, the Consolidated balance sheet, Consolidated profit and loss account, Consolidated statement of cash flows, Consolidated statement of changes in equity and the notes was changed to provide additional and more relevant information or (for changes in comparative information) to better align with the current period presentation. The impact of these changes is explained in the respective notes when significant.

Material accounting policies and significant judgements
NN Group has identified the accounting policies that are most material to its business operations and to the understanding of its results. These material accounting policies are those which involve the most complex or subjective judgements and assumptions and relate to insurance contracts, acquisition accounting, the determination of the fair value of real estate and financial assets and liabilities and impairments. In each case, the determination of these items is fundamental to the financial condition and results of operations

Notes to the Consolidated annual accounts continued

and requires management to make complex judgements based on information and financial data that may change in future periods. As a result, determinations regarding these items necessarily involve the use of assumptions and subjective judgements as to future events and are subject to change, as the use of different assumptions or data could produce significantly different results. All valuation techniques used are subject to internal review and approval. For further details on the application of these accounting policies, reference is made to the applicable notes to the Consolidated annual accounts and the information below.

Reference is made to Note 48 ‘Risk management’ for a sensitivity analysis of certain assumptions.

General accounting policies

Consolidation

NN Group comprises NN Group N.V. and all its subsidiaries. The Consolidated annual accounts of NN Group comprise the accounts of NN Group N.V. and all entities over which NN Group has control. NN Group has control over an entity when NN Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The assessment of control is based on the substance of the relationship between NN Group and the entity and considers existing and potential voting rights that are substantive. For a right to be substantive, the holder must have the practical ability to exercise that right.

For interests in investment entities, the existence of control is determined taking into account both NN Group’s financial interests for own risk and its role as asset manager. Financial interests for risk of policyholders are not taken into account when the policyholders decide on the investment allocations of their insurance policies (i.e. the policyholder has the ‘power’) and assume all risks and benefits of these investments (i.e. the policyholder assumes the variable returns).

The results of the operations and the net assets of subsidiaries are included in the profit and loss account and the balance sheet from the date control is obtained until the date control is lost. Minority interests are initially measured at their proportionate share of the subsidiaries’ identifiable net assets at the date of acquisition. On disposal, the difference between the sales proceeds, net of directly attributable transaction costs, and the net assets is included in net result.

A subsidiary which NN Group has agreed to sell but is still legally owned by NN Group may still be controlled by NN Group at the balance sheet date and, therefore, still be included in the consolidation. Such a subsidiary may be presented as held for sale if certain conditions are met.

All intercompany transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. Where necessary, the accounting policies used by subsidiaries are changed to ensure consistency with NN Group policies. In general, the reporting dates of subsidiaries are the same as the reporting date of NN Group N.V.

A list of principal subsidiaries is included in Note 30 ‘Principal subsidiaries and geographical information’.

Foreign currency translation

Functional and presentation currency

Items included in the annual accounts of each NN Group entity are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The Consolidated annual accounts are presented in euros, which is NN Group’s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transactions. The release of the contractual service margin of insurance contracts is translated similarly. Exchange rate differences resulting from the settlement of transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account, except when deferred in equity as part of qualifying cash flow hedges, qualifying net investment hedges or as result of applying the OCI option on insurance contracts.

Exchange rate differences on non-monetary items, measured at fair value through profit or loss, are reported as part of the ‘fair value gain or loss’. Exchange rate differences on non-monetary items measured at fair value through other comprehensive income (equity) are included in the ‘revaluation reserve’ in equity.

Exchange rate differences in the profit and loss account are generally included in ‘Foreign currency exchange results’ as part of investment result. Exchange rate differences relating to the disposal of debt and equity securities are considered to be an inherent part of the capital gains and losses. On disposal of group companies, any foreign currency exchange difference deferred in equity is recognised in the profit and loss account in ‘Result on disposals of group companies’.

Notes to the Consolidated annual accounts continued

Group companies
The results and financial positions of all group companies that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
- Assets and liabilities included in each balance sheet are translated at the closing rate at the date of that balance sheet.
- Income and expenses included in each profit and loss account are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).
- All resulting exchange rate differences are recognised in a separate component of equity in 'Currency translation reserve'.

On consolidation, exchange rate differences arising from the translation of a monetary item that forms part of the net investment in a foreign operation and of borrowings and other instruments designated as hedges of such investments are taken to shareholders' equity. When a foreign operation is sold the corresponding exchange rate differences are recognised in the profit and loss account as part of the gain or loss on sale.

Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate prevailing at the balance sheet date.

Recognition and derecognition of financial instruments
Financial assets and liabilities are generally (de)recognised at trade date, which is the date on which NN Group commits to purchase or sell the asset. Loans and receivables are recognised at settlement date, which is the date on which NN Group receives or delivers the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where NN Group has transferred substantially all risks and rewards of ownership. If NN Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, it derecognises the financial asset if it no longer has control over the asset.

Realised gains and losses on investments are determined as the difference between the sales proceeds and (amortised) cost. For equity securities, the cost is determined using a weighted average per portfolio. For debt securities, the cost is determined by specific identification (generally FIFO).

Maximum credit risk exposure
The maximum credit risk exposure for items on the balance sheet is generally the carrying value for the relevant financial assets. For the off-balance sheet items, the maximum credit exposure is the maximum amount that could be required to be paid. Reference is made to Note 40 'Contingent liabilities and commitments' for these off-balance sheet items. Collateral received is not taken into account when determining the maximum credit risk exposure. The manner in which NN Group manages credit risk and determines credit risk exposures is explained in Note 48 'Risk management'.

Leases
The leases entered into by NN Group as a lessee are primarily operating leases. At inception of a contract, NN Group assesses whether a contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The net present value of operating lease commitments is recognised on the balance sheet as a 'right of use asset' under Property and equipment or Real estate investments and a lease liability is recognised under Other liabilities. NN Group does not recognise a right of use asset and a lease liability for short-term leases that have a lease term of 12 months or less and for leases of low value assets. The lease payments associated with these leases are recognised as an expense.

Fiduciary activities
NN Group commonly acts as trustee and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions when conducting asset management activities. The assets and income arising thereon are excluded from these annual accounts, as they are not assets or income of NN Group. Fees received acting as trustee and in other fiduciary capacities are recognised as income.

Statement of cash flows
The Consolidated statement of cash flows is prepared in accordance with the indirect method, classifying cash flows as cash flows from operating, investing and financing activities. In the net cash flow from operating activities, the result before tax is adjusted for those items in the profit and loss account and changes in balance sheet items, which do not result in actual cash flows during the year.

Cash and cash equivalents comprise balances with less than three months maturity from the date of acquisition. Investments qualify as a cash equivalent if they are readily convertible into a known amount of cash and are not subject to significant risk of changes in value.

Notes to the Consolidated annual accounts continued

Cash flows arising from foreign currency transactions are translated into the functional currency using the exchange rates at the date of the cash flows.

The difference between the net cash flow in accordance with the statement of cash flows and the change in 'Cash and cash equivalents' in the balance sheet is due to foreign currency exchange differences and is accounted for separately as part of the reconciliation of the net cash flow and the balance sheet change in 'Cash and cash equivalents'.

Cash flows arising from the issue of mortgage loans held in the banking operations are recognised under Net cash flows from operating activities, whereas cash flows related to mortgage loans held as investment in the insurance operations are recognised under Net cash flow from investing activities.

2 Cash and cash equivalents

Cash includes short-term investments.

NN Group invests in several types of money market funds, some qualifying as cash equivalents and some as investments. Short-term investments in money market funds are presented as cash equivalents only if these are highly liquid and quoted in an active market and have low investment risk.

Cash and cash equivalents

	2024	2023
Cash and bank balances	3,764	3,888
Money market funds	2,759	2,976
Short-term deposits	406	1,343
Cash and cash equivalents	**6,929**	**8,207**

As at 31 December 2024, NN Group held EUR 1,975 million (31 December 2023: EUR 2,156 million) at central banks.

Changes in Cash and cash equivalents

	2024	2023
Changes in Cash and cash equivalents - opening balance	8,207	6,670
Net cash flow	–1,247	1,609
Effect of foreign currency exchange differences on cash and cash equivalents	–31	–72
Changes in Cash and cash equivalents - closing balance	**6,929**	**8,207**

3 Investments at fair value through other comprehensive income

Investments at fair value through other comprehensive income include debt securities and loans that are held in a business model 'held to collect and sell' and of which the cash flows are considered solely payments of principal and interest on the principal amount outstanding. The objective of this business model 'held to collect and sell' is to fund the insurance contracts. To achieve this objective, NN Group collects contractual cash flows as they come due and sells financial assets to maintain the desired profile of the asset portfolio. Investments at fair value through other comprehensive income also include equity securities held by insurance entities within the Group so as to align the accounting for financial assets under IFRS 9 as much as possible to the accounting for insurance liabilities under IFRS 17.

Investments at fair value through other comprehensive income are initially recognised at fair value plus transaction costs. For debt securities and loans, the difference between cost and redemption value is amortised through the effective yield in the profit and loss account. Interest income on debt securities and loans is recognised in the profit and loss account in 'Investment result' using the effective interest method. Dividend income from equity securities classified as Investments at fair value through other comprehensive income is recognised in the profit and loss account in 'Investment result' when the dividend has been declared. Investments at fair value through other comprehensive income are subsequently measured at fair value. Unrealised gains and losses arising from changes in the fair value are recognised in other comprehensive income (equity). For debt securities and loans, realised gains and losses on disposal, are recognised in the profit and loss account in 'Investment result'.

Notes to the Consolidated annual accounts continued

Impairments

Impairment applies to all debt securities and loans measured at amortised cost and at fair value through other comprehensive income. Initially, a provision is recognised for expected credit losses within the next 12 months. This is referred to as 'Stage 1'. If there is a significant increase in credit risk between the moment of initial recognition and the reporting date, but the exposure is not in default, the exposure is classified in 'Stage 2'. If the exposure is in default (i.e. credit impaired), it is classified in 'Stage 3'. For both 'Stage 2' and 'Stage 3', a provision is recognised for expected credit losses over the remaining lifetime of the financial asset.

An asset is in default if it is probable that NN Group will not be able to collect all amounts due (principal and interest) according to the contractual terms. Default risk is determined by considering credit risk and transfer risk. NN Group uses external and internal credit ratings as primary driver in determining whether credit risk has increased significantly together with other qualitative factors (such as market value indicators and portfolio manager assessments). If, at initial recognition, an asset is deemed to have low credit risk (i.e. for all financial assets with an internal or external rating of 'investment grade'), a significant increase in credit risk will occur when the asset's credit rating falls below 'investment grade'. NN Group will, in principle, not rebut the presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, except in specific cases if qualitative factors indicate there has not been a significant increase in credit risk.

The lifetime expected credit losses are calculated based on probability weighted macro-economic scenarios. The impairment for assets classified in stage 1 and stage 2 is determined by using Probability of Default, Loss Given Default and Exposure at Default parameters. Impairment on assets classified in stage 3 is determined by assessing the expected recoverable amount.

Determining impairments is an inherently uncertain process involving various assumptions and factors including condition of the counterparty, assessment of credit risk, statistical loss data, and discount rates. Estimates and assumptions are based on management's judgement and other information available. Significantly different results can occur as circumstances changes and additional information becomes known.

In certain circumstances NN Group may grant borrowers postponement and/or reduction of loan principal and/or interest payments for a temporary period of time to maximise collection opportunities and, if possible, avoid default, foreclosure or repossession. When such postponement and/or reduction of loan principal and/or interest payments is executed based on credit concerns it is also referred to as 'forbearance'. If the forbearance results in a substantial modification of the terms of the loan, the original loan is derecognised and a new loan is recognised at its fair value at the modification date whereas the significance of increases in credit risk is determined as set out above. If the forbearance did not result in a substantial modification, the significance of an increase in the credit risk is determined by comparing the risk of a default occurring at the reporting date (based on the modified contractual terms) and the risk of a default occurring at initial recognition (based on the original, unmodified contractual terms).

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed. The amount of the reversal is recognised in the profit and loss account. NN Group writes-off (part of) the gross carrying amount of a financial asset when it has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Reference is made to Note 48 'Risk management' for more information on credit risk.

Investments at fair value through other comprehensive income

	2024	2023
Debt securities	65,198	66,131
Equity securities	3,110	3,919
Loans	37,742	40,050
Investments at fair value through other comprehensive income	**106,050**	**110,100**

Notes to the Consolidated annual accounts continued

Changes in investments at fair value through other comprehensive income (2024)

2024	Debt securities	Equity securities	Loans	Total
Change in Investments at fair value through OCI - opening balance	66,131	3,919	40,050	110,100
Additions	13,129	173	1,990	15,292
Disposals and redemptions	–12,514	–875	–5,500	–18,889
Revaluations	–1,588	–106	1,223	–471
Impairments and reversal of impairments	23		–11	12
Amortisation	–18		–42	–60
Changes in the composition of the group and other changes			14	14
Foreign currency exchange differences	35	–1	18	52
Change in Investments at fair value through OCI - closing balance	**65,198**	**3,110**	**37,742**	**106,050**

Changes in investments at fair value through other comprehensive income (2023)

2023	Debt securities	Equity securities	Loans	Total
Change in Investments at fair value through OCI - opening balance	69,684	4,106	41,271	115,061
Additions	15,448	423	1,986	17,857
Disposals and redemptions	–19,995	–875	–2,744	–23,614
Revaluations	2,580	245	952	3,777
Impairments and reversal of impairments	–50		4	–46
Amortisation	–69		–55	–124
Transfers and reclassifications			–1,351	–1,351
Changes in the composition of the group and other changes			–13	–13
Foreign currency exchange differences	–1,467	20		–1,447
Change in Investments at fair value through OCI - closing balance	**66,131**	**3,919**	**40,050**	**110,100**

Impairment – Investments at fair value through other comprehensive income (2024)

	Stage 1	Stage 2	Stage 3	
2024	12 month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses	Total
Impairments - Debt instruments at fair value through OCI and loans - opening balance	–82	–15	–67	–164
Transfers between stage 1,2 and 3	2		–2	0
Additions	38	–13	–13	12
Disposals	12	10	22	44
Impairments - Debt instruments at fair value through OCI and loans - closing balance	**–30**	**–18**	**–60**	**–108**

Impairment – Investments at fair value through other comprehensive income (2023)

	Stage 1	Stage 2	Stage 3	
2023	12 month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses	Total
Impairments - Debt instruments at fair value through OCI and loans - opening balance	–46	–22	–128	–196
Transfers between stage 1,2 and 3	2	1	–3	0
Additions	–38	5	–13	–46
Disposals		1	77	78
Impairments - Debt instruments at fair value through OCI and loans - closing balance	**–82**	**–15**	**–67**	**–164**

The loss allowance for investments at fair value through other comprehensive income of EUR 108 million (2023: EUR 164 million) does not reduce the carrying amount of these investments (which are measured at fair value) but gives rise to an equal and opposite gain in other comprehensive income and is included in the line ‘Revaluations’ in the table of Changes in investments at fair value through other comprehensive income.

Notes to the Consolidated annual accounts continued

4 Investments at cost

Investments at cost consist of loans that are held in a business model 'held to collect' and of which the cash flows are considered solely payments of principal and interest on the principal amount outstanding. This mainly relates to mortgage loans in the segment Banking.

Investments at cost are initially recognised at fair value plus transaction costs. Subsequently, these are carried at amortised cost using the effective interest method less any impairment losses. Interest income is recognised in the profit and loss account in 'Investment result' using the effective interest method. Reference is made to Note 3 'Investments at fair value through other comprehensive income' for more information on impairment.

Investments at cost

	2024	2023
Mortgage loans	22,182	21,390
Other	54	101
Impairments	–2	–3
Investments at cost - net of impairments	**22,234**	**21,488**

Changes in investments at cost (2024)

2024	Mortgage loans	Other	Total
Changes in Investments at cost - opening balance	21,387	101	21,488
Additions	2,540	76	2,616
Disposals and redemptions	–1,938	–126	–2,064
Fair value changes recognised on hedged items	186		186
Impairments and reversal of impairments	1		1
Amortisation	3		3
Transfers and reclassifications		4	4
Changes in Investments at cost - closing balance	**22,179**	**55**	**22,234**

Changes in investments at cost (2023)

2023	Mortgage loans	Other	Total
Changes in Investments at cost - opening balance	20,028	263	20,291
Additions	2,728	117	2,845
Disposals and redemptions	–1,943	–156	–2,099
Fair value changes recognised on hedged items	535		535
Impairments and reversal of impairments	3	5	8
Amortisation	–27		–27
Transfers and reclassifications	64	–69	–5
Changes in the composition of the group and other changes	–1	–59	–60
Changes in Investments at cost - closing balance	**21,387**	**101**	**21,488**

5 Investments at fair value through profit or loss

A financial asset is measured at fair value through profit or loss if it is not measured at (amortised) cost or at fair value through other comprehensive income. Financial assets at fair value through profit or loss include debt securities and loans of which the cash flows are not considered solely payments of principal and interest on the principal amount outstanding, investments in investment funds, and investments held for risk of policyholders.

Transaction costs on initial recognition are expensed when incurred. Interest income from debt securities and loans classified as investments at fair value through profit or loss is recognised in the profit and loss account in 'Investment result' using the effective interest method. Dividend income from equity securities classified as investments at fair value through profit or loss is recognised in the profit and loss account in 'Investment result' when the dividend has been declared.

The investments for risk of policyholders are classified at fair value through profit or loss as to align with the accounting for the corresponding insurance liabilities.

Investments at fair value through profit or loss

	2024	2023
For risk of policyholders:		
– debt securities	797	889
– equity securities and investment funds	41,999	36,789
– loans and other	2,624	2,611
Total for risk of policyholders	**45,420**	**40,289**
For risk of company:		
– debt securities	445	460
– equity securities and investment funds	8,679	7,821
– loans and other	424	822
Total for risk of company	**9,548**	**9,103**
Investments at fair value through profit or loss	**54,968**	**49,392**

6 Investments in real estate

Investments in real estate

Real estate investments are initially measured at cost, including transaction cost and are subsequently measured at fair value. Changes in the carrying value resulting from revaluations are recognised in the profit and loss account. On disposal the difference between the sales proceeds and carrying value is recognised in the profit and loss account. The fair value of real estate investments is based on regular appraisals by independent qualified valuers. All real estate investments are appraised externally at least annually. Market transactions and disposals made by NN Group are monitored as part of the validation procedures to test the valuations. Valuations performed earlier in the year are updated if necessary to reflect the situation at the year-end.

The fair value represents the estimated amount for which the property could be exchanged on the date of valuation between a willing buyer and willing seller in an at-arm's-length transaction after proper marketing wherein the parties each acted knowledgeably, prudently and without compulsion. The fair value is based on regular appraisals by external qualified valuers using valuation methods such as comparable market transactions, capitalisation of income methods or discounted cash flow calculations. The underlying assumption used in the valuation is that the properties are let or sold to third parties based on the actual letting status. The discounted cash flow analysis and capitalisation of income method are based on calculations of the future rental income in accordance with the terms in existing leases and estimations of the rental values for new leases when leases expire and incentives like rent-free periods. The cash flows are discounted using market-based interest rates that appropriately reflect the risk characteristics of real estate. The valuation of real estate investments takes (expected) vacancies into account. Occupancy rates differ significantly from investment to investment. For real estate investments held through (minority shares in) real estate investment funds, the valuations are performed under the responsibility of the funds' asset manager.

Subsequent expenditures are recognised as part of the asset's carrying value only when it is probable that future economic benefits associated with the item will flow to NN Group and the cost of an item can be measured reliably. All other repairs and maintenance costs are recognised immediately in the profit and loss account. Borrowing costs on real estate investments under construction are capitalised until completion.

Real estate investments under construction are included in investments in real estate.

Reference is made to Note 33 'Fair value of non-financial assets' for more disclosure on fair value of real estate investments at the balance sheet date.

Notes to the Consolidated annual accounts continued

Changes in investments in real estate

	2024	2023
Investments in real estate – opening balance	2,620	2,754
Additions	114	193
Transfers from (to) other assets	–3	–1
Fair value gains (losses)	–13	–276
Disposals	–206	–50
Investments in real estate – closing balance	**2,512**	**2,620**

The total amount of rental income recognised in the profit and loss account for the year ended 31 December 2024 is EUR 170 million (2023: EUR 176 million). The real estate investments include properties that are leased (ground lease). At 31 December 2024, the corresponding right of use assets amount to EUR 70 million (2023: EUR 52 million).

The total amount of direct operating expenses (including repairs and maintenance) in relation to real estate investments recognised in rental income for the year ended 31 December 2024 EUR 61 million (2023: EUR 62 million).

Investments in real estate by year of most recent appraisal

	2024	2023
Most recent appraisal in current year	100%	100%
	100%	**100%**

NN Group's total exposure to real estate is included in the following balance sheet lines:

Real estate exposure

	2024	2023
Investments in real estate	2,512	2,620
Investments at fair value through profit or loss	2,050	2,181
Investments at fair value through OCI	369	348
Investments in associates and joint ventures	4,586	4,384
Property and equipment – property in own use	91	92
Real estate exposure	**9,608**	**9,625**

Furthermore, the exposure is impacted by third-party interests, leverage in funds and off-balance commitments. Reference is made to Note 48 'Risk management'.

7 Investments in associates and joint ventures

Associates are entities over which NN Group has significant influence, but not control. Joint ventures are entities in which NN Group has joint control.

Associates and joint ventures are initially recognised at cost (including goodwill) and subsequently accounted for using the equity method of accounting. Subsequently, NN Group's share of profits or losses is recognised in the profit and loss account and its share of changes in reserves is recognised in other comprehensive income (equity). The cumulative changes are adjusted against the carrying value of the investment. When NN Group's share of losses in an associate or joint venture equals or exceeds the book value of the associate or joint venture, NN Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

Unrealised gains and losses on transactions between NN Group and its associates and joint ventures are eliminated to the extent of NN Group's interest. Accounting policies of associates and joint ventures have been changed where necessary to ensure consistency with the policies of NN Group. The reporting dates of all significant associates and joint ventures are consistent with the reporting date of NN Group.

Notes to the Consolidated annual accounts continued

For interests in investment entities the existence of significant influence is determined taking into account both NN Group's financial interests for own risk and its role as asset manager.

Associates include interests in real estate funds and private equity funds. The underlying assets of both the real estate and the private equity funds are measured at fair value through profit or loss. The fair value of underlying real estate in real estate funds is determined as included in Note 6 'Investments in real estate'. The fair value of underlying private equity investments in private equity funds is generally based on a forward-looking market approach. This approach uses a combination of company financials and quoted market multiples. In the absence of quoted prices in an active market, fair value is estimated on the basis of an analysis of the investee's financial position and results, risk profile, prospects, price, earnings comparisons and by reference to market valuations for similar entities quoted in an active market. Valuations of private equity investments are mainly based on an 'adjusted multiple of earnings' methodology on the following basis:

- Earnings: reported earnings are adjusted for non-recurring items, such as restructuring expenses, for significant corporate actions and, in exceptional cases, for run-rate adjustments to arrive at maintainable earnings. The most common measure is earnings before interest, tax, depreciation and amortisation (EBITDA). Earnings used are usually management forecasts for the current year, unless data from management accounts for the 12 months preceding the reporting period or the latest audited annual accounts provide a more reliable estimate of maintainable earnings.
- Earnings multiples: earnings multiples are derived from comparable listed companies or relevant market transaction multiples for companies in the same industry and, where possible, with a similar business model and profile in terms of size, products, services and customers, growth rates and geographic focus. Adjustments are made for differences in the relative performance in the group of comparable companies.
- Adjustments: a marketability or liquidity discount is applied based on factors such as alignment with management and other investors and NN Group's investment rights in the deal structure.

Investments in associates and joint ventures (2024)

2024	Interest held	Balance sheet value	Total assets	Total liabilities	Total income	Total expenses
Vesteda Residential Fund FGR	24%	1,757	10,050	2,779	1,335	206
Macquarie European Infrastructure Debt Fund	47%	357	756	1	64	2
Rivage Euro Debt infrastructure 3	34%	317	927		55	7
Nestar Residencial S.I.I. S.A.	23%	268	1,762	606	105	67
CBRE Dutch Office Fund FGR	19%	263	2,129	715	79	81
Hayfin Amber GP S.A R.L.	100%	253	347	94	22	3
CBRE Dutch Residential Fund I FGR	8%	250	3,161	140	340	39
CBRE Retail Property Fund Iberica L.P.	50%	225	988	537	109	36
Rivage Hopitaux Publics Euro	34%	207	600		17	6
Ardstone Residential Partners III	29%	203	1,068	363	33	28
NRP Nordic Logistic Fund SA	42%	187	474	30	22	5
Healthcare Activos SOCIMI S.A.	38%	177	883	416	35	26
Rivage Priv. Debt – Fund for Infrastructure Climate Solutions	100%	168	169	1	14	2
Dutch Urban Living Venture FGR	49%	160	478	155	66	12
Rivage Euro Debt Infrastructure High return 2	34%	153	454		37	8
Dutch Student and Young Professional Housing Fund FGR	49%	143	370	81	45	8
CBRE Dutch Retail Fund FGR	22%	126	790	223	11	25
Allee center Kft	50%	116	251	19	20	12
Fiumaranuova s.r.l.	50%	98	202	6	18	8
Macquarie Climate Inv Debt.	58%	95	163		4	1
Bentall Green Oak Europe Secured Lending III SLP	33%	92	413	129	13	8
Octopus Commercial Real Estate Debt Fund III LP	46%	90	219	21	13	3
Prime Ventures V.C.V.	18%	89	501	0	–12	5
DPE Deutschland III (Parallel) GmbH & Co	17%	81	676	201	214	2
CBRE UK Property Fund PAIF	8%	80	1,035	14	16	–5

Notes to the Consolidated annual accounts continued

2024	Interest held	Balance sheet value	Total assets	Total liabilities	Total income	Total expenses
Delta Mainlog Holding GmbH & Co. KG	50%	76	154	3	8	2
Boccaccio - Closed-end Real Estate Mutual Investment Fund	50%	75	199	48	15	4
Hayfin TS Fund	79%	72	97	6	6	1
NL Boompjes Property 5 C.V.	50%	66	132	1	18	1
Parcom Buy-Out Fund V CV	21%	63	359	65	64	5
CBRE Property Fund Central and Eastern Europe FGR	50%	61	181	59	26	9
Parquest Capital II B FPCI	25%	58	267	38	5	4
Dutch Climate Action Fund Equity Vintage 1 C.V.	97%	54	55			1
Other		556				
Investments in associates and joint ventures		**7,036**				

The above investments in associates and joint ventures mainly consist of non-listed investment entities investing in real estate and private equity.

Significant influence exists for certain associates in which the interest held is below 20%, based on the combination of NN Group's financial interest for own risk and other arrangements, such as participation in the relevant boards.

NN Group holds associates over which it cannot exercise control despite holding more than 50% of the share capital. For this reason, these are classified as associates and are not consolidated.

Other includes EUR 474 million (2023: EUR 533 million) of associates and joint ventures with an individual balance sheet value of less than EUR 50 million and EUR 82 million (2023: EUR 85 million) of receivables from associates and joint ventures.

The amounts presented in the table above could differ from the individual annual accounts of the associates due to the fact that the individual amounts have been brought in line with NN Group's accounting principles.

The reporting dates of all significant associates and joint ventures are consistent with the reporting date of NN Group.

The associates and joint ventures of NN Group are subject to legal and regulatory restrictions regarding the amount of dividends that can be paid to NN Group. These restrictions are, for example, dependent on the laws in the country of incorporation for declaring dividends or as a result of minimum capital requirements imposed by industry regulators in the countries in which the associates and joint ventures operate. In addition, the associates and joint ventures also consider other factors in determining the appropriate levels of equity needed. These factors and limitations include, but are not limited to, rating agency and regulatory views, which can change over time.

Investments in associates and joint ventures (2023)

2023	Interest held	Balance sheet value	Total assets	Total liabilities	Total income	Total expenses
Vesteda Residential Fund FGR	24%	1,545	8,982	2,590	−481	176
Rivage Euro Debt infrastructure 3	34%	313	917	1		
Macquarie European Infrastructure Debt Fund	50%	289	583	7		
CBRE Dutch Office Fund FGR	19%	273	2,214	745	−370	90
Nestar Residencial S.I.I. S.A.	23%	267	1,693	538	87	71
CBRE Retail Property Fund Iberica L.P.	50%	221	971	528	72	37
CBRE Dutch Residential Fund I FGR	7%	209	3,013	136	−269	43
Ardstone Residential Partners III	30%	208	1,031	335	29	20
Hayfin Amber GP S.A R.L.	100%	205	376	171		
NRP Nordic Logistic Fund SA	42%	194	493	31	10	5
Healthcare Activos SOCIMI S.A.	38%	177	855	387	33	20
CBRE Dutch Retail Fund FGR	21%	150	996	282	−47	21
Dutch Urban Living Venture FGR	49%	138	434	156	−39	7
Rivage Hopitaux Publics Euro	34%	133	389	3		
Dutch Student and Young Professional Housing Fund FGR	49%	130	342	78	−9	6
Allee center Kft	50%	118	257	20	21	7
CBRE UK Property Fund PAIF	9%	112	1,309	37	21	−1

Notes to the Consolidated annual accounts continued

2023	Interest held	Balance sheet value	Total assets	Total liabilities	Total income	Total expenses
Rivage Priv. Debt – Fund for Infrastructure Climate Solutions	100%	110	111	1		
Fiumaranuova s.r.l.	50%	101	208	5	5	8
Rivage Euro Debt Infrastructure High return 2	34%	84	250	1		
Prime Ventures V C.V.	20%	83	466	44		4
Parquest Capital II B FPCI	29%	83	324	41		3
Delta Mainlog Holding GmbH & Co. KG	50%	77	155	1	3	2
Octopus Commercial Real Estate Debt Fund III LP	46%	77	168			
Boccaccio - Closed-end Real Estate Mutual Investment Fund	50%	73	194	48	17	3
Parcom Buy-Out Fund V CV	21%	62	358	64	88	4
CBRE Property Fund Central and Eastern Europe FGR	50%	61	171	49	24	9
DPE Deutschland III (Parallel) GmbH & Co	17%	60	426	67	–49	4
NL Boompjes Property 5 C.V.	50%	60	120	1	12	1
Other		618				
Investments in associates and joint ventures		**6,231**				

Changes in investments in associates and joint ventures

	2024	2023
Investments in associates and joint ventures – opening balance	6,231	6,450
Additions	706	507
Transfers from (to) investments at fair value through OCI	–3	
Share in changes in equity (revaluations)		–9
Share of result	579	–237
Dividends received	–250	–244
Disposals	–244	–259
Foreign currency exchange differences	17	23
Investments in associates and joint ventures – closing balance	**7,036**	**6,231**

8 Property and equipment

Land and buildings held for own use are stated at fair value at the balance sheet date. Increases in the carrying value are recognised in other comprehensive income (equity). Decreases in the carrying value that offset previous increases of the same asset are charged against other comprehensive income (equity); all other decreases are recognised in the profit and loss account. Increases that reverse a revaluation decrease on the same asset previously recognised in net result are recognised in the profit and loss account. Depreciation is recognised based on the fair value and the estimated useful life (in general 20-50 years). On disposal, the related revaluation reserve in equity is transferred within equity to ‘Retained earnings’.

The fair value of land and buildings is based on regular appraisals by independent, qualified valuers or internally, similar to appraisals of real estate investments. All significant holdings of land and buildings are appraised at least annually. Subsequent expenditure is included in the asset’s carrying value when it is probable that future economic benefits associated with the item will flow to NN Group and the cost of the item can be measured reliably.

Equipment is stated at cost less accumulated depreciation and any impairment losses. The estimated useful lives are generally as follows: two to five years for data processing equipment and four to ten years for fixtures and fittings. Expenditure incurred on maintenance and repairs is recognised in the profit and loss account when incurred. Expenditure incurred on major improvements is capitalised and depreciated. The difference between the proceeds on disposal and net carrying value is recognised in the profit and loss account in ‘Other, part of Other result’.

Notes to the Consolidated annual accounts continued

Methods of depreciation

Items of property and equipment are depreciated. The carrying values of the assets are depreciated on a straight-line basis over the estimated useful lives. Methods of depreciation, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Property and equipment

	2024	2023
Property in own use	91	92
Equipment	59	82
Property and equipment owned	**150**	**174**
Right of use assets	152	174
Property and equipment total	**302**	**348**

Changes in Property in own use

	2024	2023
Property in own use – opening balance	92	97
Additions	3	3
Revaluations	2	–2
Disposals	–6	
Depreciation	–2	–2
Impairments		–6
Changes in the composition of the group and other changes	2	2
Property in own use – closing balance	**91**	**92**
Gross carrying value	150	146
Accumulated depreciation, revaluations and impairments	–59	–54
Net carrying value	**91**	**92**
Revaluation surplus – opening balance	14	16
Revaluation in year	2	–2
Revaluation surplus – closing balance	**16**	**14**

Changes in Equipment

	Data processing equipment		Fixtures and fittings and other equipment		Total	
	2024	2023	2024	2023	2024	2023
Equipment – opening balance	33	30	49	70	82	100
Additions	8	20	24	6	32	26
Disposals			–18	–1	–18	–1
Depreciation	–17	–14	–20	–20	–37	–34
Changes in the composition of the group and other changes		–3		–6	0	–9
Equipment – closing balance	**24**	**33**	**35**	**49**	**59**	**82**
Gross carrying value	204	196	272	266	476	462
Accumulated depreciation	–180	–163	–237	–217	–417	–380
Net carrying value	**24**	**33**	**35**	**49**	**59**	**82**

Changes in Right of use assets

	Property		Equipment		Total	
	2024	2023	2024	2023	2024	2023
Right of use assets – opening balance	155	183	19	19	174	202
Additions	9	15	17	12	26	27
Disposals	–2	–11	–2	–1	–4	–12
Depreciation	–31	–35	–12	–11	–43	–46
Changes in the composition of the group and other changes		7	1		1	7
Foreign currency exchange differences	–2	–4			–2	–4
Right of use assets – closing balance	**129**	**155**	**23**	**19**	**152**	**174**
Gross carrying value	355	350	92	76	447	426
Accumulated depreciation	–226	–195	–69	–57	–295	–252
Net carrying value	**129**	**155**	**23**	**19**	**152**	**174**

9 Intangible assets

Acquisition accounting, goodwill and other intangible assets

Goodwill

NN Group's acquisitions are accounted for using the acquisition method of accounting. Goodwill, being the positive difference between the cost of the acquisition (including assumed debt) and NN Group's interest in the fair value of the acquired assets, liabilities and contingent liabilities as at the date of acquisition, is capitalised as an intangible asset. In case there is a negative difference between the cost of the acquisition (including assumed debt) and NN Group's interest in the fair value of the acquired assets, liabilities and contingent liabilities as at the date of acquisition, this is referred to as negative goodwill and is recognised in profit and loss in the reporting period the acquisition is finalised. Acquisition related costs are recognised in the profit and loss account when incurred and presented in the profit and loss account as 'Other operating expenses'.

The initial accounting for the fair value of the net assets of the companies acquired during the year may be determined only provisionally as the determination of the fair value can be complex and the time between the acquisition and the preparation of the annual accounts can be limited. The initial accounting shall be completed within a year after acquisition.

Where a business combination is achieved in stages, NN Group's previously held interests in the assets and liabilities of the acquired entity are remeasured to fair value at the acquisition date (i.e. the date NN Group obtains control) and the resulting gain or loss, if any, is recognised in the profit and loss account. Amounts arising from interests in the acquiree before the acquisition date that have previously been recognised in other comprehensive income (equity) are reclassified to the profit and loss account, where such treatment would be appropriate if that interest were disposed of.

Intangible assets with finite useful lives are amortised on a straight-line basis over the estimated useful lives. Methods of amortisation, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Amortisation is included in 'Other operating expenses'.

Computer software

Computer software that has been purchased or generated internally for own use is stated at cost less amortisation and any impairment losses. The expected useful life of computer software will generally not exceed three years.

Other intangible assets

Other intangible assets include brand names, client relationships and distribution channels. These assets are stated at cost less amortisation and any impairment losses. The estimated useful life is generally between 2 and 18 years.

Impairment of intangible assets

Impairment reviews with respect to goodwill and intangible assets are performed at least annually and more frequently if events indicate that impairments may have occurred. The identification of impairment is an inherently uncertain process involving various assumptions and factors. Estimates and assumptions (including unobservable Level 3 inputs) are based on management's judgement and other information available.

Goodwill is tested for impairment at the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other groups of assets, i.e. the lowest level at which it is monitored for internal management purposes. This level is defined as the cash-generating unit (reporting unit) as set out below. Goodwill is tested for impairment by comparing the carrying value of the cash-generating unit (reporting unit) to the best estimate of the recoverable amount of that cash-generating unit (reporting unit). The carrying value is determined as the IFRS-EU book value including goodwill and certain acquisition intangibles. The recoverable amount is estimated as the higher of fair value less cost to sell and value in use. Several methodologies are applied to arrive at the best estimate of the recoverable amount. The identification of impairment is an inherently uncertain process involving various assumptions and factors. Estimates and assumptions (including unobservable Level 3 inputs) are based on management's judgement and other information available. For the goodwill recognised there is a significant excess of recoverable amount over book value for the cash-generating units (reporting units) to which goodwill is allocated.

In 2024 and 2023, there was no impairment of goodwill.

Other intangible assets are tested for impairment by comparing the carrying value with the best estimate of the recoverable amount of the individual intangible asset.

Notes to the Consolidated annual accounts continued

Changes in Intangible assets (2024)

2024	Goodwill	Software	Other	Total
Intangible assets – opening balance	892	79	299	1,270
Additions		36	3	39
Amortisation		–37	–38	–75
Disposals		–6		–6
Changes in the composition of the group and other changes	–26		24	–2
Foreign currency exchange differences	3			3
Intangible assets – closing balance	**869**	**72**	**288**	**1,229**
Gross carrying value	1,842	1,030	871	3,743
Accumulated amortisation		–888	–533	–1,421
Accumulated impairments	–973	–70	–50	–1,093
Net carrying value	**869**	**72**	**288**	**1,229**

Changes in Intangible assets (2023)

2023	Goodwill	Software	Other	Total
Intangible assets – opening balance	871	91	318	1,280
Additions	12	29	18	59
Amortisation		–35	–35	–70
Disposals		–3		–3
Impairments		–3	–2	–5
Foreign currency exchange differences	9			9
Intangible assets – closing balance	**892**	**79**	**299**	**1,270**
Gross carrying value	1,865	1,000	844	3,709
Accumulated amortisation		–851	–495	–1,346
Accumulated impairments	–973	–70	–50	–1,093
Net carrying value	**892**	**79**	**299**	**1,270**

Other intangible assets include the intangibles recognised upon the acquisition of Met Life Greece, Heinenoord, VIVAT Non-life and the remaining part of the intangibles recognised in 2017 on the acquisition of Delta Lloyd.

The acquisition intangibles comprise:
- Brand names – with an average expected remaining useful life at the acquisition date of approximately ten years.
- Client relationships – with an average expected remaining useful life at the acquisition date of approximately ten years.
- Distribution channels/agreements – with an average expected remaining useful life at the acquisition date of approximately 18 years.

Goodwill by cash-generating unit (reporting unit)

	2024	2023
Netherlands Non-life	434	460
Insurance Europe	373	370
Banking	62	62
Goodwill	**869**	**892**

Reference is made to Note 42 ‘Companies and businesses acquired and divested’.

10 Other assets

Other assets

	2024	2023
Income tax receivable	446	251
Accrued interest and rents	1,474	1,414
Other accrued assets	219	228
Cash collateral amounts paid	2,584	3,000
Other	525	672
Other assets	**5,248**	**5,565**

Notes to the Consolidated annual accounts continued

11 Equity

Total equity

	2024	2023
Share capital	32	34
Share premium	12,581	12,579
Accumulated revaluations on investments	–3,865	–4,116
Accumulated revaluations on (re) insurance contracts	12,901	13,313
Foreign currency translation reserve	–487	–421
Net defined benefit asset/liability remeasurement reserve	–55	–63
Other reserves	–1,276	–1,702
Shareholders' equity (parent)	**19,831**	**19,624**
Minority interests	85	79
Undated subordinated notes	1,736	1,416
Total equity	**21,652**	**21,119**

Changes in Shareholders' equity (parent) (2024)

2024	Share capital	Share premium	Reserves	Total shareholders' equity (parent)
Shareholders' equity (parent) – opening balance	34	12,579	7,011	19,624
Total amount recognised directly in equity (other comprehensive income)			25	25
Net result for the year			1,583	1,583
Changes in share capital	–2	2		0
Dividend			–680	–680
Purchase (sale) of treasury shares			–529	–529
Employee stock option and share plans			1	1
Coupon on undated subordinated notes			–62	–62
Changes in the composition of the group and other changes			–131	–131
Shareholders' equity (parent) – closing balance	**32**	**12,581**	**7,218**	**19,831**

Purchase/sale of treasury shares (2024)

During 2024, 12,093,872 ordinary shares for a total amount of EUR 529 million were repurchased under the open market share buyback programme. Treasury shares for a total amount of EUR 1 million were delivered under Employee share plans. In 2024, 5,524,775 NN Group ordinary shares were delivered for the final dividend 2023.

In 2024, 16,000,000 NN Group treasury shares were cancelled.

As at 31 December 2024, 1,574,203 treasury shares were held by NN Group.

Coupon paid on undated subordinated notes (2024)

The undated subordinated notes have an optional annual coupon payment in July and optional semi-annual coupon payments in March and September. The annual coupon resulted in a deduction of EUR 62 million (net of tax) from equity.

Changes in Shareholders' equity (parent) (2023)

2023	Share capital	Share premium	Reserves	Total shareholders' equity (parent)
Shareholders' equity (parent) – opening balance	35	12,578	6,652	19,265
Total amount recognised directly in equity (other comprehensive income)			312	312
Net result for the year			1,172	1,172
Changes in share capital	–1	1		0
Dividend			–422	–422
Purchase (sale) of treasury shares			–632	–632
Employee stock option and share plans			1	1
Coupon on undated subordinated notes			–57	–57
Changes in the composition of the group and other changes			–15	–15
Shareholders' equity (parent) – closing balance	**34**	**12,579**	**7,011**	**19,624**

Notes to the Consolidated annual accounts continued

Purchase/sale of treasury shares (2023)

During 2023, 18,988,015 ordinary shares for a total amount of EUR 632 million were repurchased under the open market share buyback programme, including repurchases to neutralise the dilutive effect of stock dividends. Treasury shares for a total amount of EUR 1 million were delivered under Employee share plans. The repurchased shares are held by NN Group and the amount was deducted from Other reserves (Purchase/ sale of treasury shares). In 2023, 7,289,612 NN Group ordinary shares were delivered for the final dividend 2022.

In 2023, 10,000,000 NN Group treasury shares were cancelled.

As at 31 December 2023, 11,138,500 treasury shares were held by NN Group.

Coupon paid on undated subordinated notes (2023)

The undated subordinated notes have optional annual coupon payments in June and July. The annual coupons resulted in a deduction of EUR 57 million (net of tax) from equity.

Share capital

	Ordinary shares (in number)		Ordinary shares (Amounts in millions of euros)	
	2024	2023	2024	2023
Authorised share capital	700,000,000	700,000,000	84	84
Unissued share capital	431,000,000	415,000,000	52	50
Issued share capital	**269,000,000**	**285,000,000**	**32**	**34**

Ordinary shares

The authorised ordinary share capital consists of 700,000,000 ordinary shares with a par value of EUR 0.12 per share. At 31 December 2024 issued and fully paid ordinary share capital consists of 269,000,000 ordinary shares with a par value of EUR 0.12 per share.

Distributable reserves

Reference is made to Note 6 ‘Equity’ in the Parent company annual accounts for the determination of the freely distributable reserves.

Preference shares

As at 31 December 2024, none of the preference shares had been issued. The authorised number of preference shares is 700,000,000 shares.

Changes in Share premium

	2024	2023
Share premium – opening balance	12,579	12,578
Issue of ordinary shares	2	1
Share premium – closing balance	**12,581**	**12,579**

Changes in Accumulated revaluations investments (2024)

2024	Property revaluation reserve	Investment revaluation reserve	Cash flow hedge reserve	Total
Revaluation reserve – opening balance	10	–6,967	2,841	–4,116
Revaluations		–303		–303
Realised gains / losses transferred to the profit and loss account		757		757
Realised gains / losses on equity securities		–244		–244
Changes in cash flow hedge reserve			44	44
Other revaluations		–2		–2
Revaluation reserve – closing balance	**10**	**–6,759**	**2,885**	**–3,864**

In 2024, NN Group sold equity securities with a fair value of EUR 875 million, resulting in a realised gain (after tax) of EUR 244 million, which was transferred from the accumulated revaluations investments to other reserves.

Notes to the Consolidated annual accounts continued

Changes in Accumulated revaluations investments (2023)

2023	Property revaluation reserve	Investment revaluation reserve	Cash flow hedge reserve	Total
Revaluation reserve – opening balance	11	–10,037	2,894	–7,132
Revaluations	–1	2,868		2,867
Realised gains / losses transferred to the profit and loss account		249		249
Realised gains / losses on equity securities		–38		–38
Changes in cash flow hedge reserve			–53	–53
Other revaluations		–9		–9
Revaluation reserve – closing balance	**10**	**–6,967**	**2,841**	**–4,116**

In 2023, NN Group sold equity securities with a fair value of EUR 875 million, resulting in a realised gain (after tax) of EUR 38 million, which was transferred from the accumulated revaluations investments to other reserves.

Changes in Accumulated revaluations (re) insurance contracts

	2024	2023
Revaluation reserve – opening balance	13,313	15,962
Finance result on insurance contracts recognised in other comprehensive income	–447	–2,634
Finance result on reinsurance contracts recognised in other comprehensive income	35	–15
Revaluation reserve – closing balance	**12,901**	**13,313**

Changes in Foreign currency translation reserve

	2024	2023
Foreign currency translation reserve – opening balance	–421	–338
Unrealised revaluations after taxation	–23	–24
Foreign currency exchange differences for the year	–43	–59
Foreign currency translation reserve – closing balance	**–487**	**–421**

Unrealised revaluations relate to changes in the value of hedging instruments that are designated as net investment hedges.

Changes in Other reserves (2024)

2024	Retained earnings	Share of associates reserve	Total
Other reserves – opening balance	–3,018	1,316	–1,702
Net result for the year	1,583		1,583
Transfers from (to) share of associates reserve	–344	344	0
Realised gains / losses on equity securities	243		243
Dividend	–680		–680
Purchase (sale) of treasury shares	–529		–529
Employee stock option and share plans	1		1
Coupon on subordinated notes	–62		–62
Changes in the composition of the group and other changes	–131		–131
Other reserves – closing balance	**–2,937**	**1,660**	**–1,277**

Changes in Other reserves (2023)

2023	Retained earnings	Share of associates reserve	Total
Other reserves – opening balance	–3,601	1,812	–1,789
Net result for the year	1,172		1,172
Transfers from (to) share of associates reserve	496	–496	0
Realised gains / losses on equity securities	39		39
Dividend	–422		–422
Purchase (sale) of treasury shares	–632		–632
Employee stock option and share plans	1		1
Coupon on subordinated notes	–57		–57
Changes in the composition of the group and other changes	–14		–14
Other reserves – closing balance	**–3,018**	**1,316**	**–1,702**

Notes to the Consolidated annual accounts continued

Dividends

	2024	2023
Dividend paid in cash (interim current year)	347	164
Dividend paid in cash (final previous year)	334	258
Stock dividend (interim current year)		146
Stock dividend (final previous year)	232	236
Total dividend	**913**	**804**

Interim dividend 2024
In September 2024, NN Group paid an interim dividend of EUR 1.28 per ordinary share, or approximately EUR 347 million in total based on the number of shares outstanding at the date of announcement (net of treasury shares), calculated as 40% of the 2023 full-year dividend per ordinary share in accordance with the NN Group dividend policy. The interim dividend was paid fully in cash, after deduction of withholding tax if applicable.

Proposed final dividend 2024
At the Annual General Meeting on 15 May 2025, a final dividend will be proposed of EUR 2.16 per ordinary share, or approximately EUR 578 million in total based on the current number of outstanding shares (net of treasury shares). The final dividend will be paid in cash, after deduction of withholding tax if applicable. The final dividend is subject to adoption by the General Meeting at the annual general meeting to be held on 15 May 2025.

Interim dividend 2023
In September 2023, NN Group paid an interim dividend of EUR 1.12 per ordinary share, or approximately EUR 309 million in total based on the number of shares outstanding at the date of announcement (net of treasury shares). The interim dividend was paid either in cash, after deduction of withholding tax if applicable, or in ordinary shares, at the election of the shareholders. Dividends paid in the form of ordinary shares were delivered from NN Group treasury shares. To neutralise the dilutive effect of the stock dividend, NN Group repurchases ordinary shares for an amount equivalent to the value of the stock dividend. The cash dividend was distributed out of Other reserves.

Final dividend 2023
On 24 May 2024, the General Meeting adopted the proposed final dividend of EUR 2.08 per ordinary share, or approximately EUR 570 million in total. Together with the 2023 interim dividend of EUR 1.12 per ordinary share paid in September 2023, NN Group's total dividend for 2023 was EUR 3.20 per ordinary share. The final dividend was paid either fully in cash, after deduction of withholding tax if applicable, or fully in ordinary shares, at the election of the shareholders. Dividends paid in the form of ordinary shares were delivered from NN Group treasury shares or issued at the expense of the share premium reserve. To neutralise the dilutive effect of the stock dividend, NN Group repurchases ordinary shares for an amount equivalent to the stock dividend. The cash dividend was distributed out of Other reserves.

Minority interest
NN Group owns 51% of the shares of Nationale-Nederlanden ABN AMRO Verzekeringen Holding B.V. (ABN AMRO Verzekeringen). ABN AMRO Verzekeringen's principal place of business is Zwolle, the Netherlands. ABN AMRO Verzekeringen is fully consolidated by NN Group, with a minority interest recognised of 49%.

At 31 December 2024, the minority interest relating to ABN AMRO Verzekeringen recognised in equity was EUR 78 million (2023: EUR 71 million).

Undated subordinated notes

In March 2024, NN Group announced a tender for purchase by NN Group of the EUR 750 million Fixed to Floating Rate Undated Subordinated Notes for cash at a price of 100.1% of the nominal amount. The tender was completed in March 2024 and NN Group accepted the purchase of EUR 287 million in nominal amount. In June 2024, NN Group additionally redeemed EUR 128 million of the EUR 750 million Fixed to Floating Rate Undated Subordinated Notes.

In March 2024, NN Group issued euro-denominated, perpetual, restricted Tier 1, temporary write-down securities for an amount of EUR 750 million. The notes are first callable as from 12 September 2030. The coupon is fixed at 6.375% per annum until 12 March 2031 and will be reset every fifth year thereafter. These securities are classified as equity under IFRS-EU. Coupon payments are distributed out of equity if and when paid or contractually due.

In April 2023 NN Group announced a tender for purchase by NN Group for cash of outstanding subordinated notes. The tender was completed in May 2023 and NN Group accepted the purchase of EUR 1 billion in nominal amount. This includes EUR 665 million of subordinated notes previously classified as liabilities in the balance sheet and EUR 335 million previously classified in equity. Reference is made to Note 16 ‘Subordinated debt’.

In July 2014, NN Group N.V. issued fixed to floating rate undated subordinated notes with a par value of EUR 1,000 million. The notes are undated, but are callable after 11.5 years and every quarter thereafter (subject to regulatory approval). The coupon is fixed at 4.5% per annum for the first 11.5 years and will be floating thereafter. As these notes are undated and include optional deferral of interest at the discretion of NN Group, these are classified under IFRS-EU as equity. Coupon payments are distributed out of equity if and when paid or contractually due. The discount to the par value and certain issue costs were deducted from equity at issue, resulting in a balance sheet value equal to the net proceeds of EUR 986 million.

In June 2014, fixed to floating rate undated subordinated notes with a par value of EUR 750 million were originally issued by Delta Lloyd which are classified as equity under IFRS-EU. The notes are undated, but are callable as from 13 June 2024 and every quarter thereafter (subject to regulatory approval). The coupon is fixed at 4.375% per annum until 13 June 2024 and will be floating thereafter. Coupon payments are distributed out of equity if and when paid or contractually due. These notes were recognised upon acquisition of Delta Lloyd for an amount of EUR 778 million.

12 Insurance contracts

IFRS 17 allows certain accounting policy choices and requires judgment in setting certain assumptions. The most important accounting policies and assumptions that are relevant to NN Group are set out below.

Key accounting policies

Accounting models

NN Group applies each of the three accounting models in IFRS 17. The General Model is the default model and is applied to traditional life insurance portfolios. The Variable Fee Approach is applied to most unit-linked portfolio's. The Variable Fee Approach is, amongst others, not applied to unit-linked portfolio's for which the guarantees were in the money at the date of the Variable Fee Approach assessment. The Premium Allocation Approach is applied to non-life insurance contracts in Netherlands Non-life with a coverage period of 12 months or less. NN Group's insurance contracts include investment contracts with discretionary participation features.

Finance result on (re) insurance contracts and 'OCI option'

NN Group determines per portfolio of insurance contracts whether the effect of changes in financial assumptions, including changes in discount rates, are reflected either fully in the profit and loss account or partially in other comprehensive income (OCI) in equity and partially in the profit and loss account based on a systematic allocation of the expected total net finance result over the duration of the group of contracts (the 'OCI option'). Under the OCI option, amounts recognised in other comprehensive income are recycled through profit or loss so that the amount in other comprehensive income will be nil at the end of the duration of the portfolio of insurance contracts. This recycling is done by accreting interest on the insurance liability through profit or loss using a locked-in discount rate at initial recognition of the contract, which is unlocked for changes in financial assumption after initial recognition, if any. This interest accretion is presented in 'Finance result on (re) insurance contracts'.

For contracts accounted for under the General Model and Premium Allocation Approach, in principle the OCI option is used, unless accounting for the impact of changes in financial assumptions directly in the profit and loss account resolves accounting mismatches or is otherwise preferred. For contracts accounted for under the Variable Fee Approach, the OCI option is, in principle, not applied.

Level of aggregation

Insurance contracts are aggregated per 'CSM group' under IFRS 17. A CSM group consists of contracts within the same portfolio, the same profitability bucket and issued in the same annual period. Contracts are in the same portfolio if these are managed together and have similar risks. NN Group uses at least three profitability buckets: onerous contracts, contracts that have no possibility of becoming onerous and remaining contracts. Groups of contracts issued in the same annual period are referred to as an annual cohort. For certain groups of insurance contracts additional disaggregation is applied.

Under the EU-endorsed version of IFRS 17 (IFRS-EU), certain specific insurance contracts do not need to be disaggregated by the year in which these contracts were issued (no annual cohorts). NN Group does not apply this IFRS-EU exemption.

If a contract would fall into a different group only because law or regulation specifically constrains NN Group's practical ability to set a different price or level of benefits for policyholders with different characteristics, NN Group includes those contracts in the same group.

Uncertainty on the settlement of the claim amount

For insurance products where there is uncertainty on the settlement of the claim amount, NN Group accounts for the uncertain claim amounts, as part of the liability for incurred claims (mostly for property and casualty insurance contracts) or as part of the liability for remaining coverage (mostly for Dutch disability and other insurance contracts).

Investment components excluded from insurance income and expenses

Insurance income and expenses in the profit and loss account exclude any (non-distinct) investment components. An investment component is the amount that an insurance contract requires NN Group to repay to a policyholder in all circumstances, regardless of whether an insured event occurs. For products containing a surrender option for the client, the non-distinct investment component is normally based on the contractual surrender value after deduction of surrender charges.

Generic assumptions

Under the General Model, NN Group specifies at inception of the insurance contract the basis on which it expects to determine its commitment under the contract; for example, based on a fixed interest rate, or on returns that vary based on specified asset returns. That specification is then used to distinguish between the effect of changes in assumptions that relate to financial variables (that do not adjust the contractual service margin but are recognised as finance result though profit or loss or in other comprehensive income) and non-financial variables and discretionary changes to that commitment (that do adjust the contractual service margin).

Under the Variable Fee Approach, the effect of changes in financial and non-financial assumptions on the net present value of future cash flows (not stemming from changes in the policyholders' share of the underlying items) adjust the contractual service margin using current discount rates. Changes in the underlying items are included in 'Finance result on (re) insurance contracts' in the profit and loss account. Changes in estimates that adjust the contractual service margin exclude the changes in value of options and guarantees of contracts accounted for under the Variable Fee Approach that are hedged for which the Risk mitigation option is applied. These are reflected in 'Finance result on (re) insurance contracts' in the profit and loss account.

NN Group applies a year-to-date approach, i.e. NN Group changes the treatment of previous accounting estimates made when reporting over the year.

A loss component is formed for contracts that are or have become onerous. The loss component will change over time due to, amongst others, interest accretion, changes in estimates and a systematic allocation of the release of expected claims, expenses and risk adjustment.

Insurance related receivables and payables including policy loans are presented as part of the insurance contracts. NN Group considers premiums receivables from intermediaries and tied agents to be future cash flows within the boundary of an insurance contract.

Acquisition costs

NN Group recognises an asset for any directly attributable insurance acquisition costs incurred relating to groups of to be recognised insurance contracts or their renewals (with the exception of contracts measured under the Premium Allocation Approach with a coverage period of one year or less where the acquisition costs are expensed immediately in the profit and loss account). The asset for incurred acquisition costs to be attributed to insurance contracts is derecognised when groups of insurance contracts to which the insurance acquisition costs are allocated, are recognised.

For traditional life insurance contracts, certain types of flexible life insurance contracts and non-life insurance contracts with a coverage period of over one year, the amortisation of acquisition costs takes place over the premium payment period in proportion to the revenue recognised. For other types of flexible life insurance contracts, the acquisition costs are amortised over the duration of the policies in relation to the emergence of estimated profits. Amortisation is adjusted when estimates of current or future profits, to be realised from a group of insurance contracts, are revised.

Transition approach

NN Group used each of the transition approaches in IFRS 17. In the modified retrospective transition approach, NN Group used mainly the modifications for historical cash flows, the historical release of the risk adjustment and determining groups of contracts. The modified retrospective approach is applied to certain portfolios in the Insurance Europe and Netherland Non-life segments. In the fair value transition approach, the contractual service margin is determined by reference to the fair value of insurance liabilities. Fair value is determined similar to fulfilment value, except that no group diversification is reflected in the risk adjustment, the cost of capital rate in the risk adjustment is set at 6% and expenses also include non-directly attributable expenses. The fair value transition approach is applied to, amongst others, portfolios in Netherlands Life.

NN Group uses the OCI option as described above, but set the amount in other comprehensive income at transition date (1 January 2022) to nil under the modified or fair value transition approach for certain portfolios (i.e. for which it was not practicable to determine the amount in other comprehensive income retrospectively). General account assets are considered to be one pool of assets, backing (part of some and all of other) insurance contracts and NN Group equity. Consequentially, the investment revaluation reserve of those assets cannot be allocated specifically to insurance contracts for which the amount in other comprehensive income was set to nil at the transition date.

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Coverage units
Coverage units are determined based on the expected insurance contract services. The insurance contract services are determined considering the (weighted) quantity of the benefits provided from insurance and investment (return/related) services. For insurance services, the quantity of benefits can, amongst others, be based on the maximum amount a policyholder might validly claim during a certain period. For investment services, the quantity of benefits can, amongst others, be based on the account value of underlying assets. The total amount of coverage units for a group of insurance contracts is the probability weighted present value of the insurance contract services. Expected policies in force are used to determine the expected duration.

Premium Allocation Approach
In the segment Netherlands Non-life qualifying insurance contracts are measured and reported under the Premium Allocation Approach. When using the Premium Allocation Approach, future cash flows related to the Liability for Remaining Coverage (i.e. the unearned premium reserve) are not adjusted for the time value of money and the effect of financial risk (if at initial recognition, it is expected that the time between providing each part of the coverage and the related premium due date is no more than one year). NN Group adjusts future cash flows related to the liability for incurred claims for the time value of money and the effect of financial risk. NN Group accounts for the acquisition costs directly in the profit and loss account when incurred, if the coverage period is no more than one year.

Key assumptions

Mortality and morbidity assumptions
Estimates of future cash flows reflect mortality and morbidity assumptions that are internally developed and calibrated to NN Group's own experience, reflecting the characteristics of the relevant portfolio. National mortality tables published by relevant actuarial or statistical bodies are used as benchmarks. Future projected mortality improvements (generation mortality tables) are also reflected in the assumption tables and are determined internally. Mortality and morbidity assumptions are country, age, gender and sometimes product group specific. Assumptions for reinstatement rates and incidence rates are most material at NN Non-life. These assumptions are calibrated based on own experience reflecting the characteristics of the relevant portfolio. Reinstatement rates are duration dependent.

Mortality and longevity assumptions are most material at Netherlands Life. The approach to developing these assumptions internally at Netherlands Life is as follows. The mortality experience from Netherlands Life's portfolio is used for setting the baseline assumptions at the level of age, gender and homogenous risk groups. Own experience is used because an insured portfolio has structurally a different mortality experience than the general population. The internal model for future trends of mortality improvements uses a blend of national and EU mortality data and the improvement rates are defined per age and gender. Experience (both for own portfolio and national populations) is monitored through regular studies (at least on annual basis) and reflected in the measurement of insurance contracts. For the baseline assumptions calendar years are used for which the mortality experience is complete and as of 2023 a return to pre-Covid-19 mortality rates expectations is projected in an approach similar to AG 2024 methodology (i.e. exponential reduction over time of the excess mortality generated by Covid-19).

Expense assumptions
Expenses that are considered directly attributable are allocated to groups of insurance contracts, and estimates of these expected future expense cash flows are included in the insurance liability as a component of the fulfilment value. Non-attributable expenses are recognised directly in the profit and loss account when incurred. In principle, expenses that are necessary to serve the policyholder (including expenses to meet regulatory requirements as insurance company) are directly attributable whereas other expenses (i.e. corporate expenses) are not. For the projection of attributable expense to the future, expense inflation assumptions are applied. These take into account expected price inflation (derived where possible from observable market inputs), which is adjusted where necessary to take into account portfolio and business specific factors. Inflation regarding expense assumptions is considered a financial assumption if contractually or legally linked to observable market inputs.

Lapse and surrender rates
Lapse, cancellation and surrender assumptions reflect the expected policyholder behaviour. As such the rates, which are business unit specific, usually depend on issue year, policy year, major product lines and sales channels. These rates are typically calibrated based on own experience. Such granularity is usually enough to capture how the product terms and conditions as well as regulations can influence the timing and volume of lapse and surrenders. Calendar year based adjustments and dynamic policyholder behaviour are considered when needed in specific circumstances.

Other assumptions
NN Group also uses other assumptions that reflect the characteristics of the relevant portfolio of insurance contracts, including expected retirement ages and wage benefit levels.

Discount rates
Discount rates are determined using a liquid risk-free curve to which an illiquidity premium is added. The liquid risk-free curve is set per currency, while the illiquidity premium is determined per entity using an

Notes to the Consolidated annual accounts continued

approach that reflects the characteristics of the current assets of that entity. Spreads used in the illiquidity premium are derived from fixed income assets using Z-spreads. The total asset spread is adjusted for expected and unexpected credit losses.

For the Euro currency, the risk-free curve is based on the swap rate and includes a last liquid point (LLP) of 30 years and a long-term forward rate (LTFR). At 31 December 2024 the LTFR was 3.20% (31 December 2023: 3.15%).

The table below sets out the yield curves used to discount the cash flows of insurance contracts for NN Group's largest segment, Netherlands Life.

Range of yield curves

	General Model		Variable Fee Approach	
	2024	2023	2024	2023
1 year	3.2%	4.1%	2.3%	3.4%
5 years	3.1%	3.1%	2.2%	2.4%
10 years	3.2%	3.2%	2.3%	2.5%
20 years	3.2%	3.2%	2.3%	2.5%
30 years	2.9%	2.9%	2.1%	2.2%
40 years	2.9%	2.9%	2.1%	2.3%

For the other insurance segments within the group, the same risk-free curve is used, but the illiquidity premium is derived from the asset portfolios for the specific entities, resulting in a range of yield curves used.

Risk adjustment

The risk adjustment for non-financial risk is determined using the cost of capital methodology based on the Solvency II internal model or standard formula for Solvency II entities and an own (internal) model for economic capital for non-Solvency II insurance entities within the Group. The risk adjustment reflects diversification among non-market risks and with market risks within the entity as well as diversification with other entities within NN Group (Group diversification). The cost of capital rate represents NN Group's view on the compensation required for bearing non-financial risk; the cost of capital rate used in the fulfilment value of insurance liabilities is 4%. Changes in the risk adjustment related to changes in estimates of financial risk are disaggregated to other comprehensive income if the OCI option is applied to the specific portfolio. The implied confidence levels are determined both for a one-year and an ultimate view, gross of reinsurance, using a normal distribution to translate economic capital to confidence level.

Corresponding confidence levels risk adjustment

	One year view		Ultimate view	
	2024	2023	2024	2023
Life	89%	90%	69%	69%
Non-life	69%	70%	62%	64%

Insurance contracts (2024)

2024	General Model	Variable Fee Approach	Total General Model and Variable Fee Approach	Premium Allocation Approach	Total
Life Insurance contracts for risk of company	95,796	1,953	97,749	1	97,750
Life Insurance contracts for risk of policyholders	6,239	36,523	42,762		42,762
Life insurance contracts	**102,035**	**38,476**	**140,511**	**1**	**140,512**
Non-life contracts for remaining coverage	3,948		3,948	225	4,173
Non-life contracts for incurred claims and benefits	111		111	2,336	2,447
Non-life insurance contracts	**4,059**	**0**	**4,059**	**2,561**	**6,620**
Total insurance contracts	**106,094**	**38,476**	**144,570**	**2,562**	**147,132**
– of which presented as assets	409		409		409
– of which presented as liabilities	106,503	38,476	144,979	2,562	147,541
Total insurance contracts	**106,094**	**38,476**	**144,570**	**2,562**	**147,132**

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Insurance contracts (2023)

2023	General Model	Variable Fee Approach	Total General Model and Variable Fee Approach	Premium Allocation Approach	Total
Life Insurance contracts for risk of company	98,489	1,760	100,249		100,249
Life Insurance contracts for risk of policyholders	6,137	31,819	37,956		37,956
Life insurance contracts	**104,626**	**33,579**	**138,205**	**0**	**138,205**
Non-life contracts for remaining coverage	3,706		3,706	221	3,927
Non-life contracts for incurred claims and benefits	241		241	2,336	2,577
Non-life insurance contracts	**3,947**	**0**	**3,947**	**2,557**	**6,504**
Total insurance contracts	**108,573**	**33,579**	**142,152**	**2,557**	**144,709**
– of which presented as assets	355		355		355
– of which presented as liabilities	108,928	33,579	142,507	2,557	145,064
Total insurance contracts	**108,573**	**33,579**	**142,152**	**2,557**	**144,709**

General Model and Variable Fee Approach

Insurance contracts under General Model and Variable Fee Approach (2024)

2024	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total General Model and Variable Fee Approach
– opening balance presented as assets	778	–70	–353	355
– opening balance presented as liabilities	134,158	1,730	6,619	142,507
Net opening balance	**133,380**	**1,800**	**6,972**	**142,152**
– insurance contracts initially recognised in the year	–709	101	659	51
– changes in estimates that adjust the contractual service margin	–475	–630	1,105	0
– changes in estimates that do not adjust the contractual service margin	–2	–76		–78
Changes that relate to future service	–1,186	–605	1,764	–27
– release to profit or loss		–134	–857	–991
– experience adjustments not adjusting the contractual service margin	–46	–1		–47
Changes that relate to current service	–46	–135	–857	–1,038
– changes in incurred claims and benefits previous periods	–17			–17
Changes that relate to past service	–17	0	0	–17
– finance result through profit or loss	6,578	38	79	6,695
– finance result recognised in OCI	357	203	1	561
Finance result on insurance contracts	6,935	241	80	7,256
– premiums received[1]	11,200			11,200
– acquisition costs paid	–637			–637
– claims, benefits and attributable expenses paid	–13,634			–13,634
Cash flows	–3,071	0	0	–3,071
Other movements	–3		47	44
Foreign currency exchange differences	–661	–12	–56	–729
Net closing balance	**135,331**	**1,289**	**7,950**	**144,570**
– closing balance presented as assets	1,158	–89	–660	409
– closing balance presented as liabilities	136,489	1,200	7,290	144,979
Net closing balance	**135,331**	**1,289**	**7,950**	**144,570**

[1] Premiums received includes EUR 344 million of investments (non-cash) received.

Reference is made to Note 29 ‘Insurance contracts by segment’ for the insurance contracts under General Model and Variable Fee Approach by segment.

Notes to the Consolidated annual accounts continued

Insurance contracts under General Model and Variable Fee Approach (2023)

2023	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total General Model and Variable Fee Approach
– opening balance presented as assets	348	–26	–198	124
– opening balance presented as liabilities	129,854	1,603	6,652	138,109
Net opening balance	**129,506**	**1,629**	**6,850**	**137,985**
– insurance contracts initially recognised in the year	–709	73	673	37
– changes in estimates that adjust the contractual service margin	–293	102	191	0
– changes in estimates that do not adjust the contractual service margin	116	83		199
Changes that relate to future service	–886	258	864	236
– release to profit or loss		–168	–778	–946
– experience adjustments not adjusting the contractual service margin	1			1
Changes that relate to current service	1	–168	–778	–945
– changes in incurred claims and benefits previous periods	18			18
Changes that relate to past service	18	0	0	18
– finance result through profit or loss	5,823	38	67	5,928
– finance result recognised in OCI	3,439	51		3,490
Finance result on insurance contracts	9,262	89	67	9,418
– premiums received	10,346			10,346
– acquisition costs paid	–593			–593
– claims, benefits and attributable expenses paid	–12,975			–12,975
– changes in the composition of the group and other changes	95	1		96
Cash flows	–3,127	1	0	–3,126

2023	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total General Model and Variable Fee Approach
Other movements			48	48
Foreign currency exchange differences	–1,394	–9	–79	–1,482
Net closing balance	**133,380**	**1,800**	**6,972**	**142,152**
– closing balance presented as assets	778	–70	–353	355
– closing balance presented as liabilities	134,158	1,730	6,619	142,507
Net closing balance	**133,380**	**1,800**	**6,972**	**142,152**

Insurance contracts recognised in the period (2024)

2024	Onerous Insurance contracts issued	Other Insurance contracts issued	Insurance contracts acquired	Total Insurance contracts initially recognised
Estimates of the present value of future cash inflows	**–719**	**–6,876**		**–7,595**
– acquisition costs	31	508		539
– claims, benefits and attributable expenses	732	5,615		6,347
Estimates of the present value of future cash outflows	**763**	**6,123**	**0**	**6,886**
Risk adjustment	7	94		101
Contractual service margin		659		659
Total insurance contracts initially recognised in the year	**51**	**0**	**0**	**51**

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Insurance contracts recognised in the period (2023)

2023	Onerous Insurance contracts issued	Other Insurance contracts issued	Insurance contracts acquired	Total Insurance contracts initially recognised
Estimates of the present value of future cash inflows	**–760**	**–5,700**		**–6,460**
– acquisition costs	56	437		493
– claims, benefits and attributable expenses	735	4,523		5,258
Estimates of the present value of future cash outflows	**791**	**4,960**	**0**	**5,751**
Risk adjustment	6	67		73
Contractual service margin		673		673
Total insurance contracts initially recognised in the year	**37**	**0**	**0**	**37**

Composition of underlying items for insurance contracts

Fair value of underlying items	2024	2023
– debt securities	766	856
– equity securities and investment funds	39,534	33,785
– loans and other	2,462	3,315
Total	**42,762**	**37,956**

Contractual service margin

Disaggregation of the contractual service margin by transition approach (2024)

2024	Contract issued after transition and full retrospective approach	Modified retrospective approach	Fair value approach	Total General Model and Variable Fee Approach
Disaggregation of the contractual service margin by transition approach - opening balance	**1,983**	**824**	**4,165**	**6,972**
– insurance contracts initially recognised in the year	659			659
– changes in estimates that adjust the contractual service margin	213	69	823	1,105
Changes that relate to future service	872	69	823	1,764
– release to profit or loss	–365	–138	–354	–857
Changes that relate to current service	–365	–138	–354	–857
Finance result through profit or loss	40	9	31	80
Other movements	16		31	47
Foreign currency exchange differences	–38	–9	–9	–56
Disaggregation of the contractual service margin by transition approach - closing balance	**2,508**	**755**	**4,687**	**7,950**

Notes to the Consolidated annual accounts continued

Disaggregation of contractual service margin by transition approach (2023)

2023	Contract issued after transition and full retrospective approach	Modified retrospective approach	Fair value approach	Total General Model and Variable Fee Approach
Disaggregation of the contractual service margin by transition approach - opening balance	**1,707**	**977**	**4,166**	**6,850**
– insurance contracts initially recognised in the year	673			673
– changes in estimates that adjust the contractual service margin	–50	12	229	191
Changes that relate to future service	623	12	229	864
– release to profit or loss	–335	–154	–289	–778
Changes that relate to current service	–335	–154	–289	–778
Finance result through profit or loss	27	9	31	67
Other movements	7		41	48
Foreign currency exchange differences	–46	–20	–13	–79
Disaggregation of the contractual service margin by transition approach - closing balance	**1,983**	**824**	**4,165**	**6,972**

Contractual service margin by remaining term

	2024	2023
Less than 1 year	687	698
1-2 years	590	586
2-3 years	529	528
3-4 years	479	479
4-5 years	440	436
5-10 years	1,627	1,638
Over 10 years	3,598	2,607
Total	**7,950**	**6,972**

The contractual service margin by remaining term provides the expected maturity of the balance sheet amount of the contractual service margin at the end of the period. The actual release of the contractual service margin that will be recognised in the profit and loss account in future years will differ as the release in future years will be impacted by the future development of the contractual service margin due to new contracts sold, interest accreted and changes in estimates.

Liabilities for remaining coverage and incurred claims and benefits (2024)

	Liability for remaining coverage		Liability for incurred claims and benefits	Total General Model and Variable Fee Approach
2024	Remaining coverage	Loss component		
– opening balance presented as assets	391	–6	–30	355
– opening balance presented as liabilities	140,190	315	2,002	142,507
Net opening balance	**139,799**	**321**	**2,032**	**142,152**
– release of contractual service margin	–857			–857
– release of risk adjustment	–134			–134
– expected claims and benefits	–5,139			–5,139
– expected attributable expenses	–1,280			–1,280
– recovery of acquisition costs	–415			–415
– experience adjustments for premiums relating to current or past service	–18			–18
Insurance income	–7,843	0	0	–7,843
– incurred claims and benefits			5,110	5,110
– incurred attributable expenses			1,298	1,298
– amortisation of acquisition costs	415			415
– changes in incurred claims and benefits previous periods			–17	–17
– (reversal of) losses on onerous contracts		–45		–45
Insurance expenses	415	–45	6,391	6,761
Investment components excluded from insurance expenses and insurance income	–6,894		6,894	0

Notes to the Consolidated annual accounts continued

2024	Liability for remaining coverage – Remaining coverage	Liability for remaining coverage – Loss component	Liability for incurred claims and benefits	Total General Model and Variable Fee Approach
– finance result through profit or loss	6,678	4	13	6,695
– finance result recognised in OCI	592		–31	561
Finance result on insurance contracts	7,270	4	–18	7,256
– premiums received	11,200			11,200
– acquisition costs paid	–637			–637
– claims, benefits and attributable expenses paid			–13,634	–13,634
Cash flows	10,563	0	–13,634	–3,071
Other movements	51	–8	1	44
Foreign currency exchange differences	–703		–26	–729
Net closing balance	**142,658**	**272**	**1,640**	**144,570**
– closing balance presented as assets	469	–9	–51	409
– closing balance presented as liabilities	143,127	263	1,589	144,979
Net closing balance	**142,658**	**272**	**1,640**	**144,570**

Remaining coverage includes risk adjustment and contractual service margin.

Liabilities for remaining coverage and incurred claims and benefits (2023)

2023	Liability for remaining coverage – Remaining coverage	Liability for remaining coverage – Loss component	Liability for incurred claims and benefits	Total General Model and Variable Fee Approach
– opening balance presented as assets	135	–1	–10	124
– opening balance presented as liabilities	136,143	111	1,855	138,109
Net opening balance	**136,008**	**112**	**1,865**	**137,985**
– release of contractual service margin	–778			–778
– release of risk adjustment	–168			–168
– expected claims and benefits	–5,104			–5,104
– expected attributable expenses	–1,237			–1,237
– recovery of acquisition costs	–363			–363
– experience adjustments for premiums relating to current or past service	–12			–12
– other insurance income	3			3
Insurance income	–7,659	0	0	–7,659
– incurred claims and benefits			5,126	5,126
– incurred attributable expenses			1,250	1,250
– amortisation of acquisition costs	363			363
– changes in incurred claims and benefits previous periods			18	18
– (reversal of) losses on onerous contracts		209		209
– other insurance expenses	2			2
Insurance expenses	365	209	6,394	6,968
Investment components excluded from insurance expenses and insurance income	–6,738		6,738	0
– finance result through profit or loss	5,915	1	12	5,928
– finance result recognised in OCI	3,499		–9	3,490
Finance result on insurance contracts	9,414	1	3	9,418

Notes to the Consolidated annual accounts continued

2023	Liability for remaining coverage		Liability for incurred claims and benefits	Total General Model and Variable Fee Approach
	Remaining coverage	Loss component		
– premiums received	10,346			10,346
– acquisition costs paid	–593			–593
– claims, benefits and attributable expenses paid			–12,975	–12,975
– changes in the composition of the group and other changes	25		71	96
Cash flows	9,778	0	–12,904	–3,126
Other movements	48			48
Foreign currency exchange differences	–1,417	–1	–64	–1,482
Net closing balance	**139,799**	**321**	**2,032**	**142,152**
– closing balance presented as assets	391	–6	–30	355
– closing balance presented as liabilities	140,190	315	2,002	142,507
Net closing balance	**139,799**	**321**	**2,032**	**142,152**

Remaining coverage includes risk adjustment and contractual service margin.

Premium Allocation Approach

Liabilities for remaining coverage and incurred claims and benefits Premium Allocation Approach (2024)

2024	Liability for remaining coverage		Liability for incurred claims and benefits		Total Premium Allocation Approach
	Remaining coverage	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
– opening balance presented as assets					0
– opening balance presented as liabilities	217	2	2,295	43	2,557
Net opening balance	**217**	**2**	**2,295**	**43**	**2,557**
Insurance income	–2,863				–2,863
– incurred claims and benefits			1,498	4	1,502
– incurred attributable expenses			922		922
– amortisation of acquisition costs	5				5
– changes in incurred claims and benefits previous periods			55	–9	46
– other insurance expenses			1		1
Insurance expenses	5	0	2,476	–5	2,476
– finance result through profit or loss			30		30
– finance result recognised in OCI			44		44
Finance result on insurance contracts	0	0	74	0	74
– premiums received	2,872				2,872
– acquisition costs paid	–5				–5
– claims, benefits and attributable expenses paid			–2,549		–2,549
Cash flows	2,867	0	–2,549	0	318
Foreign currency exchange differences	–1		–1	2	0
Net closing balance	**225**	**2**	**2,295**	**40**	**2,562**
– closing balance presented as assets					0
– closing balance presented as liabilities	225	2	2,295	40	2,562
Net closing balance	**225**	**2**	**2,295**	**40**	**2,562**

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Liabilities for remaining coverage and incurred claims and benefits Premium Allocation Approach (2023)

	Liability for remaining coverage		Liability for incurred claims and benefits		Total Premium Allocation Approach
2023	Remaining coverage	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
– opening balance presented as assets					0
– opening balance presented as liabilities	193	9	2,421	67	2,690
Net opening balance	**193**	**9**	**2,421**	**67**	**2,690**
Insurance income	–2,791				–2,791
– incurred claims and benefits			1,398	4	1,402
– incurred attributable expenses			897		897
– amortisation of acquisition costs	6				6
– changes in incurred claims and benefits previous periods			–2	–27	–29
– (reversal of) losses on onerous contracts		–8			–8
– other insurance expenses			1		1
Insurance expenses	6	–8	2,294	–23	2,269
– finance result through profit or loss		1	23		24
– finance result recognised in OCI			76	1	77
Finance result on insurance contracts	0	1	99	1	101
– premiums received	2,840				2,840
– acquisition costs paid	–6				–6
– claims, benefits and attributable expenses paid			–2,451		–2,451
– changes in the composition of the group and other changes	–25		–70	–1	–96
Cash flows	2,809	0	–2,521	–1	287
Other movements			2		2
Foreign currency exchange differences				–1	–1
Net closing balance	**217**	**2**	**2,295**	**43**	**2,557**
– closing balance presented as assets					0
– closing balance presented as liabilities	**217**	**2**	**2,295**	**43**	**2,557**
Net closing balance	**217**	**2**	**2,295**	**43**	**2,557**

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Gross claims development table 2024

	Accident year							
	2018[1]	2019	2020	2021	2022	2023	2024	Total
Estimate of cumulative claims								
At the end of accident year	1,358	1,217	1,535	1,378	1,556	1,410	1,557	
1 year later	1,341	1,324	1,436	1,364	1,515	1,523		
2 years later	1,403	1,332	1,440	1,310	1,520			
3 years later	1,437	1,338	1,380	1,314				
4 years later	1,401	1,323	1,380					
5 years later	1,372	1,321						
6 years later	1,381							
Estimate of cumulative claims	**1,381**	**1,321**	**1,380**	**1,314**	**1,520**	**1,523**	**1,557**	**9,996**
Cumulative payments	–1,286	–1,193	–1,226	–1,132	–1,251	–1,135	–757	–7,980
	95	**128**	**154**	**182**	**269**	**388**	**800**	**2,016**
Effect of discounting	–9	–12	–15	–17	–25	–36	–51	–165
Liabilities recognised	**86**	**116**	**139**	**165**	**244**	**352**	**749**	**1,851**
Liabilities relating to accident years prior to 2018 and liability for incurred expenses								358
LIC expenses								85
Risk adjustment								41
Total liability for incurred claims and benefits Premium Allocation Approach[2]								**2,335**

1 NN Group does not disclose claims development for years prior to 2018.
2 The claims development table includes the liability for incurred claims related to non-life contracts accounted for under the Premium Allocation Approach. Uncertainty about the amount and timing of the incurred claims for life contracts and non-life contracts accounted for under the General Model is typically resolved within one year, thus these have not been included in this table.

Notes to the Consolidated annual accounts continued

13 Investment contracts

Insurance policies without discretionary participation features which do not bear significant insurance risk are presented as Investment contracts. Investment contracts are determined at amortised cost, using the effective interest method, or at fair value.

Investment contracts

	2024	2023
Investment contracts – opening balance	3,621	3,421
Current year liabilities	450	458
Prior years liabilities:		
– payments to contract holders	–462	–463
– interest accrual	6	7
– valuation changes investments	250	217
Foreign currency exchange differences	–6	–19
Investment contracts – closing balance	**3,859**	**3,621**

14 Reinsurance contracts

Accounting for reinsurance contracts held is mostly similar to the accounting for insurance contracts issued, with the following specific considerations:

- Reinsurance contracts held can be measured applying the General Model or the Premium Allocation Approach. The Variable Fee Approach cannot be applied to reinsurance contracts held. Reinsurance contracts held cannot be onerous.
- Expected reinsurance recoveries include a provision for non-performance risk of the reinsurer. Changes in non-performance risk are accounted for in profit or loss. Non-performance risk includes insolvency risk, risks related to disputes, further negotiations and collateral losses.
- Losses on reinsured insurance contracts may be (partially) offset with a reinsurance loss-recovery component. This applies if the underlying insurance contracts are onerous upon initial recognition or if a change in estimates leads to onerous insurance contracts and the same change in estimates has an offsetting effect on the reinsurance contract held.

Longevity reinsurance

In May 2020, NN Group entered into three reinsurance agreements to reinsure the full longevity risk associated with in total approximately EUR 13.5 billion of insurance contracts in Netherlands Life. This reinsurance reduced NN Group's exposure to longevity risk and, consequently, the required capital under Solvency II. The three reinsurance agreements are similar in nature but are agreed with three different assuming reinsurers, Canada Life, Munich Re and Swiss Re. The risk transfer was effective as of 1 January 2020 and will continue until the relevant portfolio has run off.

In December 2021, NN Group entered into a fourth reinsurance agreement to reinsure the full longevity risk associated with in total approximately EUR 4 billion of insurance contracts in Netherlands Life. The fourth reinsurance agreement is similar in nature to the first three contracts but is agreed with a different reinsurer, RGA. The risk transfer for the fourth contract is effective as of 31 December 2021. The risk transfer will continue until the relevant portfolio has run off.

In December 2023, NN Group completed two transactions to transfer the full longevity risk associated with in total approximately EUR 13 billion of insurance contracts in Netherlands Life. The transactions cover the longevity risk of approximately 300 thousand policies and have been entered into with an insurance subsidiary of Prudential Financial, Inc. and with Swiss Re. The risk transfer became effective as of 31 December 2023, and the reinsurance agreements will continue until the portfolio has run off.

In December 2024, NN Group entered into a reinsurance agreement with Pacific Life Re International (UK branch) transferring the full longevity risk on part of its DC decumulation portfolio, representing approximately EUR 2.5 billion. The transfer date is 31 December 2024, and the reinsurance agreement remains effective until full run-off of reinsured portfolio. Furthermore, the reinsurance agreement will cover the full longevity risk associated to the future new business within the DC decumulation phase for at least 2025. This new business is acquired by NN Group via its own DC accumulation portfolio and via annuities accumulated with other providers.

Notes to the Consolidated annual accounts continued

Reinsurance contracts held (2024)

2024	General Model	Premium Allocation Approach	Total
Life reinsurance contracts	391		391
Non-life reinsurance contracts	15	162	177
Total life and non-life reinsurance contracts	**406**	**162**	**568**
- of which presented as assets	514	166	680
- of which presented as liabilities	108	4	112
Total life and non-life reinsurance contracts	**406**	**162**	**568**

Reinsurance contracts held (2023)

2023	General Model	Premium Allocation Approach	Total
Life reinsurance contracts	320		320
Non-life reinsurance contracts	26	243	269
Total life and non-life reinsurance contracts	**346**	**243**	**589**
- of which presented as assets	490	243	733
- of which presented as liabilities	144		144
Total life and non-life reinsurance contracts	**346**	**243**	**589**

Reinsurance contracts held under General Model (2024)

2024	Estimates of the present value of future cash flows	Risk adjustment	Contractual service margin	Total General Model
– opening balance presented as assets	–266	281	475	490
– opening balance presented as liabilities	211	–10	–57	144
Net opening balance	**–477**	**291**	**532**	**346**
– reinsurance contracts initially recognised in the year	26	12	–38	0
– changes in estimates that adjust the contractual service margin	–133	–178	311	0
– changes in estimates that do not adjust the contractual service margin	–1			–1
Changes that relate to future service	–108	–166	273	–1
– release to profit or loss		–11	–88	–99
– experience adjustments not adjusting the contractual service margin	–16			–16
Changes that relate to current service	–16	–11	–88	–115
– changes in reinsurance recoveries previous periods	6			6
Changes that relate to past service	6	0	0	6
– finance result through profit or loss	–38	5	4	–29
– finance result recognised in OCI	38	25		63
Finance result from reinsurance contracts	0	30	4	34
– reinsurance recoveries received	–1,799			–1,799
– reinsurance premiums paid	1,945			1,945
Cash flows	146	0	0	146
Foreign currency exchange differences	–9		–1	–10
Net closing balance	**–458**	**144**	**720**	**406**
– closing balance presented as assets	–262	139	637	514
– closing balance presented as liabilities	196	–5	–83	108
Net closing balance	**–458**	**144**	**720**	**406**

Notes to the Consolidated annual accounts continued

Reinsurance contracts held under General Model (2023)

2023	Estimates of the present value of future cash flows	Risk adjustment	Contractual service margin	Total General Model
– opening balance presented as assets	23	138	383	544
– opening balance presented as liabilities	234	–9	–2	223
Net opening balance	**–211**	**147**	**385**	**321**
– reinsurance contracts initially recognised in the year	–179	168	11	0
– changes in estimates that adjust the contractual service margin	–148	–25	173	0
– changes in estimates that do not adjust the contractual service margin	1			1
Changes that relate to future service	–326	143	184	1
– release to profit or loss		–16	–40	–56
– experience adjustments not adjusting the contractual service margin	–2			–2
Changes that relate to current service	–2	–16	–40	–58
– changes in reinsurance recoveries previous periods	–4			–4
Changes that relate to past service	–4	0	0	–4
– finance result through profit or loss	31	1	3	35
– finance result recognised in OCI	–48	15		–33
Finance result from reinsurance contracts	–17	16	3	2
– reinsurance recoveries received	–1,142			–1,142
– reinsurance premiums paid	1,243			1,243
– changes in the composition of the group and other changes	2			2
Cash flows	103	0	0	103
Other movements		1		1
Foreign currency exchange differences	–20			–20
Net closing balance	**–477**	**291**	**532**	**346**
– closing balance presented as assets	–266	281	475	490
– closing balance presented as liabilities	211	–10	–57	144
Net closing balance	**–477**	**291**	**532**	**346**

15 Debt instruments issued

Debt instruments issued, subordinated debt, and other borrowed funds are recognised initially at their issue proceeds (fair value of consideration received) net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between proceeds, net of transaction costs and the redemption value is recognised in the profit and loss account over the period of the borrowings using the effective interest method.

If NN Group purchases its own debt, it is derecognised from the balance sheet and the difference between the carrying value of the liability and the consideration paid is recognised in the profit and loss account.

Financial liabilities include only instruments of which the terms and conditions represent a contractual obligation to pay interest and/or principal. Instruments that are similar in substance, but of which the terms and conditions do not include a contractual obligation to pay interest and principal are classified as equity.

Notes to the Consolidated annual accounts continued

Debt instruments issued

Interest rate	Year of Issue	Due date	First call date	Notional amount		Balance sheet value	
				2024	2023	2024	2023
1.625%	2017	01 June 2027	01 March 2027	600	600	599	598
0.875%	2021	23 November 2031	23 May 2031	600	600	597	597
Debt instruments issued						**1,196**	**1,195**

NN Group repaid the outstanding EUR 500 million 0.875% fixed rate unsecured senior notes that matured on 13 January 2023.

16 Subordinated debt

Subordinated debt

Interest rate	Year of Issue	Due date	First call date	Notional amount		Balance sheet value	
				2024	2023	2024	2023
4.625%	2014	08 April 2044	08 April 2024		335		335
4.625%	2017	13 January 2048	13 January 2028	850	850	845	844
5.250%	2022	01 March 2043	30 August 2032	500	500	494	494
6.000%	2023	03 November 2043	03 May 2033	1,000	1,000	1,007	1,007
Subordinated debt						**2,346**	**2,680**

The above subordinated debt instruments have been issued to raise hybrid capital. Under IFRS-EU these debt instruments are classified as liabilities. They are considered capital for regulatory purposes. All subordinated debt is euro denominated.

In April 2024, NN Group redeemed the remaining outstanding amount of EUR 335 million of 4.625% Fixed to Floating Rate Subordinated Notes on their first call date.

Notes to the Consolidated annual accounts continued

In April 2023, NN Group announced the issue of EUR 1 billion subordinated notes issued under NN Group's Sustainability Bond Framework with a maturity of 20.5 years and which are first callable after 10 years, subject to redemption conditions. The coupon is fixed at 6.00% per annum until the first reset date on 3 November 2033 and will be floating thereafter. The Notes qualify as Tier 2 regulatory capital.

In April 2023, NN Group also announced a tender for purchase by NN Group for cash of outstanding subordinated notes. The tender was completed in May 2023 and NN Group accepted the purchase of EUR 1 billion in nominal amount. This includes EUR 665 million of subordinated notes previously classified as liabilities in the balance sheet and EUR 335 million previously classified in equity. Reference is made to Note 11 'Equity'.

17 Other borrowed funds

Other borrowed funds

	2024	2023
Credit institutions	1,856	2,881
Other	6,131	7,111
Other borrowed funds	**7,987**	**9,992**

Other borrowed funds includes the funding of the consolidated securitisation programmes as disclosed in Note 43 'Structured entities' and repo transactions used for liquidity management purposes.

During 2024, NN Bank redeemed EUR 1,000 million bonds under its Covered Bond Programme. During 2023, NN Bank issued EUR 1,500 million bonds under its Covered Bond Programme, backed by Dutch prime residential mortgage loans net of redemptions.

18 Customer deposits

Customer deposits

	2024	2023
Savings	7,724	7,451
Bank annuities	9,750	9,009
Customer deposits	**17,474**	**16,460**

Customers have not entrusted any funds to NN Group on terms other than those prevailing in the normal course of business. All customer deposits are interest-bearing.

Changes in Customer deposits

	2024	2023
Customer deposits – opening balance	16,460	16,235
Deposits received	4,694	4,246
Withdrawals	–3,661	–4,000
Amortisation	–19	–21
Customer deposits– closing balance	**17,474**	**16,460**

19 Derivatives

Derivatives are recognised at fair value. Derivatives are presented as assets when the fair value is positive and as liabilities when the fair value is negative.

The method of recognising the resulting fair value gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. NN Group designates certain derivatives as hedges of highly probable future cash flows attributable to a recognised asset or liability or a forecast transaction (cash flow hedge), hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedge), or hedges of a net investment in a foreign operation. Hedge accounting is used for derivatives designated in this way provided certain criteria are met.

Reference is made to Note 34 'Hedge accounting' for further information on hedge accounting.

Derivatives (assets)

	2024	2023
Derivatives used in:		
– fair value hedges	4	
– cash flow hedges	630	536
– hedges of net investments in foreign operations		5
Other derivatives	2,050	1,945
Derivatives (assets)	**2,684**	**2,486**

Other derivatives comprises derivatives for which no hedge accounting is applied.

Derivatives (liabilities)

	2024	2023
Derivatives used in:		
– fair value hedges	1	39
– cash flow hedges	1,463	2,006
– hedges of net investments in foreign operations	2	2
Other derivatives	2,205	2,020
Derivatives (liabilities)	**3,671**	**4,067**

20 Other liabilities

Other liabilities include reorganisation provisions, litigation provisions and other provisions (included in the line provisions below). Reorganisation provisions include employee termination benefits when NN Group is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Provisions are discounted when the effect of the time value of money is significant, using a before tax discount rate. The determination of provisions is an inherently uncertain process involving estimates regarding amounts and timing of cash flows.

The net defined benefit asset or liability recognised in the balance sheet in respect of defined benefit pension plans is the fair value of the plan assets less the present value of the defined benefit obligation at the balance sheet date. Plan assets are measured at fair value at the balance sheet date. For determining the pension expense, the expected return on plan assets is determined using a high-quality corporate bond rate identical to the discount rate used in determining the defined benefit obligation.

For defined contribution plans, NN Group pays contributions to publicly or privately administered pension plans on a mandatory, contractual or voluntary basis. NN Group has no further payment obligations once the contributions have been paid. The contributions are recognised as staff expenses in the profit and loss account when they are due.

Some NN Group companies provide post-employment benefits to certain employees and former employees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using an accounting methodology similar to that for defined benefit pension plans.

Share-based payment expenses are recognised as staff expenses over the vesting period. A corresponding increase in equity is recognised for equity-settled share-based payment transactions. The fair value of equity-settled share-based payment transactions is measured at the grant date. For cash-settled share-based payment transactions, a liability is recognised at fair value; this fair value is remeasured at every balance sheet date.

Notes to the Consolidated annual accounts continued

Other liabilities

	2024	2023
Income tax payable	26	29
Net defined benefit liability	41	49
Other post-employment benefits	4	4
Other staff-related liabilities	87	82
Other taxation and social security contributions	103	113
Lease liabilities	229	233
Accrued interest	483	516
Costs payable	285	305
Provisions	463	524
Amounts to be settled	29	32
Cash collateral amounts received	1,454	1,595
Other	569	558
Other liabilities	**3,773**	**4,040**

Other staff-related liabilities include provisions for vacation leave, variable compensation, jubilee and disability/illness.

Cash collateral amounts received relate to collateralised derivatives.

Other mainly relates to year-end accruals in the normal course of business.

Net defined benefit liability

	2024	2023
Fair value of plan assets	71	70
Defined benefit obligation	112	119
Net defined benefit liability recognised in the balance sheet (funded status)	**41**	**49**

Changes in Provisions

	2024	2023
Provisions – opening balance	524	199
Additions	32	450
Releases	–25	–46
Charges	–71	–65
Changes in the composition of the group and other changes	3	–12
Exchange rate differences		–2
Provisions – closing balance	**463**	**524**

Additions in 2023 include a provision for the settlement with five interest groups regarding unit-linked insurance products sold in the Netherlands. The settlement provided a reliable estimate and, therefore, a provision of EUR 360 million was recognised in the fourth quarter of 2023 to cover the settlement costs. This includes EUR 60 million for hardship cases and customers unaffiliated with one of the interest groups who have not previously received compensation. In addition, approximately EUR 20 million is available for these customers through the remainder of a provision recognised as part of the 2008 settlement. Reference is made to Note 41 'Legal proceedings' for more details.

Reorganisation provisions were recognised for operations in the Netherlands for the cost of workforce reductions. Additions to the reorganisation provision were recognised in 2024 and 2023 due to additional initiatives announced during the year. During 2024, EUR 31 million was charged to the reorganisation provision for the cost of workforce reductions (2023: EUR 34 million).

Notes to the Consolidated annual accounts continued

21 Insurance income

Insurance income (2024)

2024	Contracts issued after transition and full retrospective approach	Modified retrospective approach	Fair value approach	Total
Release of contractual service margin	321	138	398	857
Release of risk adjustment	37	17	80	134
Expected claims and benefits	909	88	4,142	5,139
Expected attributable expenses	574	125	581	1,280
Recovery of acquisition costs	325	89	1	415
Experience adjustments for premiums that relate to current or past service	15		3	18
Insurance income General Model and Variable Fee Approach	**2,181**	**457**	**5,205**	**7,843**
Insurance income Premium Allocation Approach				2,863
Total insurance income				**10,706**

Insurance income (2023)

2023	Contracts issued after transition and full retrospective approach	Modified retrospective approach	Fair value approach	Total
Release of contractual service margin	335	154	289	778
Release of risk adjustment	34	19	115	168
Expected claims and benefits	676	93	4,335	5,104
Expected attributable expenses	449	140	648	1,237
Recovery of acquisition costs	254	109		363
Experience adjustments for premiums that relate to current or past service	9		3	12
Insurance income General Model and Variable Fee Approach	**1,757**	**515**	**5,390**	**7,662**
Insurance income Premium Allocation Approach				2,791
Total insurance income				**10,453**

22 Insurance expenses

Insurance expenses General Model and Variable Fee Approach

	2024	2023
Incurred claims and benefits	5,110	5,126
Incurred attributable expenses	1,298	1,250
Amortisation of acquisition costs	415	363
Changes in incurred claims and benefits previous periods	–17	18
(Reversal of) losses on onerous contracts	–45	209
Other insurance expenses		2
Insurance expenses General Model and Variable Fee Approach	**6,761**	**6,968**

Notes to the Consolidated annual accounts continued

(Reversal of) losses on onerous contracts General Model and Variable Fee Approach

	2024	2023
Losses on onerous contracts initially recognised in the year	51	37
Changes in estimates not adjusting the contractual service margin	–78	198
Release of risk adjustment attributed to the loss component	–1	–3
Expected claims and benefits attributed to the loss component	–4	–5
Expected attributable insurance expenses attributed to the loss component	–13	–18
(Reversal of) losses on onerous contracts General Model and Variable Fee Approach	**–45**	**209**

Insurance expenses Premium Allocation Approach

	2024	2023
Incurred claims and benefits	1,502	1,402
Incurred attributable expenses	922	897
Amortisation of acquisition costs	5	6
Changes in incurred claims and benefits previous periods	46	–29
(Reversal of) losses on onerous contracts		–8
Other insurance expenses	15	19
Insurance expenses Premium Allocation Approach	**2,490**	**2,287**

(Reversal of) losses on onerous contracts Premium Allocation Approach

	2024	2023
Losses on onerous contracts initially recognised in the year	3	3
Changes in estimates regarding onerous contracts	1	–4
Reversal of the loss component	–4	–7
(Reversal of) losses on onerous contracts Premium Allocation Approach	**0**	**–8**

23 Investment result

Interest income and expenses

Interest income and expenses are recognised in the profit and loss account using the effective interest method. When calculating the effective interest rate, NN Group estimates cash flows considering all contractual terms of the financial instrument, but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Once a financial asset, or a group of similar financial assets is in default (Stage 3), interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Interest income and expenses from derivatives are classified as interest income and interest expenses in the profit and loss, except for interest income and expenses on derivatives for which no hedge accounting is applied. The latter is classified in 'Result on derivatives and hedging', together with the changes in the (clean) fair value of these derivatives.

Investment result

	2024	2023
Interest income from investments in debt securities	1,764	1,744
Interest income from mortgage loans	1,378	1,307
Interest income from other loans	367	423
Interest income on (hedging) derivatives	700	538
Other interest income	289	208
Interest income	4,498	4,220
Income from investments in real estate	109	114
Dividend income on equity securities	439	364
Other investment income	5	9
Total other investment income	553	487
Investment income	**5,051**	**4,707**

Notes to the Consolidated annual accounts continued

	2024	2023
Realised gains (losses) on Investments at cost and at fair value through other comprehensive income	–1,038	–285
Gains (losses) on investments at fair value through profit or loss	5,087	4,155
Gains (losses) on investments in real estate	–13	–276
Gains (losses) on Investments at cost, at fair value through OCI and at fair value through profit and loss	4,036	3,594
Share of result of investments in associates and joint ventures	579	–237
Impairments and reversal of impairments on investments	13	–41
Result on derivatives and hedging	–849	692
Foreign currency exchange result	673	–50
Other investment result	416	364
Investment result	**9,503**	**8,665**

Gains (losses) on investments at fair value through profit or loss include gains (losses) related to investments held for risk of policyholders for EUR 4,841 million (2023: EUR 4,051 million). These gains (losses) are mostly offset by changes in fair value of underlying items as presented in 'Finance result on (re) insurance contracts'.

Dividend income on equity securities includes EUR 59 million of dividend relating to equity securities at fair value through OCI held at 31 December 2024 (31 December 2023: EUR 61 million) and EUR 16 million of dividend relating to equity securities at fair value through OCI derecognised during 2024 (2023: EUR 18 million).

Impairments and reversal of impairments on investments by segment

	2024	2023
Netherlands Life	–2	29
Netherlands Non-life	–4	4
Insurance Europe	–2	
Japan Life	–2	8
Banking	–2	
Other	–1	
Total	**–13**	**41**

Results on derivatives and hedging

	2024	2023
Change in fair value of derivatives relating to:		
– fair value hedges	–115	–381
– cash flow hedges (ineffective portion)	1	3
– other derivatives	–817	729
Net result on derivatives	**–931**	**351**
Change in fair value of assets and liabilities (hedged items)	82	341
Result on derivatives and hedging	**–849**	**692**

Included in 'Results on derivatives and hedging' are the fair value movements on derivatives and other assets accounted for at fair value through profit or loss used to economically hedge exposures, but for which no hedge accounting is applied. These financial assets hedge exposures in insurance contracts. The fair value movements on the financial assets are influenced by changes in the market conditions, such as share prices, interest rates and currency exchange rates. The change in fair value of the financial assets is largely offset by changes in insurance contracts, which are included in 'finance result' in the profit or loss account (when using the risk mitigation option) or in other comprehensive income (for contracts accounted for under the General Model when using the OCI option). Reference is made to Note 12 'Insurance contracts', Note 11 'Equity' and Note 24 'Finance result'.

Valuation results on derivatives are reflected in the Consolidated statement of cash flows in the section 'Result before tax', in the line item 'Adjusted for: other'.

Reference is made to Note 34 'Hedge accounting'.

Notes to the Consolidated annual accounts continued

24 Finance result

Finance result on (re) insurance contracts

	2024	2023
Change in fair value of underlying items	4,862	4,084
Interest accreted	1,892	1,832
Changes in value of options and guarantees for which the risk mitigation solution is used	–3	–3
Finance result	**6,751**	**5,913**

Finance result other

	2024	2023
Interest expenses on derivatives	625	482
Other interest expenses	684	551
Finance result other	**1,309**	**1,033**

In 2024, total interest income and total interest expenses for items not valued at fair value through profit or loss were EUR 3,797 million (2023: EUR 3,682 million) and EUR 684 million (2023: EUR 551 million) respectively.

Interest income and expenses are included in the following profit and loss account lines.

Total interest income and expenses

	2024	2023
Investment income	4,498	4,220
Interest expenses on derivatives	–625	–482
Other interest expenses	–684	–551
Total interest income and expenses	**3,189**	**3,187**

25 Fee and commission result

Fees and commissions are generally recognised as the service is provided.

Fee and commission result

	2024	2023
Asset management fees	283	251
Insurance brokerage and advisory fees	223	196
Other	103	65
Fee and commission income	609	512
Asset management fees	111	107
Commission expenses and other	58	17
Fee and commission expenses	169	124
Fee and commission result	**440**	**388**

26 Non-attributable operating expenses

Non-attributable operating expenses

	2024	2023
Staff expenses	1,698	1,680
Other operating expenses	2,531	2,832
Of which attributed to:		
– incurred acquisition costs	–649	–602
– incurred insurance expenses	–2,255	–2,192
Non-attributable operating expenses	**1,325**	**1,718**

Notes to the Consolidated annual accounts continued

Staff expenses

	2024	2023
Salaries	1,099	1,045
Pension costs	148	138
Social security costs	168	156
Share-based compensation arrangements	5	5
External staff costs	189	255
Education	20	16
Other staff costs	69	65
Staff expenses	**1,698**	**1,680**

Pension costs

	2024	2023
Current service cost	6	5
Net interest cost	–1	–2
Defined benefit plans	**5**	**3**
Defined contribution plans	143	135
Pension costs	**148**	**138**

Defined contribution plans

Certain group companies sponsor defined contribution pension plans. The assets of all NN Group's defined contribution plans are held in independently administered funds. Contributions are generally determined as a percentage of pay. These plans do not give rise to balance sheet provisions, other than relating to short-term timing differences included in 'Other assets' or 'Other liabilities'.

Number of employees

Reference is made to Note 30 'Principal subsidiaries and geographical information' for information on the average number of employees.

Remuneration of Executive Board, Management Board and Supervisory Board

Reference is made to Note 45 'Key management personnel compensation'.

Share plans

NN Group has granted shares to a number of senior executives (members of the Management Board, general managers and other officers nominated by the Management Board). The purpose of the share schemes is to attract, retain and motivate senior executives and staff.

Share awards comprise upfront shares and deferred shares. The entitlement to the deferred shares is granted conditionally. If the participant remains in employment for an uninterrupted period between the grant date and the vesting date, the entitlement becomes unconditional. A retention period applies from the moment of vesting these awards (five years for Management Board and one year for Identified Staff).

Share awards

Changes in Share awards outstanding

	Share awards (in number)		Weighted average grant date fair value (in euros)	
	2024	2023	2024	2023
Share awards outstanding – opening balance	177,349	186,885	38.64	38.41
Granted	144,126	128,844	41.96	35.44
Vested	–131,110	–131,681	40.25	35.19
Forfeited	–4,402	–6,699	38.75	38.47
Share awards outstanding – closing balance	**185,963**	**177,349**	**40.08**	**38.64**

Notes to the Consolidated annual accounts continued

In 2024, 18,306 (2023: 15,099) share awards on NN Group shares were granted to the members of the Executive and Management Board.

In 2024, 125,820 (2023: 113,745) share awards on NN Group shares were granted to senior management and other employees.

As at 31 December 2024, the share awards on NN Group shares consist of 179,865 (2023: 170,828) share awards relating to equity-settled share-based payment arrangements and 6,098 (2023: 6,521) share awards relating to cash-settled share-based payment arrangements.

The fair value of share awards granted is allocated over the vesting period of the share awards as an expense under staff expenses.

As at 31 December 2024, total unrecognised compensation costs related to share awards amount to EUR 3 million (2023: EUR 2 million).

These costs are expected to be recognised over a weighted average period of 1.4 years (2023: 1.4 years).

Other operating expenses

	2024	2023
Depreciation of property and equipment	82	82
Amortisation of software	36	35
Computer costs	310	297
Office expenses	69	69
Travel and accommodation expenses	17	15
Advertising and public relations	85	85
External advisory fees	211	210
Claims handling expenses	234	244
Additions to (releases of) other provisions	7	403
Commissions, fees and other	1,480	1,392
Other operating expenses	**2,531**	**2,832**

27 Earnings per ordinary share

Earnings per ordinary share shows earnings per share amounts for profit or loss attributable to shareholders of the parent. Earnings per ordinary share is calculated on the basis of the weighted average number of ordinary shares outstanding. In calculating the weighted average number of ordinary shares outstanding, own shares held by group companies are deducted from the total number of ordinary shares in issue.

Changes in the number of ordinary shares outstanding without a corresponding change in resources are taken into account, including if these changes occurred after the reporting date but before the annual accounts are authorised for issue.

Earnings per ordinary share

	Amounts (in millions of euros)		Weighted average number of ordinary shares (in millions)		Per ordinary share (in euros)	
	2024	2023	2024	2023	2024	2023
Net result	1,583	1,172				
Coupon on undated subordinated notes	–66	–51				
Basic earnings per ordinary share	**1,517**	**1,121**	**271.7**	**277.3**	**5.58**	**4.04**
Dilutive instruments:						
– Share plans			0.2	0.2		
Dilutive instruments			**0.2**	**0.2**		
Diluted earnings per ordinary share	**1,517**	**1,121**	**271.9**	**277.5**	**5.58**	**4.04**

Diluted earnings per share is calculated as if the share plans had been exercised at the beginning of the period and assuming that the cash received from exercised share plans was used to buy own shares against the average market price during the period. The net increase in the number of shares resulting from exercising share plans is added to the average number of shares used for the calculation of diluted earnings per share.

28 Segments

A segment is a distinguishable component of NN Group, engaged in providing products or services, subject to risks and returns that are different from those of other segments. A geographical area is a distinguishable component of NN Group engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments. The geographical analysis is based on the location of the business unit from which the transactions are originated.

The reporting segments for NN Group, based on the internal reporting structure, are as follows:

- Netherlands Life (Group life and individual life insurance products in the Netherlands).
- Netherlands Non-life (Non-life insurance in the Netherlands including disability and accident, fire, motor and transport insurance).
- Insurance Europe (Life insurance, pension products and to a small extent non-life insurance and retirement services in Central and Rest of Europe).
- Japan Life (Life insurance primarily Corporate Owned Life Insurance (COLI) business).
- Banking.
- Other (Operating segments that have been aggregated due to their respective size; including Japan Closed Block VA (Closed block single premium variable annuity individual life insurance portfolio in Japan, including the internally reinsured minimum guarantee risk, which has been closed to new business and which is being managed in run-off), reinsurance and items related to capital management and the head office).

The Executive Board and the Management Board set the performance targets and approve and monitor the budgets prepared by the reporting segments. The segments formulate strategic, commercial and financial policies in conformity with the strategy and performance targets set by the Executive Board and the Management Board.

The accounting policies of the segments are the same as those described in the relevant notes. Transfer prices for inter-segment transactions are set at arm’s length. Corporate expenses are allocated to segments based on time spent by head office personnel, the relative number of staff, or on the basis of income and/or assets of the segment. Intercompany loans that qualify as equity securities under IFRS-EU are presented in the segment reporting as debt; related coupon payments are presented as income and expenses in the respective segments.

Operating result as presented below is an Alternative Performance Measure (non-GAAP financial measure) and is not a measure of financial performance under IFRS-EU. The net result on transactions between segments is eliminated in the net result of the relevant segment. Operating result is calculated as explained in the section ‘Alternative Performance Measures’.

Notes to the Consolidated annual accounts continued

Result by segment (2024)

2024	Netherlands Life	Netherlands Non-life	Insurance Europe	Japan Life	Banking	Other	Total
Profit margin	200		343	142			685
Technical result	38		53	32			124
Service expense result	9		–2	19			25
Other (re) insurance result			–1				–1
(Re) insurance result	**246**	**0**	**393**	**194**	**0**	**0**	**833**
Investment result	1,240		148	40			1,428
Other results - insurance businesses	–112		–96	–31			–239
Operating result insurance businesses	**1,375**	**0**	**445**	**203**	**0**	**0**	**2,023**
Operating result non-insurance businesses	–7		113				107
Operating result non-life		364					364
Operating result banking					189		189
Operating result other						–108	–108
Total operating result	**1,368**	**364**	**559**	**203**	**189**	**–108**	**2,574**
Non-operating items of which:							
– gains (losses) and impairments	–1,045		–1	9	2		–1,036
– revaluations	514	50	19	–57		9	535
– market and other impacts	–29	–5	57	–1	–10	–32	–20
Special items	–25	–12	–27		–2	–22	–89
Acquisition intangibles and goodwill			–2			–26	–28
Result before tax	**783**	**397**	**604**	**153**	**179**	**–180**	**1,936**
Taxation	83	99	134	40	46	–67	334
Minority interests		20					19
Net result	**700**	**279**	**470**	**114**	**133**	**–113**	**1,583**

Special items in 2024 mainly relate to non-operating project expenses.

Notes to the Consolidated annual accounts continued

Result by segment (2023)

2023	Netherlands Life	Netherlands Non-life	Insurance Europe	Japan Life	Banking	Other	Total
Profit margin	180		315	156			652
Technical result	60		26	22			107
Service expense result	–14		–9	7			–16
Other (re) insurance result			–1				–1
(Re) insurance result	**225**	**0**	**331**	**185**	**0**	**0**	**742**
Investment result	1,278		163	49			1,492
Other results - insurance businesses	–110		–88	–37			–233
Operating result insurance businesses	**1,395**	**0**	**407**	**197**	**0**	**0**	**2,000**
Operating result non-insurance businesses	–5		61				55
Operating result non-life		364					364
Operating result banking					226		226
Operating result other						–118	–118
Total operating result	**1,390**	**364**	**468**	**197**	**226**	**–118**	**2,528**
Non-operating items of which:							
– gains (losses) and impairments	–311	–14	–5	–12		–4	–345
– revaluations	225	1	–79	–73	–8	28	94
– market and other impacts	–68	–4	–182	17	–21	–14	–272
Special items	–413	–7	–23	–1	–1	–17	–462
Acquisition intangibles and goodwill			–2			–27	–29
Result on divestments			19				19
Result before tax	**823**	**340**	**196**	**129**	**196**	**–151**	**1,532**
Taxation	166	91	37	32	51	–30	348
Minority interests	–1	14				–1	12
Net result	**657**	**235**	**159**	**97**	**146**	**–121**	**1,172**

Special items in 2023 mainly reflect a provision of EUR 360 million related to the final settlement with interest groups on unit-linked insurance products and project expenses.

Notes to the Consolidated annual accounts continued

Income by segment (2024)

2024	Netherlands Life	Netherlands Non-life	Insurance Europe	Japan Life	Banking	Other and eliminations	Total
Insurance income	4,143	3,952	2,055	538		18	10,706
Investment income	6,245	256	1,440	132	1,290	140	9,503

Income by segment (2023)

2023	Netherlands Life	Netherlands Non-life	Insurance Europe	Japan Life	Banking	Other and eliminations	Total
Insurance income	4,164	3,843	1,830	590		26	10,453
Investment income	5,700	174	1,488	107	1,068	128	8,665

Interest income and interest expenses by segment (2024)

2024	Netherlands Life	Netherlands Non-life	Insurance Europe	Japan Life	Banking	Other and eliminations	Total
Interest income	2,425	164	408	153	1,321	27	4,498
Interest expenses	–391	–39	–21	–11	–897	50	–1,309

Interest income and interest expenses by segment (2023)

2023	Netherlands Life	Netherlands Non-life	Insurance Europe	Japan Life	Banking	Other and eliminations	Total
Interest income	2,384	156	394	164	1,096	26	4,220
Interest expenses	–372	–36	–19	–1	–651	46	–1,033

Notes to the Consolidated annual accounts continued

Total assets and Total liabilities by segment

	Total assets 2024	Total liabilities 2024	Total assets 2023	Total liabilities 2023
Netherlands Life	132,533	118,223	130,428	116,119
Netherlands Non-life	8,781	7,235	8,672	7,069
Insurance Europe	27,725	23,791	26,959	23,238
Japan Life	13,778	12,645	15,562	14,344
Banking	25,331	24,313	25,016	24,097
Other	31,911	10,563	32,659	11,787
Total	**240,059**	**196,770**	**239,296**	**196,654**
Eliminations	–29,684	–8,047	–30,355	–8,832
Total assets and Total liabilities	**210,375**	**188,723**	**208,941**	**187,822**

Alternative Performance Measures (Non-GAAP measures)

NN Group uses the following Alternative Performance Measures (APMs, also referred to as Non-GAAP measures) in its external financial reporting: Operating result, Operating Capital Generation and Administrative expenses. Because these measures are not determined in accordance with IFRS-EU, they may not be comparable to other similarly titled measures of performance of other companies.

Operating result

Operating result (before tax) is used by NN Group to evaluate the financial performance of its segments. The objective of the Operating result is to provide a better understanding of the underlying business performance by eliminating non-operating volatility from the result before tax. The Group operating result is the sum of the operating results for each segment in the Group. The result on transactions between segments is eliminated in the result of the relevant segment. Each segment's operating result is calculated by adjusting the reported result before tax for the following items:

- Non-operating items:
  - Gains (losses) and impairments on financial assets: realised gains and impairments on financial assets that are classified as Investments at cost and Investments at fair value through other comprehensive income. This relates mainly to debt securities and loans.
  - Revaluations: revaluations (changes in fair value) on Investments at fair value through profit or loss that are held in the general account. This relates mainly to private equity and real estate and loans, debt securities and equity securities accounted for at fair value through profit or loss and derivatives for which no hedge accounting is applied.
  - Market & other impacts: other items that are not representative of the underlying business performance of the segment. This may include (changes in) losses from onerous contracts due to assumption changes, impairments on intangible assets and specific one-off expenses.
- Special items: items of income or expense before tax that are significant and arise from events or transactions that are clearly distinct from the ordinary business activities and therefore are not expected to recur frequently or regularly. This includes restructuring expenses, rebranding costs, results related to early redemption of debt and gains (losses) from employee pension plan amendments or curtailments.
- Result on divestments: realised gains (losses) on the divestment of entities or businesses.
- Acquisition intangibles and goodwill: amortisation and impairment on acquisition related intangible assets and impairment of goodwill.

The operating result for the life insurance business is analysed through a margin analysis, which includes the insurance and reinsurance result, investment result and other result. The insurance and reinsurance result represents the sum of the profit margin (including release of the CSM), the technical result (including release of the risk adjustment), service expense result, and other insurance and reinsurance result. The investment result reflects that difference between the investment income (on operating basis) and the finance result (on operating basis).

Operating result as presented above is an Alternative Performance Measure (non-GAAP financial measure) and is not a measure of financial performance under IFRS-EU.

Operating Capital Generation

Operating Capital Generation (OCG) is used by NN Group to evaluate the performance of both the consolidated Group and its segments. The objective of OCG is to provide a better understanding of the underlying regulatory capital generated during the reporting period by the business units. Given the importance of regulatory capital and the Solvency II ratio for NN Group and its subsidiaries, NN Group believes that the underlying capital generation measured through OCG is an important metric to evaluate the performance of the Group and its segments. The Group OCG is the sum of the OCG for each segment in the Group. OCG is analysed and disclosed both by segment and by underlying driver.

Notes to the Consolidated annual accounts continued

NN Group analyses the change in the excess of Solvency II Own Funds over the Solvency Capital Requirement (SCR) in the following components:
- Operating Capital Generation.
- Market variance.
- Capital flows.
- Other.

Operating Capital Generation is the movement in the Solvency II 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.

OCG is an alternative measure of performance and is not a measure of financial performance under IFRS-EU. OCG is calculated independent from NN Group's (accounting policies under) IFRS-EU. The expected investment return is a key assumption in determining OCG.

Because OCG is not defined in IFRS-EU or Solvency II, it may not be comparable to other similarly titled measures of performance of other companies.

As OCG is not derived from a comparable metrics under IFRS-EU, it cannot be reconciled to an IFRS-EU equivalent.

Administrative expenses

NN Group monitors the level of expenses through the administrative expenses. Administrative expenses are calculated as the total of IFRS Staff and Other operating expenses excluding non-operating items, claims handling expenses and, expenses related to investment and insurance commissions and fees as presented in insurance (acquisition) expenses, commissions and non-operating items.

Administrative expenses

	2024	2023
Staff expenses	1,698	1,680
Other operating expenses	2,531	2,832
Total IFRS operating expenses (before attribution)	4,229	4,512
Presented in insurance expenses and commissions	1,292	1,263
Presented in insurance acquisition expenses	537	510
Presented in non-operating items (including special items)	117	479
Other adjustments	53	54
Administrative expenses	**2,230**	**2,206**

Other metrics

In addition, NN Group discloses a number of other metrics (that are not defined in IFRS and/or not defined in regulatory capital legislation). As these are not derived from comparable metrics under IFRS, these cannot be reconciled to an IFRS equivalent. These include the following:
- Gross written premiums: premiums written in the reporting period. Premiums written plus or minus the change in premiums receivables equals premiums received as recorded in the cash flow sections on insurance contracts.
- New sales (Annual Premium Equivalent, APE) represents annualised premium equivalents sold in the period, with single premiums calculated at 1/10th of the single premium amounts.
- Combined ratio: the sum of the claims ratio (claims incurred, net of reinsurance, excluding unwind of interest accrual, divided by net earned premiums) and the expense ratio (sum of acquisition costs and administrative expenses, divided by net earned premiums).
- Financial leverage ratio: the percentage of financial leverage in the total of financial leverage and equity.
- Fixed cost coverage ratio: the ability of Earnings Before Interest and Tax (EBIT) to cover funding costs on financial leverage; calculated on a last 12-months basis.
- Free cash flow: the change in the cash capital position at the holding company over the period, excluding acquisitions and capital transactions with shareholders and debtholders.
- Cash capital position at the holding company: net current assets available at the holding company.
- Net interest margin (NIM): interest result of the banking operations divided by the average total interest-bearing assets of the banking operations.

Notes to the Consolidated annual accounts continued

Written premiums

Written premiums (2024)

2024	Life	Non-life	Total
Gross written premiums	9,776	4,202	13,978
Reinsurance ceded	–1,863	132	–1,731
Net written premiums	**7,913**	**4,334**	**12,247**

Written premiums (2023)

2023	Life	Non-life	Total
Gross written premiums	9,190	3,997	13,187
Reinsurance ceded	–1,259	139	–1,120
Net written premiums	**7,931**	**4,136**	**12,067**

29 Insurance contracts by segment

Insurance contracts by segment (2024)

2024	General Model and Variable Fee Approach	Premium Allocation Approach	Total
Netherlands Life	108,114		108,114
Netherlands Non-life	3,907	2,520	6,427
Insurance Europe	19,331		19,331
Japan Life	12,047		12,047
Other	1,171	42	1,213
Insurance contracts	**144,570**	**2,562**	**147,132**

Insurance contracts by segment (2023)

2023	General Model and Variable Fee Approach	Premium Allocation Approach	Total
Netherlands Life	104,312		104,312
Netherlands Non-life	3,798	2,504	6,302
Insurance Europe	19,181		19,181
Japan Life	13,648		13,648
Other	1,213	53	1,266
Insurance contracts	**142,152**	**2,557**	**144,709**

Notes to the Consolidated annual accounts continued

Insurance contracts segment Netherlands Life

Insurance contracts under General Model and Variable Fee Approach (2024)

Netherlands Life 2024	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total General Model and Variable Fee Approach
– opening balance presented as assets				0
– opening balance presented as liabilities	99,719	966	3,627	104,312
Net opening balance	**99,719**	**966**	**3,627**	**104,312**
– insurance contracts initially recognised in the year	–170	36	159	25
– changes in estimates that adjust the contractual service margin	–76	–636	712	0
– changes in estimates that do not adjust the contractual service margin	27	–19		8
Changes that relate to future service	–219	–619	871	33
– release to profit or loss		–37	–272	–309
– experience adjustments not adjusting the contractual service margin	1			1
Changes that relate to current service	1	–37	–272	–308
– changes in incurred claims and benefits previous periods	–6			–6
Changes that relate to past service	–6	0	0	–6
– finance result through profit or loss	5,051	22	32	5,105
– finance result recognised in OCI	658	193		851
Finance result on insurance contracts	5,709	215	32	5,956
– premiums received	4,298			4,298
– acquisition costs paid	–39			–39
– claims, benefits and attributable expenses paid	–6,178			–6,178
Cash flows	–1,919	0	0	–1,919
Other movements			46	46
Net closing balance	**103,285**	**525**	**4,304**	**108,114**
– closing balance presented as assets				0
– closing balance presented as liabilities	103,285	525	4,304	108,114
Net closing balance	**103,285**	**525**	**4,304**	**108,114**

Notes to the Consolidated annual accounts continued

Insurance contracts under General Model and Variable Fee Approach (2023)

Netherlands Life 2023	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total General Model and Variable Fee Approach
– opening balance presented as assets				0
– opening balance presented as liabilities	95,529	1,024	3,573	100,126
Net opening balance	**95,529**	**1,024**	**3,573**	**100,126**
– insurance contracts initially recognised in the year	–97	15	99	17
– changes in estimates that adjust the contractual service margin	–87	–76	163	0
– changes in estimates that do not adjust the contractual service margin	40	5		45
Changes that relate to future service	–144	–56	262	62
– release to profit or loss		–66	–233	–299
– experience adjustments not adjusting the contractual service margin	25			25
Changes that relate to current service	25	–66	–233	–274
– changes in incurred claims and benefits previous periods	–12			–12
Changes that relate to past service	–12	0	0	–12
– finance result through profit or loss	4,133	29	24	4,186
– finance result recognised in OCI	2,856	35	1	2,892
Finance result on insurance contracts	6,989	64	25	7,078
– premiums received	3,415			3,415
– acquisition costs paid	–39			–39
– claims, benefits and attributable expenses paid	–6,044			–6,044
Cash flows	–2,668	0	0	–2,668

Netherlands Life 2023	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total General Model and Variable Fee Approach
Net closing balance	**99,719**	**966**	**3,627**	**104,312**
– closing balance presented as assets				0
– closing balance presented as liabilities	99,719	966	3,627	104,312
Net closing balance	**99,719**	**966**	**3,627**	**104,312**

Notes to the Consolidated annual accounts continued

Insurance contracts segment Netherlands Non-life

Insurance contracts under General Model (2024)

Netherlands Non-life 2024	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total General Model
– opening balance presented as assets				0
– opening balance presented as liabilities	3,173	130	495	3,798
Net opening balance	**3,173**	**130**	**495**	**3,798**
– insurance contracts initially recognised in the year	–94	12	83	1
– changes in estimates that adjust the contractual service margin	–19	25	–6	0
– changes in estimates that do not adjust the contractual service margin	–2			–2
Changes that relate to future service	–115	37	77	–1
– release to profit or loss		–24	–62	–86
– experience adjustments not adjusting the contractual service margin	12			12
Changes that relate to current service	12	–24	–62	–74
– changes in incurred claims and benefits previous periods	2			2
Changes that relate to past service	2	0	0	2
– finance result through profit or loss	68	2	7	77
– finance result recognised in OCI	63	1		64
Finance result on insurance contracts	131	3	7	141
– premiums received	1,187			1,187
– acquisition costs paid	–14			–14
– claims, benefits and attributable expenses paid	–1,132			–1,132
Cash flows	41	0	0	41

Netherlands Non-life 2024	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total General Model
Other movements	–2	1	1	0
Net closing balance	**3,242**	**147**	**518**	**3,907**
– closing balance presented as assets				0
– closing balance presented as liabilities	3,242	147	518	3,907
Net closing balance	**3,242**	**147**	**518**	**3,907**

Notes to the Consolidated annual accounts continued

Insurance contracts under General Model (2023)

Netherlands Non-life 2023	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total General Model
– opening balance presented as assets				0
– opening balance presented as liabilities	2,906	149	355	3,410
Net opening balance	**2,906**	**149**	**355**	**3,410**
– insurance contracts initially recognised in the year	–160	14	146	0
– changes in estimates that adjust the contractual service margin	40	–28	–12	0
– changes in estimates that do not adjust the contractual service margin	1			1
Changes that relate to future service	–119	–14	134	1
– release to profit or loss		–23	–48	–71
– experience adjustments not adjusting the contractual service margin	–14			–14
Changes that relate to current service	–14	–23	–48	–85
– changes in incurred claims and benefits previous periods	5			5
Changes that relate to past service	5	0	0	5
– finance result through profit or loss	56	2	6	64
– finance result recognised in OCI	210	16		226
Finance result on insurance contracts	266	18	6	290
– premiums received	1,053			1,053
– acquisition costs paid	–3			–3
– claims, benefits and attributable expenses paid	–921			–921
Cash flows	129	0	0	129

Netherlands Non-life 2023	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total General Model
Other movements			48	48
Net closing balance	**3,173**	**130**	**495**	**3,798**
– closing balance presented as assets				0
– closing balance presented as liabilities	3,173	130	495	3,798
Net closing balance	**3,173**	**130**	**495**	**3,798**

Notes to the Consolidated annual accounts continued

Insurance contracts segment Insurance Europe

Insurance contracts under General Model and Variable Fee Approach (2024)

Insurance Europe 2024	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total General Model and Variable Fee Approach
– opening balance presented as assets	777	–69	–353	355
– opening balance presented as liabilities	17,679	372	1,485	19,536
Net opening balance	**16,902**	**441**	**1,838**	**19,181**
– insurance contracts initially recognised in the year	–319	38	305	24
– changes in estimates that adjust the contractual service margin	–308	–33	341	0
– changes in estimates that do not adjust the contractual service margin	–31	–58		–89
Changes that relate to future service	–658	–53	646	–65
– release to profit or loss		–47	–371	–418
– experience adjustments not adjusting the contractual service margin	–25			–25
Changes that relate to current service	–25	–47	–371	–443
– changes in incurred claims and benefits previous periods	–13			–13
Changes that relate to past service	–13	0	0	–13
– finance result through profit or loss	1,188	13	37	1,238
– finance result recognised in OCI	17	3		20
Finance result on insurance contracts	1,205	16	37	1,258
– premiums received	3,714			3,714
– acquisition costs paid	–480			–480
– claims, benefits and attributable expenses paid	–3,750			–3,750
Cash flows	–516	0	0	–516

Insurance Europe 2024	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total General Model and Variable Fee Approach
Other movements	–3			–3
Foreign currency exchange differences	–57		–11	–68
Net closing balance	**16,835**	**357**	**2,139**	**19,331**
– closing balance presented as assets	1,158	–89	–660	409
– closing balance presented as liabilities	17,993	268	1,479	19,740
Net closing balance	**16,835**	**357**	**2,139**	**19,331**

Notes to the Consolidated annual accounts continued

Insurance contracts under General Model and Variable Fee Approach (2023)

Insurance Europe 2023	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total General Model and Variable Fee Approach
– opening balance presented as assets	348	–26	–198	124
– opening balance presented as liabilities	16,171	266	1,535	17,972
Net opening balance	**15,823**	**292**	**1,733**	**17,848**
– insurance contracts initially recognised in the year	–306	34	292	20
– changes in estimates that adjust the contractual service margin	–177	96	81	0
– changes in estimates that do not adjust the contractual service margin	75	75		150
Changes that relate to future service	–408	205	373	170
– release to profit or loss		–54	–334	–388
– experience adjustments not adjusting the contractual service margin	10			10
Changes that relate to current service	10	–54	–334	–378
– changes in incurred claims and benefits previous periods	18	–1		17
Changes that relate to past service	18	–1	0	17
– finance result through profit or loss	1,339	6	31	1,376
– finance result recognised in OCI	318	–12		306
Finance result on insurance contracts	1,657	–6	31	1,682
– premiums received	3,423			3,423
– acquisition costs paid	–439			–439
– claims, benefits and attributable expenses paid	–3,406			–3,406
– changes in the composition of the group and other changes	95	1		96
Cash flows	–327	1	0	–326

Insurance Europe 2023	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total General Model and Variable Fee Approach
Foreign currency exchange differences	129	4	35	168
Net closing balance	**16,902**	**441**	**1,838**	**19,181**
– closing balance presented as assets	777	–69	–353	355
– closing balance presented as liabilities	17,679	372	1,485	19,536
Net closing balance	**16,902**	**441**	**1,838**	**19,181**

Notes to the Consolidated annual accounts continued

Insurance contracts segment Japan Life

Insurance contracts under General Model and Variable Fee Approach (2024)

Japan Life 2024	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total General Model and Variable Fee Approach
– opening balance presented as assets				0
– opening balance presented as liabilities	12,382	258	1,008	13,648
Net opening balance	**12,382**	**258**	**1,008**	**13,648**
– insurance contracts initially recognised in the year	–127	15	112	0
– changes in estimates that adjust the contractual service margin	–68	15	53	0
– changes in estimates that do not adjust the contractual service margin	2			2
Changes that relate to future service	–193	30	165	2
– release to profit or loss		–27	–152	–179
– experience adjustments not adjusting the contractual service margin	–27			–27
Changes that relate to current service	–27	–27	–152	–206
– finance result through profit or loss	124	1	4	129
– finance result recognised in OCI	–380	7		–373
Finance result on insurance contracts	–256	8	4	–244
– premiums received	1,990			1,990
– acquisition costs paid	–104			–104
– claims, benefits and attributable expenses paid	–2,434			–2,434
Cash flows	–548	0	0	–548
Foreign currency exchange differences	–552	–10	–43	–605
Net closing balance	**10,806**	**259**	**982**	**12,047**
– closing balance presented as assets				0
– closing balance presented as liabilities	10,806	259	982	12,047
Net closing balance	**10,806**	**259**	**982**	**12,047**

Insurance contracts under General Model and Variable Fee Approach (2023)

Japan Life 2023	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total General Model and Variable Fee Approach
– opening balance presented as assets				0
– opening balance presented as liabilities	13,932	162	1,182	15,276
Net opening balance	**13,932**	**162**	**1,182**	**15,276**
– insurance contracts initially recognised in the year	–143	11	132	0
– changes in estimates that adjust the contractual service margin	–75	111	–36	0
– changes in estimates that do not adjust the contractual service margin	1	1		2
Changes that relate to future service	–217	123	96	2
– release to profit or loss		–27	–161	–188
– experience adjustments not adjusting the contractual service margin	–18			–18
Changes that relate to current service	–18	–27	–161	–206
– changes in incurred claims and benefits previous periods	9			9
Changes that relate to past service	9	0	0	9
– finance result through profit or loss	135	1	4	140
– finance result recognised in OCI	54	12		66
Finance result on insurance contracts	189	13	4	206
– premiums received	2,441			2,441
– acquisition costs paid	–112			–112
– claims, benefits and attributable expenses paid	–2,447			–2,447
Cash flows	–118	0	0	–118
Foreign currency exchange differences	–1,395	–13	–113	–1,521
Net closing balance	12,382	258	1,008	13,648
– closing balance presented as assets				0
– closing balance presented as liabilities	12,382	258	1,008	13,648
Net closing balance	**12,382**	**258**	**1,008**	**13,648**

Notes to the Consolidated annual accounts continued

30 Principal subsidiaries and geographical information

The table below provides additional information on principal subsidiaries, the nature of the main activities and employees by country.

Principal subsidiaries and geographical information (2024)

Country/Name of principal subsidiaries	Main activity	Average number of employees[1]	Total revenues[2]	Revenues[3]	Total assets	Result before tax	Taxation[4]	Income tax paid
Nationale-Nederlanden Levensverzekering Maatschappij N.V.	Life insurance							
Nationale-Nederlanden Bank N.V.	Banking							
Nationale-Nederlanden Schadeverzekering Maatschappij N.V.	General insurance							
REI Investment I B.V.	Real estate							
NN Re (Netherlands) N.V.	Reinsurance							
The Netherlands		9,215	15,989	12,656	167,455	1,156	153	268
NN Life Insurance Company, Ltd.	Life insurance							
Japan		1,005	840	686	13,033	131	36	–16
NN Insurance Belgium nv	Life insurance							
Belgium		641	758	670	10,473	126	34	1
NN Hellenic Life Insurance Co. S.A.	Life insurance							
Greece		567	639	463	4,627	86	21	
Nationale Nederlanden Vida, Compania de Seguros y Reaseguros. S.A.	Life insurance							
Nationale Nederlanden Generales, Compania de Seguros y Reaseguros, S.A.	General insurance							
Spain		594	669	423	4,577	88	19	2
Nationale-Nederlanden Towarzystwo Ubezpieczeń na Życie S.A.	Life insurance							
Nationale-Nederlanden Powszechne Towarzystwo Emerytalne S.A.	Pensions							
Poland[5]		1,100	655	565	3,484	152	24	13
NN Biztosító Zártkörûen Mûködõ Részvénytársaság	Life insurance							
Hungary		515	302	121	1,375	15	5	2
NN Životní pojišťovna N.V. (pobočka pro Českou republiku)	Life insurance							
Czech Republic		710	233	154	1,300	29	7	–10
NN Asigurari de Viata S.A.	Life insurance							
Romania[6]		546	253	211	1,117	43	8	7

Notes to the Consolidated annual accounts continued

Country/Name of principal subsidiaries	Main activity	Average number of employees[1]	Total revenues[2]	Revenues[3]	Total assets	Result before tax	Taxation[4]	Income tax paid
NN Životná poisťovna, a.s.	Life insurance							
Slovak Republic		402	208	157	829	48	14	27
France			27	18	808	20	1	–3
Germany			11	18	696	8	4	6
Italy			12	13	265	12	4	2
Denmark			20	9	234	18	4	2
Turkey		182	28	28	47			
United Kingdom			4	3	46	4		1
Mexico		**1**	**1**		**9**			**2**
Total		**15,478**	**20,649**	**16,195**	**210,375**	**1,936**	**334**	**304**

1 The average number of employees is on a full-time equivalent basis.
2 Total revenues consists of Insurance income, Investment result and Fee and commission result.
3 Revenues consists of Insurance income, Investment income and Fee and commission result'. The difference between investment income and investment result is realised and unrealised results and impairments.
4 Taxation is the taxation amount charged to the profit or loss account.
5 Poland includes Nationale-Nederlanden Towarzystwo Ubezpieczeń na Życie Spółka Akcyjna, Nationale-Nederlanden Powszechne Towarzystwo Emerytalne S.A., Nationale-Nederlanden Towarzystwo Ubezpieczeń S.A., Nationale-Nederlanden Usługi Finansowe Spółka z ograniczoną odpowiedzialnością (sp. z o. o), NN Life S.A. w likwidacji, Notus Finanse S.A.
6 Romania includes NN Asigurari de Viata , NN Pensii SAFPAP, NN Asigurări de Viață – P3, NN Asigurari and NN Lease.

Notes to the Consolidated annual accounts continued

Principal subsidiaries and geographical information (2023)

Country/Name of principal subsidiaries	Main activity	Average number of employees[1]	Total revenues[2]	Revenues[3]	Total assets	Result before tax	Taxation[4]	Income tax paid
Nationale-Nederlanden Levensverzekering Maatschappij N.V.	Life insurance							
Nationale-Nederlanden Bank N.V.	Banking							
Nationale-Nederlanden Schadeverzekering Maatschappij N.V.	General insurance							
REI Investment I B.V.	Real estate							
NN Re (Netherlands) N.V.	Reinsurance							
The Netherlands		9,127	15,128	12,254	165,114	1,277	295	147
NN Life Insurance Company, Ltd.	Life insurance							
Japan		976	914	754	14,683	116	30	93
NN Insurance Belgium nv	Life insurance							
Belgium		639	688	584	10,402	–83	–18	1
Nationale Nederlanden Vida, Compania de Seguros y Reaseguros. S.A.	Life insurance							
Nationale Nederlanden Generales, Compania de Seguros y Reaseguros, S.A.	General insurance							
Spain		580	562	386	4,516	16	2	6
NN Hellenic Life Insurance Co. S.A.	Life insurance							
Greece		581	601	432	4,289	20	3	
Nationale-Nederlanden Towarzystwo Ubezpieczeń na Życie S.A.	Life insurance							
Nationale-Nederlanden Powszechne Towarzystwo Emerytalne S.A.	Pensions							
Poland[5]		1,169	770	509	3,461	150	33	–3
NN Biztosító Zártkörûen Mûködõ Részvénytársaság	Life insurance							
Hungary		488	205	114	1,313	8	2	2
NN Životní pojišťovna N.V. (pobočka pro Českou republiku)	Life insurance							
Czech Republic		688	250	133	1,299	25	1	4
NN Asigurari de Viata S.A.	Life insurance							
Romania[6]		512	265	175	1,082	40	7	4
France			–48	19	831	–54	–7	5
Slovak Republic		392	177	128	786	36	9	7
Germany			–22	18	595	–22	–5	3

Notes to the Consolidated annual accounts continued

Country/Name of principal subsidiaries	Main activity	Average number of employees[1]	Total revenues[2]	Revenues[3]	Total assets	Result before tax	Taxation[4]	Income tax paid
Italy			4	14	268	4		1
Denmark			–15	9	195	–16	–4	
United Kingdom				3	51	8		
Turkey		195	27	23	42		–2	
Mexico		1	1		14	7	2	
Argentina		1						
Total		**15,349**	**19,507**	**15,555**	**208,941**	**1,532**	**348**	**270**

1 The average number of employees is on a full-time equivalent basis.
2 Total revenues consists of Insurance income, Investment result and Fee and commission result.
3 Revenues consists of Insurance income, Investment income and Fee and commission result'. The difference between investment income and investment result is realised and unrealised results and impairments.
4 Taxation is the taxation amount charged to the profit or loss account.
5 Poland includes Nationale-Nederlanden Towarzystwo Ubezpieczeń na Życie Spółka Akcyjna, Nationale-Nederlanden Powszechne Towarzystwo Emerytalne S.A., Nationale-Nederlanden Towarzystwo Ubezpieczeń S.A., Nationale-Nederlanden Usługi Finansowe Spółka z ograniczoną odpowiedzialnością (sp. z o. o), NN Life S.A. w likwidacji, Notus Finanse S.A.
6 Romania includes NN Asigurari de Viata , NN Pensii SAFPAP, NN Asigurări de Viață – P3, NN Asigurari and NN Lease.

Information on guarantees issued by NN Group N.V. to subsidiaries under article 403 of Book 2 of the Dutch Civil Code is included in the Parent company annual accounts and filed with the Chamber of Commerce.

Notes to the Consolidated annual accounts continued

31 Taxation

Income tax on the result for the year comprises current and deferred tax. Income tax is generally recognised in the profit and loss account, but is recognised directly in equity if the tax relates to items that are recognised directly in equity.

The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the balance sheet. Deferred tax is determined using tax rates (and laws) applicable in the jurisdictions in which NN Group is liable to taxation, that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets and liabilities are not discounted.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses carried forward where it is probable that future taxable profits will be available against which the temporary differences can be used. Unrecognised deferred tax assets are reassessed periodically and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by NN Group and it is probable that the difference will not reverse in the foreseeable future. The tax effects of income tax losses available for carry forward are recognised as an asset where it is probable that future taxable profits will be available against which these losses can be used.

Offsetting deferred tax assets with deferred tax liabilities is allowed as long as there is a legally enforceable right to offset current tax assets against current tax liabilities together with the intention to do so and the deferred taxes relate to income taxes levied by the same taxation authority on the same entity or on the same fiscal unity.

NN Group is subject to the requirements of the International Tax Reform – Pillar Two Model Rules and assessed the potential impact of the Pillar Two minimum taxation requirements. In 2024, there was no significant impact in any of the jurisdictions in which it operates and no impact on the NN Group effective tax rate. NN Group applied the temporary mandatory relief in IFRS for the potential deferred tax impact of Pillar Two top-up tax.

Deferred tax (2024)

	Net liability 2023	Changes through equity	Changes through net result	Changes in the composition of the group and other changes	Foreign currency exchange differences	Net liability 2024
Investments	–2,152	151	–7		2	–2,006
Investments in real estate	1,013		51	–18		1,046
Insurance contracts	594	–129	188		–8	645
Cash flow hedges	990	16				1,006
Fiscal reserves	36		–34			2
Unused tax losses carried forward	–134		11			–123
Other	66	4	–15	43	2	100
Deferred tax	**413**	**42**	**194**	**25**	**–4**	**670**
Presented in the balance sheet as						
Deferred tax liabilities	559					764
Deferred tax assets	146					94
Deferred tax	**413**					**670**

Notes to the Consolidated annual accounts continued

Deferred tax (2023)

	Net liability 2022	Changes through equity	Changes through net result	Changes in the composition of the group and other changes	Foreign currency exchange differences	Net liability 2023
Investments	–3,158	953	–3	55	1	–2,152
Investments in real estate	1,162		–151	2		1,013
Insurance contracts	1,572	–923	150	–197	–8	594
Cash flow hedges	1,005	–15				990
Fiscal reserves			36			36
Unused tax losses carried forward	–131		–3			–134
Other	43	–5	–56	84		66
Deferred tax	**493**	**10**	**–27**	**–56**	**–7**	**413**
Presented in the balance sheet as						
Deferred tax liabilities	624					559
Deferred tax assets	131					146
Deferred tax	**493**					**413**

Deferred tax on unused tax losses carried forward

	2024	2023
Total unused tax losses carried forward	741	757
Unused tax losses carried forward not recognised as a deferred tax asset	–217	–186
Unused tax losses carried forward recognised as a deferred tax asset	**524**	**571**
Average tax rate	23.4%	23.4%
Deferred tax asset	**123**	**134**

Total unused tax losses carried forward analysed by term of expiration

	No deferred tax asset recognised		Deferred tax asset recognised	
	2024	2023	2024	2023
Within 1 year	9	18	7	
More than 1 year but less than 5 years	6	32	135	171
More than 5 years but less than 10 years		5		15
Unlimited	202	131	382	385
Total unused tax losses carried forward	**217**	**186**	**524**	**571**

Deferred tax assets are recognised for temporary deductible differences, for tax losses carried forward and unused tax credits only to the extent that realisation of the related tax benefit is probable.

Taxation on result

	2024	2023
Current tax	140	375
Deferred tax	194	–27
Taxation on result	**334**	**348**

NN Group N.V., together with certain of its subsidiaries, is a part of a fiscal unity for Dutch income tax purposes. The members of the fiscal unity are jointly and severally liable for any income taxes payable by the Dutch fiscal unity.

Reference is made to Note 30 ‘Principal subsidiaries and geographical information’ for more information on the taxation per country.

Notes to the Consolidated annual accounts continued

Reconciliation of the weighted average statutory tax rate to NN Group's effective tax rate

	2024	2023
Result before tax	1,936	1,532
Weighted average statutory tax rate	24.6%	24.7%
Weighted average statutory tax amount	**477**	**378**
Participation exemption	–126	–49
Other income not subject to tax and other	–18	22
Expenses not deductible for tax purposes	8	8
Impact on deferred tax from change in tax rates	2	–4
Tax benefit for previously unrecognised amounts	6	–2
Adjustments to prior periods	–15	–5
Effective tax amount	**334**	**348**
Effective tax rate	**17.3%**	**22.7%**

In 2024, the effective tax rate of 17.3% was lower than the weighted average statutory tax rate of 24.6%. This was mainly a result of tax exempt investment results.

In 2023, the effective tax rate of 22.7% was lower than the weighted average statutory tax rate of 24.7%. This was mainly a result of tax exempt investment results.

Taxation on components of other comprehensive income

	2024	2023
Finance result on (re) insurance contracts recognised in OCI	118	917
Revaluations on debt securities and loans at fair value through OCI	134	–816
Realised gains (losses) transferred to the profit and loss account	–265	–84
Changes in cash flow hedge reserve	–16	15
Remeasurement of the net defined benefit asset/liability	–3	5
Income tax	**–32**	**37**

32 Fair value of financial assets and liabilities

The following table presents the estimated fair value of NN Group's financial assets and liabilities. Certain balance sheet items are not included in the table, as they do not meet the definition of a financial asset or liability or are (re) insurance contracts. The aggregation of the fair value presented below does not represent and should not be construed as representing, the underlying value of NN Group.

Fair value of financial assets and liabilities

	Estimated fair value		Balance sheet value	
	2024	2023	2024	2023
Financial assets				
Cash and cash equivalents	6,929	8,207	6,929	8,207
Investments at fair value through other comprehensive income	106,050	110,100	106,050	110,100
Investments at cost	21,780	20,651	22,234	21,488
Investments at fair value through profit or loss	54,968	49,392	54,968	49,392
Derivatives	2,684	2,486	2,684	2,486
Financial assets	**192,411**	**190,836**	**192,865**	**191,673**
Financial liabilities				
Investment contracts for risk of company	1,176	1,223	1,201	1,289
Investment contracts for risk of policyholders	2,658	2,332	2,658	2,332
Investment contracts	**3,834**	**3,555**	**3,859**	**3,621**
Debt instruments issued	1,109	1,098	1,196	1,195
Subordinated debt	2,560	2,784	2,346	2,680
Other borrowed funds	7,630	9,633	7,987	9,992
Customer deposits	17,198	16,069	17,474	16,460
Derivatives	3,671	4,067	3,671	4,067
Financial liabilities	**36,002**	**37,206**	**36,533**	**38,015**

Notes to the Consolidated annual accounts continued

The estimated fair value represents the price at which an orderly transaction to sell the financial asset or to transfer the financial liability would take place between market participants at the balance sheet date (exit price).

The fair value of financial assets and liabilities is based on unadjusted quoted market prices at the balance sheet date where available. Such quoted market prices are primarily obtained from exchange prices for listed instruments. Where an exchange price is not available, market prices may be obtained from external market vendors, brokers or market makers. In general, positions are valued taking the bid price for a long position and the offer price for a short position and financial liabilities. In some cases, positions are marked at mid-market prices. When markets are less liquid there may be a range of prices for the same security from different price sources; selecting the most appropriate price requires judgement and could result in different estimates of the fair value.

For certain financial assets and liabilities quoted market prices are not available, for example for financial instruments that are not traded in an active market. An active market for the financial instrument is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Assessing whether a market is active requires judgement, considering factors specific to the financial instrument.

For these financial assets and liabilities, fair value is determined using valuation techniques, based on market conditions existing at each balance sheet date. These valuation techniques range from discounting of cash flows to valuation models, where relevant pricing factors including the market price of underlying reference instruments, market parameters (volatilities, correlations and credit ratings) and customer behaviour are taken into account.

Valuation techniques are subjective in nature and significant judgement is involved in establishing the fair value for certain financial assets and liabilities. Valuation techniques involve various assumptions regarding pricing factors. The use of different valuation techniques and assumptions could produce significantly different estimates of the fair value.

The following methods and assumptions were used by NN Group to estimate the fair value of the financial instruments:

Cash and cash equivalents
Cash and cash equivalents are recognised at their nominal value which approximates the fair value.

Derivatives
Derivative contracts can either be exchange-traded or over the counter (OTC). The fair value of exchange-traded derivatives is determined using quoted market prices in an active market and those derivatives are classified in Level 1 of the fair value hierarchy. For those instruments that are not actively traded, the fair value is estimated based on valuation techniques. OTC derivatives and derivatives trading in an inactive market are valued using valuation techniques because quoted market prices in an active market are not available for such instruments. The valuation techniques and inputs depend on the type of derivative and the nature of the underlying instruments. The principal techniques used to value these instruments are based on discounted cash flows, Black-Scholes option models and Monte Carlo simulation. These valuation models calculate the present value of expected future cash flows, based on 'no arbitrage' principles. These models are commonly used in the financial industry. Inputs to valuation models are determined from observable market data where possible. Certain inputs may not be observable in the market directly, but can be determined from observable prices via valuation model calibration procedures. The inputs used include prices available from exchanges, dealers, brokers or providers of pricing, yield curves, credit spreads, default rates, recovery rates, dividend rates, volatility of underlying interest rates, equity prices and foreign currency exchange rates. These inputs are determined with reference to quoted prices, recently executed trades, independent market quotes and consensus data, where available.

Investments at fair value through other comprehensive income and profit or loss
Equity securities
The fair value of publicly traded equity securities is determined using quoted market prices when available. Where no quoted market prices are available, fair value is determined based on quoted prices for similar instruments or other valuation techniques. The fair value of private equity is based on quoted market prices, if available. In the absence of quoted prices in an active market, fair value is estimated on the basis of an analysis of the investee's financial position and results, risk profile, prospects, price, earnings comparisons and revenue multiples and by reference to market valuations for similar entities quoted in an active market.

Debt securities
The fair value for debt securities is based on quoted market prices, where available. Quoted market prices may be obtained from an exchange, dealer, broker, industry group, pricing service or regulatory service. If quoted prices in an active market are not available, fair value is based on an analysis of available market inputs, which may include values obtained from one or more pricing services or by a valuation technique that discounts expected future cash flows using market interest rate curves, referenced credit spreads, maturity of the investment and estimated prepayment rates where applicable.

Notes to the Consolidated annual accounts continued

Loans
For loans and advances that are repriced frequently and have had no significant changes in credit risk, carrying values represent a reasonable estimate of fair value. The fair value of other loans is estimated by discounting expected future cash flows using a discount rate that reflects credit risk, liquidity and other current market conditions.
The fair value of mortgage loans is estimated by discounting the cash flows on a loan part-by-loan part basis taking into account the characteristics of the loans by applying a market discount rate. The valuation method takes into account the type of mortgage, remaining period until interest reset date, credit quality (NHG, LTV buckets), prepayment and product-specific characteristics.

Loans with similar characteristics are aggregated for calculation purposes.

Investment contracts
For investment contracts for risk of the company the fair value has been estimated using a discounted cash flow approach based on interest rates currently being offered for similar contracts with maturities consistent with those remaining for the contracts being valued. For investment contracts for risk of policyholders the fair value generally equals the fair value of the underlying assets.

Funding
Subordinated debt and debt instruments issued
The fair value of subordinated debt and debt instruments issued is estimated using discounted cash flows based on interest rates and credit spreads that apply to similar instruments.

Other borrowed funds
The fair value of other borrowed funds is generally based on quoted market prices or, if not available, on estimated prices by discounting expected future cash flows using a current market interest rate and credit spreads applicable to the yield, credit quality and maturity.

Customer deposits
The carrying values of customer deposits with no stated maturity approximate their fair value. The fair values of deposits with stated maturities have been estimated based on discounting future cash flows using a discount rate that reflects credit risk, liquidity and other current market conditions.

Financial assets and liabilities at fair value
The fair value of the financial instruments carried at fair value was determined as follows:

Methods applied in determining the fair value of financial assets and liabilities at fair value (2024)

2024	Level 1	Level 2	Level 3	Total
Financial assets				
Derivatives	65	2,619		2,684
Investments at fair value through OCI	48,451	20,639	36,960	106,050
Investments at fair value through profit or loss	45,035	1,708	8,225	54,968
Financial assets	**93,551**	**24,966**	**45,185**	**163,702**
Financial liabilities				
Investment contracts (for contracts at fair value)	2,658			2,658
Derivatives	3	3,644	24	3,671
Financial liabilities	**2,661**	**3,644**	**24**	**6,329**

Methods applied in determining the fair value of financial assets and liabilities at fair value (2023)

2023	Level 1	Level 2	Level 3	Total
Financial assets				
Derivatives	1	2,485		2,486
Investments at fair value through OCI	46,113	24,508	39,479	110,100
Investments at fair value through profit or loss	40,251	1,594	7,547	49,392
Financial assets	**86,365**	**28,587**	**47,026**	**161,978**
Financial liabilities				
Investment contracts (for contracts at fair value)	2,332			2,332
Derivatives	57	3,990	20	4,067
Financial liabilities	**2,389**	**3,990**	**20**	**6,399**

Notes to the Consolidated annual accounts continued

NN Group has categorised its financial instruments that are either measured in the balance sheet at fair value or for which the fair value is disclosed, into a three level hierarchy based on the priority of the inputs to the valuation. The fair value hierarchy gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities and the lowest priority to valuation techniques supported by unobservable inputs. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide reliable pricing information on an ongoing basis.

The fair value hierarchy consists of three levels, depending on whether the fair value is determined based on (unadjusted) quoted prices in an active market (Level 1), valuation techniques with observable inputs (Level 2) or valuation techniques that incorporate inputs which are unobservable and which have a more than insignificant impact on the fair value of the instrument (Level 3). Financial assets in Level 3 include, for example, illiquid debt instruments, complex OTC and credit derivatives, certain complex loans (for which current market information about similar assets to use as observable, corroborated data for all significant inputs into a valuation model is not available), mortgage loans and consumer lending, private equity securities and investments in real estate funds.

Observable inputs reflect market data obtained from independent sources. Unobservable inputs are inputs which are based on NN Group's own assumptions about the factors that market participants would use in pricing an asset or liability, developed based on the best information available in the circumstances. Unobservable inputs may include volatility, correlation, spreads to discount rates, default rates and recovery rates, prepayment rates and certain credit spreads. Transfers into and transfers out of levels in the fair value hierarchy are recognised on the date of the event or change of circumstances that caused the transfer.

Level 1 – (Unadjusted) Quoted prices in active markets

This category includes financial instruments whose fair value is determined directly by reference to published quotes in an active market that NN Group can access. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions with sufficient frequency and volume to provide reliable pricing information on an ongoing basis.

Level 2 – Valuation technique supported by observable inputs

This category includes financial instruments whose fair value is determined using a valuation technique (e.g. a model), where inputs in the model are taken from an active market or are observable. If certain inputs in the model are unobservable the instrument is still classified in this category, provided that the impact of those unobservable inputs elements on the overall valuation is insignificant. Included in this category are items whose value is derived from quoted prices of similar instruments, but for which the prices are modified based on other market observable external data and items whose value is derived from quoted prices but for which there was insufficient evidence of an active market.

Level 3 – Valuation technique supported by unobservable inputs

This category includes financial instruments whose fair value is determined using a valuation technique (e.g. a model) for which more than an insignificant part of the inputs in terms of the overall valuation are not market observable. This category also includes financial assets and liabilities whose fair value is determined by reference to price quotes but for which the market is considered inactive. An instrument is classified in its entirety as Level 3 if a significant portion of the instrument's fair value is driven by unobservable inputs. Unobservable in this context means that there is little or no current market data available from which the price at which an orderly transaction would likely occur can be derived.

Notes to the Consolidated annual accounts continued

Changes in Level 3 financial assets (2024)

2024	Investments at fair value through other comprehensive income	Investments at fair value through profit or loss	Total
Level 3 Financial assets – opening balance	39,479	7,547	47,026
Amounts recognised in the profit and loss account	–545	148	–397
Revaluations recognised in other comprehensive income (equity)	1,700		1,700
Purchase	2,086	1,079	3,165
Sale	–101	–534	–635
Maturity/settlement	–5,385	–24	–5,409
Other transfers and reclassifications		–48	–48
Transfers out of Level 3	–334		–334
Transfers into Level 3	16		16
Changes in the composition of the group and other changes	25		25
Foreign currency exchange differences	19	57	76
Level 3 Financial assets – closing balance	**36,960**	**8,225**	**45,185**

Changes in Level 3 financial assets (2023)

2023	Investments at fair value through other comprehensive income	Investments at fair value through profit or loss	Total
Level 3 Financial assets – opening balance	40,748	5,613	46,361
Amounts recognised in the profit and loss account	–97	42	–55
Revaluations recognised in other comprehensive income (equity)	909		909
Purchase	2,029	900	2,929
Sale	–183	–728	–911
Maturity/settlement	–2,634	–9	–2,643
Other transfers and reclassifications	–1,286	1,286	0
Transfers out of Level 3	–3	–11	–14
Changes in the composition of the group and other changes	–4	454	450
Level 3 Financial assets – closing balance	**39,479**	**7,547**	**47,026**

Changes in Level 3 financial liabilities

	2024	2023
Level 3 Financial liabilities – opening balance	20	19
Amounts recognised in the profit and loss account	4	1
Level 3 Financial liabilities – closing balance	**24**	**20**

Notes to the Consolidated annual accounts continued

Level 3 – Amounts recognised in the profit and loss account during the year (2024)

2024	Held at balance sheet date	Derecognised during the year	Total
Financial assets			
Investments at fair value through other comprehensive income	–80	–465	–545
Investments at fair value through profit or loss	147	1	148
Financial assets	**67**	**–464**	**–397**
Financial liabilities			
Derivatives	4		4
Financial liabilities	**4**	**0**	**4**

Level 3 – Amounts recognised in the profit and loss account during the year (2023)

2023	Held at balance sheet date	Derecognised during the year	Total
Financial assets			
Investments at fair value through other comprehensive income	–109	12	–97
Investments at fair value through profit or loss	45	–3	42
Financial assets	**–64**	**9**	**–55**
Financial liabilities			
Derivatives	1		1
Financial liabilities	**1**	**0**	**1**

Level 3 Financial assets at fair value

Financial assets measured at fair value in the balance sheet as at 31 December 2024 of EUR 163,702 million (2023: EUR 161,978 million) include an amount of EUR 45,185 million (28%) that is classified as Level 3 (2023: EUR 47,026 million (29%)). Changes in Level 3 are disclosed above in the table 'Level 3 Financial assets'.

Financial assets in Level 3 include both assets for which the fair value was determined using valuation techniques that incorporate unobservable inputs and assets for which the fair value was determined using quoted prices, but for which the market was not actively trading at or around the balance sheet date.

Unobservable inputs are inputs which are based on NN Group's own assumptions about the factors that market participants would use in pricing an asset, developed based on the best information available in the circumstances. Unobservable inputs may include volatility, correlation, spreads to discount rates, default rates and recovery rates, prepayment rates and certain credit spreads. Fair values that are determined using valuation techniques using unobservable inputs are sensitive to the inputs used. Fair values that are determined using quoted prices are not sensitive to unobservable inputs, as the valuation is based on unadjusted external price quotes. These are classified in Level 3 as a result of the illiquidity in the relevant market, but are not significantly sensitive to NN Group's own unobservable inputs.

Unrealised gains and losses that relate to 'Level 3 Financial assets' are included in the profit and loss account as follows:

- Those relating to Investments for risk of policyholders and other investments at fair value through profit or loss are included in 'Gains (losses) on Investments at fair value through profit or loss'.
- Those relating to derivatives are included in 'Result on derivatives and hedging'.

Investments at fair value through other comprehensive income

The investments at fair value through other comprehensive income classified as 'Level 3 Financial assets' amounted EUR 36,960 million as at 31 December 2024 (2023: EUR 39,479 million). Of these investments, EUR 415 million (2023: 366 million) relates to investments in debt instruments and shares in funds of which the fair value is determined using (unadjusted) quoted prices or prices obtained from external asset managers, but for which there is no active market. EUR 36,545 million (2023: 39,113 million) relates to investments in (mortgage) loans of which the fair value is determined using a discounted cash flow method; the most important drivers of the valuation (interest rate and valuation spread) are derived from observable market inputs; however, certain inputs, such as the prepayment and default assumptions, are not directly observable. A 10% change in valuation of these investments would increase or reduce shareholders' equity by EUR 3,696 million (2023: 3,948 million), being approximately 19% (before tax) (2023: 20% (before tax)), of shareholders' equity.

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Investments at fair value through profit or loss

Investments for risk of policyholders

Investments for risk of policyholders classified as 'Level 3 Financial assets' amounted EUR 2,279 million as at 31 December 2024 (2023: EUR 2,284 million). Net result is unaffected when reasonable possible alternative assumptions would have been used in measuring these investments.

Level 3 Financial liabilities at fair value

Derivatives

The total amount of financial liabilities classified as Level 3 at 31 December 2024 of EUR 24 million (2023: EUR 20 million) relates to derivative positions. EUR 23 million (2023: EUR 18 million) relates to longevity hedges closed by NN Group. It is estimated that a 5% increase in mortality assumptions for these longevity hedges reduces result and equity before tax by EUR 4 million (2023: EUR 4 million) and a 5% decrease in mortality assumptions increases result and equity before tax by EUR 10 million (2023: EUR 6 million).

Financial assets and liabilities at cost

The fair value of the financial instruments carried at cost in the balance sheet (where fair value is disclosed) was determined as follows:

Methods applied in determining the fair value of financial assets and liabilities at cost (2024)

2024	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and cash equivalents	6,929			6,929
Investments at cost			21,780	21,780
Financial assets	**6,929**	**0**	**21,780**	**28,709**
Financial liabilities				
Subordinated debt	2,560			2,560
Debt instruments issued	1,109			1,109
Other borrowed funds	5,751	1,879		7,630
Investment contracts for risk of company	307		869	1,176
Customer deposits	9,091	8,107		17,198
Financial liabilities	**18,818**	**9,986**	**869**	**29,673**

Methods applied in determining the fair value of financial assets and liabilities at cost (2023)

2023	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and cash equivalents	8,207			8,207
Investments at cost	42	17	20,592	20,651
Financial assets	**8,249**	**17**	**20,592**	**28,858**
Financial liabilities				
Subordinated debt	2,784			2,784
Debt instruments issued	1,098			1,098
Other borrowed funds	6,648	2,985		9,633
Investment contracts for risk of company	329		894	1,223
Customer deposits	9,440	6,629		16,069
Financial liabilities	**20,299**	**9,614**	**894**	**30,807**

33 Fair value of non-financial assets

The following table presents the estimated fair value of NN Group's non-financial assets that are measured at fair value in the balance sheet. Reference is made to Note 1 'Accounting policies' in the sections 'Real estate investments' and 'Property and equipment' for the methods and assumptions used by NN Group to estimate the fair value of the non-financial assets.

Fair value of non-financial assets

	Estimated fair value		Balance sheet value	
	2024	2023	2024	2023
Investments in real estate	2,512	2,620	2,512	2,620
Property in own use	91	92	91	92
Fair value of non-financial assets	**2,603**	**2,712**	**2,603**	**2,712**

Notes to the Consolidated annual accounts continued

The fair value of the non-financial assets were determined as follows:

Methods applied in determining the fair value of non-financial assets at fair value (2024)

2024	Level 1	Level 2	Level 3	Total
Investments in real estate			2,512	2,512
Property in own use			91	91
Non-financial assets	**0**	**0**	**2,603**	**2,603**

Methods applied in determining the fair value of non-financial assets at fair value (2023)

2023	Level 1	Level 2	Level 3	Total
Investments in real estate			2,620	2,620
Property in own use			92	92
Non-financial assets	**0**	**0**	**2,712**	**2,712**

Changes in Level 3 non-financial assets (2024)

2024	Real estate investments	Property in own use	Total
Level 3 non-financial assets – opening balance	2,620	92	2,712
Amounts recognised in the profit and loss account during the year	–13		–13
Purchase	114	3	117
Sale	–206	–6	–212
Changes in the composition of the group and other changes	–3	2	–1
Level 3 non-financial assets – closing balance	**2,512**	**91**	**2,603**

Changes in Level 3 non-financial assets (2023)

2023	Real estate investments	Property in own use	Total
Level 3 non-financial assets – opening balance	2,754	97	2,851
Amounts recognised in the profit and loss account during the year	–276	–9	–285
Purchase	193	3	196
Revaluation recognised in equity during the year		–1	–1
Sale	–50		–50
Changes in the composition of the group and other changes	–1	1	0
Foreign currency exchange differences		1	1
Level 3 non-financial assets – closing balance	**2,620**	**92**	**2,712**

Level 3 – Amounts recognised in the profit and loss account during the year on non-financial assets (2024)

2024	Held at balance sheet date	Derecognised during the year	Total
Investments in real estate	–11	–2	–13
Property in own use	–1	1	0
Level 3 Amounts recognised in the profit and loss account during the year on non-financial assets	**–12**	**–1**	**–13**

Level 3 – Amounts recognised in the profit and loss account during the year on non-financial assets (2023)

2023	Held at balance sheet date	Derecognised during the year	Total
Investments in real estate	–275	–1	–276
Property in own use	–8	–1	–9
Level 3 Amounts recognised in the profit and loss account during the year on non-financial assets	**–283**	**–2**	**–285**

Notes to the Consolidated annual accounts continued

Real estate investments
Key assumptions
Key assumptions in the valuation of real estate include the estimated current rental value per square metre, the estimated future rental value per square metre (ERV), the net initial yield and the vacancy rate. These assumptions were in the following ranges:

Significant assumptions

2024		Fair value	Valuation technique	Current rent/m²	ERV/m²	Net initial yield %	Vacancy %	Average lease term in years
The Netherlands								
	Retail	10	DCF	123	158	8.10	33.90	8.30
	Industrial	213	DCF	58-209	81-210	3.62-5.09		5.50
	Office	137	DCF	386-403	434-435	4.57-4.79	1.30	5.50
	Residential	120	DCF	246-316	269-329	3.45-4.42	5.50	8.30
	Residential	4	Residual Value					
Germany								
	Retail	155	DCF	22-29	19-26	5.69-6.84	8.10	3.90
	Industrial	249	DCF	52-108	64-108	4.38-4.9	2.10	5.00
France								
	Industrial	242	DCF	0-77	60-74	0-5.8		4.30
	Residential	212	DCF	242-368	246-360	4.28-5.1	1.60	7.80
Spain								
	Retail	254	DCF	217-275	205-266	6.37-8.62	5.30	4.10
Italy								
	Retail	219	DCF	125-534	150-735	2.02-7.62	1.10	4.10
	Industrial	32	DCF	57	64	5.60		6.00
Belgium								
	Retail	90	DCF	186-318	167-308	5.03-7.38	2.70	3.20
	Office	7	DCF	236	194	7.10	27.60	0.70
	Residential	24	DCF	192	193	4.40		24.40

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2024		Fair value	Valuation technique	Current rent/m²	ERV/m²	Net initial yield %	Vacancy %	Average lease term in years
Denmark								
	Industrial	72	DCF	177-183	175-187	5.69-6.69		8.60
	Residential	124	DCF	301	329	4.00		
Poland								
	Retail	83	Income approach	171	177	9.00	3.40	2.80
Real estate under construction and other								
	The Netherlands, Ground positions	3	Residual approach					
	The Netherlands, IPUC	192	Residual approach					
Total real estate		2,442						

Sensitivities

Significant increases (decreases) in the estimated rental value and rent growth in isolation would result in a significantly higher (lower) fair value of the real estate investments. Significant increases (decreases) in the long-term vacancy rate and discount rate in isolation would result in a significantly lower (higher) fair value of the real estate investments.

During 2024, the number of transactions in relevant real estate markets has increased, resulting in lower uncertainties around the inputs to the valuations and, therefore, lower uncertainty in the fair value of real estate investments.

34 Hedge accounting

Use of derivatives and hedge accounting

NN Group uses derivatives for effective portfolio management and the management of its asset and liability portfolios. The objective of economic hedging is to enter into positions with an opposite risk profile to an identified exposure to reduce that exposure.

For hedge accounting NN Group continues to apply the IAS 39 hedge accounting requirements. The accounting treatment of hedge transactions varies according to the nature of the instrument hedged and whether the hedge qualifies under the IFRS-EU hedge accounting rules. Derivatives that qualify for hedge accounting under IFRS-EU are classified and reported in accordance with the nature of the hedged item hedged and the type of IFRS-EU hedge model that is applicable. The three models applicable under IFRS-EU are: cash flow hedge accounting, fair value hedge accounting and net investment hedge accounting.

To qualify for hedge accounting under IFRS-EU, strict criteria must be met. Certain hedges that are economically effective from a risk management perspective do not qualify for hedge accounting under IFRS-EU. The fair value changes of derivatives relating to such non-qualifying hedges are taken to the profit and loss account. However, in certain cases, NN Group mitigates the profit or loss volatility by designating hedged assets and liabilities at fair value through profit or loss. If hedge accounting is applied under IFRS-EU, it is possible that during the hedge a hedge relationship no longer qualifies for hedge accounting and hedge accounting cannot be continued, even if the hedge remains economically effective. As a result, the volatility arising from undertaking economic hedging in the profit and loss account may be higher than would be expected from an economic point of view.

At the inception of the hedge transaction NN Group documents the relationship between hedging instruments and hedged items, its risk management objectives, together with the methods selected to assess hedge effectiveness. In addition, NN Group documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair value or cash flows of the hedged items.

With respect to exchange rate and interest rate derivative contracts, the notional or contractual amount of these instruments is indicative of the nominal value of transactions outstanding at the balance sheet date; however they do not represent amounts at risk.

In 2017, NN Group entered into a longevity hedge, based on a general index of Dutch mortality. The maximum pay-out of the hedge amounts to EUR 100 million, payable after twenty years. The hedge is financed by annual premium payments to the counterparty. The longevity hedge is accounted for as derivative. The hedge reduces the impact of longevity trend scenarios implying more improvement in life expectancy. The regulator gave approval to include the effects of this specific hedge on the SCR. The purpose of the hedge is to reduce the longevity risk.

Cash flow hedge accounting

NN Group's hedge accounting consists mainly of cash flow hedge accounting. NN Group's cash flow hedges principally consist of (forward) interest rate swaps and cross-currency interest rate swaps that are used to protect against its exposure to variability in future interest cash flows on assets and liabilities that bear interest at variable rates or are expected to be refunded or reinvested in the future. The amounts and timing of future cash flows, representing both principal and interest flows, are projected for each portfolio of financial assets and liabilities, based on contractual terms and other relevant factors including estimates of prepayments and defaults.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income (equity) in 'Cash flow hedge reserve'. Interest income and expenses on these derivatives are recognised in the profit and loss account consistent with the manner in which the forecast cash flows affect Net result. The gain or loss relating to the ineffective portion is recognised immediately in the profit and loss account. Amounts accumulated in equity are recycled to the profit and loss account in the periods in which the hedged item affects Net result. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the profit and loss account. When a forecast transaction is no longer expected to occur, the cumulative gain or loss previously reported in equity is transferred immediately to the profit and loss account.

For the year ended 31 December 2024, NN Group recognised EUR 44 million (2023: EUR -53 million) in equity as effective fair value changes on derivatives under cash flow hedge accounting. The balance of the cash flow hedge reserve in equity as at 31 December 2024 is EUR 3,893 million (2023: EUR 3,833 million) gross and EUR 2,886 million (2023: EUR 2,842 million) after deferred tax. This cash flow hedge reserve will fluctuate with the fair value of the underlying derivatives and will be reflected in the profit and loss account under Interest income/expenses over the remaining term of the underlying hedged items. The cash flow hedge reserve relates to a large number of derivatives and hedged items with varying maturities up to 46 years with the largest concentrations in the range 1 year to 9 years. Accounting ineffectiveness on derivatives designated under cash flow hedge accounting resulted in EUR 1 million gain (2023: EUR 3 million loss) which was recognised in the profit and loss account.

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As at 31 December 2024, the fair value of outstanding derivatives designated under cash flow hedge accounting was EUR -832 million (2023: EUR -1,470 million), presented in the balance sheet as EUR 631 million (2023: EUR 536 million) positive fair value under assets and EUR 1,463 million (2023: EUR 2,006 million) negative fair value under liabilities. The notional or contractual amount of these instruments amount to EUR 19,547 million.

As at 31 December 2024, there were nil (2023: nil), non-derivatives designated as hedging instruments for cash flow hedge accounting purposes. Included in 'Interest income and Interest expenses on non-trading derivatives' is EUR 129 million (2023: EUR 117 million) and EUR 181 million (2023: EUR 163 million), respectively, relating to derivatives used in cash flow hedges.

Fair value hedge accounting

NN Group's fair value hedges principally consist of interest rate swaps and cross-currency interest rate swaps that are used to protect against changes in the fair value of fixed-rate instruments due to movements in market interest rates.
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in the profit and loss account, together with the effective portion of the fair value adjustments to the hedged item attributable to the hedged risk. As a result, only the net accounting ineffectiveness has an impact on the net result. If the hedge relationship no longer meets the criteria for hedge accounting, the cumulative adjustment of the hedged item is, in the case of interest-bearing instruments, amortised through the profit and loss account over the remaining term of the original hedge or recognised directly when the hedged item is derecognised. For non-interest-bearing instruments, the cumulative adjustment of the hedged item is recognised in the profit and loss account only when the hedged item is derecognised.

For the year ended 31 December 2024, NN Group recognised EUR -115 million (2023: EUR -381 million) of fair value changes on derivatives designated under fair value hedge accounting in the profit and loss account. This amount was offset by EUR 82 million (2023: EUR 342 million) fair value changes recognised on hedged items. This resulted in EUR 33 million loss (2023: EUR 39 million loss) net accounting ineffectiveness recognised in the profit and loss account.

As at 31 December 2024, the fair value of outstanding derivatives designated under fair value hedge accounting was EUR 3 million (2023: EUR -39 million), presented in the balance sheet as EUR 4 million (2023: nil) positive fair value under assets and EUR 1 million (2023: EUR 39 million) negative fair value under liabilities. The notional or contractual amount of these instruments amount to EUR 6,042 million.

NN Group applies fair value hedge accounting for portfolio hedges of interest rate risk (macro hedging) under the EU 'carve out' of IFRS-EU. The EU 'carve-out' for macro hedging enables a group of derivatives (or proportions) to be viewed in combination and jointly designated as the hedging instrument and removes some of the limitations in fair value hedge accounting relating to hedging core deposits and underhedging strategies. Under the IFRS-EU 'carve-out', hedge accounting may be applied to core deposits and ineffectiveness only arises when the revised estimate of the amount of cash flows in scheduled time buckets falls below the designated amount of that bucket. NN Group applies the IFRS-EU 'carve-out' to hedge the interest rate risk of mortgage loans. The hedging activities are designated under a portfolio fair value hedge on the mortgages, under IFRS-EU.

Net investment hedge accounting

Hedges of net investments in foreign operations are accounted for in a similar way to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income (equity) and the gain or loss relating to the ineffective portion is recognised immediately in the profit and loss account. Gains and losses in equity are included in the profit and loss account when the foreign operation is disposed.

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35 Assets by contractual maturity

Amounts presented in these tables by contractual maturity are the amounts as presented in the balance sheet.

Assets by contractual maturity (2024)

2024	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5-10 years	Over 10 years	Maturity not applicable	Adjustment	Total
Cash and cash equivalents	6,929									6,929
Investments at fair value through OCI	6,610	5,015	4,436	4,874	5,001	15,239	62,082	2,793		106,050
Investments at cost	447	294	401	425	469	3,113	17,085			22,234
Investments at fair value through profit or loss[1]	868	66	69	80	24	81	62	53,718		54,968
Investments in real estate								2,512		2,512
Investments in associates and joint ventures								7,036		7,036
Derivatives	138	14	38	21	12	90	2,371			2,684
Insurance contracts	36	66	58	49	22	104	207		–133	409
Reinsurance contracts	66	67	78	116	62	92	16		183	680
Property and equipment								302		302
Intangible assets	61	51	43	38	39	90	23	884		1,229
Deferred tax assets	5	5	5	5	9	21	18	26		94
Other assets	4,533	93	25	28	37	328	180	24		5,248
Total assets	**19,693**	**5,671**	**5,153**	**5,636**	**5,675**	**19,158**	**82,044**	**67,295**	**50**	**210,375**

1 Includes Investments for risk of policyholders. Although individual Investments for risk of policyholders may (or may not) have a maturity depending on their nature, this does not impact the liquidity position of NN Group.

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Assets by contractual maturity (2023)

2023	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5-10 years	Over 10 years	Maturity not applicable	Adjustment	Total
Cash and cash equivalents	8,207									8,207
Investments at fair value through OCI	8,671	5,009	4,977	4,147	4,276	15,065	64,504	3,451		110,100
Investments at cost	453	341	399	412	432	2,726	16,725			21,488
Investments at fair value through profit or loss[1]	1,076	74	66	63	48	103	64	47,898		49,392
Investments in real estate								2,620		2,620
Investments in associates and joint ventures								6,231		6,231
Derivatives	140	43	6	34	26	97	2,140			2,486
Insurance contracts	51	61	53	47	41	148	110		–156	355
Reinsurance contracts	157	124	117	127	193	263	82		–330	733
Property and equipment								348		348
Intangible assets	54	50	47	37	43	95	35	909		1,270
Deferred tax assets	45	6	7	8	17	58	–4	9		146
Other assets	4,984	70	18	20	23	316	113	21		5,565
Total assets	**23,838**	**5,778**	**5,690**	**4,895**	**5,099**	**18,871**	**83,769**	**61,487**	**–486**	**208,941**

[1] Includes Investments for risk of policyholders. Although individual Investments for risk of policyholders may (or may not) have a maturity depending on their nature, this does not impact the liquidity position of NN Group.

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36 Liabilities by maturity

The tables below include all liabilities by maturity based on contractual, undiscounted cash flows. Furthermore, the undiscounted future coupon interest on financial liabilities payable is included in a separate line and in the relevant maturity bucket. Derivative liabilities are included on a net basis if cash flows are settled net. For other derivative liabilities the contractual gross cash flow payable is included.

Reference is made to the Liquidity Risk paragraph in Note 48 'Risk management' for a description on how liquidity risk is managed.

Liabilities by maturity (2024)

2024	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5-10 years	Over 10 years	Maturity not applicable	Adjustment[1]	Total
Insurance contracts	11,676	11,553	9,877	11,163	8,852	35,885	129,233		–70,698	147,541
Investment contracts	77	69	67	64	63	292	263	2,964		3,859
Reinsurance contracts	10	4	3	3	4	19	115		–46	112
Debt instruments issued				600		600			–4	1,196
Subordinated debt[2]				850		1,500			–4	2,346
Other borrowed funds	2,799	790	798	987	493	940	1,180			7,987
Customer deposits	11,010	1,214	863	603	562	1,921	1,301			17,474
Derivatives	527	461	584	625	727	2,302	7,228		–8,783	3,671
Deferred tax liabilities	191	11	24	39	20	41	–648	1,086		764
Other liabilities	2,973	466	52	36	29	92	60	65		3,773
Total liabilities	**29,263**	**14,568**	**12,268**	**14,970**	**10,750**	**43,592**	**138,732**	**4,115**	**–79,535**	**188,723**
Coupon interest due on financial liabilities	211	356	337	286	260	1,037	1,433			3,920

1 This column reconciles the contractual undiscounted cash flow on financial liabilities to the balance sheet values. The adjustments mainly relate to valuation differences, the impact of discounting and, for derivatives, to the fact that the contractual cash flows are presented on a gross basis (unless the cash flows are actually settled net).
2 Subordinated debt maturities are presented based on the first call date. For the legal date of maturity reference is made to Note 16 'Subordinated debt'.

Notes to the Consolidated annual accounts continued

Liabilities by maturity (2023)

2023	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5-10 years	Over 10 years	Maturity not applicable	Adjustment[1]	Total
Insurance contracts	11,232	11,247	11,080	10,025	9,329	39,060	113,466		–60,375	145,064
Investment contracts	71	65	64	65	65	324	305	2,662		3,621
Reinsurance contracts	12	3	1		–1	3	152	–3	–23	144
Debt instruments issued				600		600			–5	1,195
Subordinated debt[2]	335				850	1,500			–5	2,680
Other borrowed funds	3,872	1,008	790	796	956	1,407	1,164	–1		9,992
Customer deposits	10,942	855	723	510	421	1,732	1,277			16,460
Derivatives	543	316	448	597	482	2,192	7,493	1	–8,005	4,067
Deferred tax liabilities	87	–6	1	–13	17	141	–734	1,066		559
Other liabilities	3,176	464	83	52	33	121	27	84		4,040
Total liabilities	**30,270**	**13,952**	**13,190**	**12,632**	**12,152**	**47,080**	**123,150**	**3,809**	**–68,413**	**187,822**
Coupon interest due on financial liabilities	297	198	291	247	210	900	1,654	0	0	3,797

[1] This column reconciles the contractual undiscounted cash flow on financial liabilities to the balance sheet values. The adjustments mainly relate to the impact of discounting and, for derivatives, to the fact that the contractual cash flows are presented on a gross basis (unless the cash flows are actually settled net).
[2] Subordinated debt maturities are presented based on the first call date. For the legal date of maturity reference is made to Note 16 'Subordinated debt'.

Notes to the Consolidated annual accounts continued

Expected maturity of insurance contracts

The table below provides the expected maturity of the cash flows, risk adjustment and contractual service margin remaining at the end of the reporting period. The maturity is based on contractual, undiscounted cash flows.

Expected maturity of insurance contracts (2024)

2024	Estimates of the present value of future cash flows	Risk adjustment	Contractual service margin	Total General Model and Variable Fee Approach	Total Premium Allocation Approach	Total Insurance assets	Total Insurance liabilities
Less than 1 year	9,660	174	687	10,521	1,119	36	11,676
1-2 years	10,334	140	590	11,064	423	66	11,553
2-3 years	8,864	110	529	9,503	316	58	9,877
3-4 years	10,280	118	479	10,877	237	49	11,163
4-5 years	8,085	124	440	8,649	181	22	8,852
5-10 years	33,289	458	1,627	35,374	407	104	35,885
Over 10 years	124,382	857	3,598	128,837	189	207	129,233
Adjustments[1]	–69,563	–692		–70,255	–310	–133	–70,698
Total	**135,331**	**1,289**	**7,950**	**144,570**	**2,562**	**409**	**147,541**

[1] The adjustments reconciles the contractual undiscounted cash flow on insurance contracts to the balance sheet values. The adjustments mainly relate to the impact of discounting.

Expected maturity of insurance contracts (2023)

2023	Estimates of the present value of future cash flows	Risk adjustment	Contractual service margin	Total General Model and Variable Fee Approach	Total Premium Allocation Approach	Total Insurance assets	Total Insurance liabilities
Less than 1 year	9,242	163	698	10,103	1,078	51	11,232
1-2 years	10,015	156	586	10,757	429	61	11,247
2-3 years	10,043	148	528	10,719	308	53	11,080
3-4 years	9,138	138	479	9,755	223	47	10,025
4-5 years	8,551	131	436	9,118	170	41	9,329
5-10 years	36,350	545	1,638	38,533	379	148	39,060
Over 10 years	109,646	918	2,607	113,171	185	110	113,466
Adjustments[1]	–59,604	–400		–60,004	–215	–156	–60,375
Total	**133,381**	**1,799**	**6,972**	**142,152**	**2,557**	**355**	**145,064**

[1] The adjustments reconciles the contractual undiscounted cash flow on insurance contracts to the balance sheet values. The adjustments mainly relate to the impact of discounting.

Amounts payable on demand were EUR 56,328 million as at 31 December 2024 (EUR 58,763 million as at 31 December 2023).

Notes to the Consolidated annual accounts continued

37 Assets not freely disposable

The assets not freely disposable of EUR 77 million (2023: EUR 95 million) relates to the mandatory reserve deposit at De Nederlandsche Bank and cash balances held at BNG Bank.

Assets relating to instruments lending are disclosed in Note 38 ‘Transferred, but not derecognised financial assets’. Assets in securitisation programmes originated by NN Bank are disclosed in Note 43 ‘Structured entities’.

38 Transferred, but not derecognised financial assets

The majority of NN Group’s financial assets that have been transferred, but do not qualify for derecognition, are debt instruments used in securities lending. NN Group retains substantially all risks and rewards of those transferred assets. The assets are transferred in return for cash collateral or other financial assets. Non-cash collateral is not recognised in the balance sheet. Cash collateral is recognised as an asset and an offsetting liability is established for the same amount as NN Group is obligated to return this amount upon termination of the lending arrangement.

Transfer of financial assets not qualifying for derecognition

	2024	2023
Investments at fair value through other comprehensive income	8,720	8,994
Investments at fair value through profit or loss		8

The table above does not include assets transferred to consolidated securitisation entities, as these related assets are not transferred from a consolidated perspective. Reference is made to Note 43 ‘Structured entities’.

39 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when NN Group has a current legally enforceable right to set off the recognised amounts and intends to either settle on a net basis or to realise the asset and settle the liability at the same time.

The following tables include information about rights to offset and the related arrangements. The amounts included consist of all recognised financial instruments that are presented net in the balance sheet under the IFRS-EU offsetting requirements (legal right to offset and intention to settle on a net basis) and amounts presented gross in the balance sheet but subject to enforceable master netting arrangements or similar arrangement.

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements (2024)

2024					Related amounts not offset in the balance sheet		
Balance sheet line item	Financial instrument	Gross financial assets	Gross financial liabilities offset in the balance sheet	Net financial assets in the balance sheet	Financial instruments	Cash and financial instruments collateral	Net amount
Derivatives	Derivatives	2,684		2,684	–1,257	–1,386	41
Other items where offsetting is applied in the balance sheet	Other assets	439		439	–349	–86	4
Total financial assets		**3,123**	**0**	**3,123**	**–1,606**	**–1,472**	**45**

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements (2023)

2023					Related amounts not offset in the balance sheet		
Balance sheet line item	Financial instrument	Gross financial assets	Net amount	Net financial assets in the balance sheet	Financial instruments	Cash and financial instruments collateral	Net amount
Derivatives	Derivatives	2,447		2,447	–1,172	–1,273	2
Other items where offsetting is applied in the balance sheet	Other assets	404		404	–350	–53	1
Total financial assets		**2,851**	**0**	**2,851**	**–1,522**	**–1,326**	**3**

Notes to the Consolidated annual accounts continued

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements (2024)

2024

Balance sheet line item	Financial instrument	Gross financial liabilities	Gross financial assets offset in the balance sheet	Net financial liabilities in the balance sheet	Related amounts not offset in the balance sheet: Financial instruments	Related amounts not offset in the balance sheet: Cash and financial instruments collateral	Net amount
Derivatives	Derivatives	3,518		3,518	–1,257	–2,211	50
Repo's and Other items where offsetting is applied in the balance sheet		1,686		1,686	–349	–1,336	1
Total financial liabilities		**5,204**	**0**	**5,204**	**–1,606**	**–3,547**	**51**

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements (2023)

2023

Balance sheet line item	Financial instrument	Gross financial liabilities	Gross financial assets offset in the balance sheet	Net financial liabilities in the balance sheet	Related amounts not offset in the balance sheet: Financial instruments	Related amounts not offset in the balance sheet: Cash and financial instruments collateral	Net amount
Derivatives	Derivatives	3,922		3,922	–1,172	–2,608	142
Repo's and Other items where offsetting is applied in the balance sheet		2,980		2,980	–350	–2,599	31
Total financial liabilities		**6,902**	**0**	**6,902**	**–1,522**	**–5,207**	**173**

Notes to the Consolidated annual accounts continued

40 Contingent liabilities and commitments

In the normal course of business (excluding investment commitments) NN Group is party to activities whose risks are not reflected in whole or in part in the Consolidated annual accounts. In response to the needs of its customers, NN Group offers financial products related to loans. These products include traditional off-balance sheet credit-related financial instruments.

Contingent liabilities and commitments (2024)

2024	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5-10 years	Over 10 years	Maturity not applicable	Total
Commitments	1,281	92					22		1,395
Guarantees	18								18
Contingent liabilities and commitments	**1,299**	**92**	**0**	**0**	**0**	**0**	**22**	**0**	**1,413**

Contingent liabilities and commitments (2023)

2023	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5-10 years	Over 10 years	Maturity not applicable	Total
Commitments	1,333	160					19		1,512
Guarantees	18								18
Contingent liabilities and commitments	**1,351**	**160**	**0**	**0**	**0**	**0**	**19**	**0**	**1,530**

Additionally, NN Group has committed amounts to investments of EUR 5,649 million (2023: EUR 4,225 million) where it is uncertain when those amounts will be invested.

NN Group has issued certain guarantees, other than those included in 'Insurance contracts', which are expected to expire without being drawn on and therefore does not necessarily represent future net cash outflows. In addition to the items included in 'Contingent liabilities', NN Group has issued guarantees as a participant in collective arrangements of national industry bodies and as a participant in government required collective guarantee schemes which apply in different countries.

ING Group

During 2016, ING Group, NN Group's former parent company, sold its remaining stake in NN Group. Therefore, ING Group has ceased to be a related party of NN Group in the course of 2016. The following agreements with ING Group are still relevant:

Master claim agreement

In 2012, ING Groep N.V., Voya Financial Inc. (formerly ING U.S., Inc.) and ING Insurance Eurasia N.V. entered into a master claim agreement to (a) allocate existing claims between these three parties and (b) agree on criteria for how to allocate future claims between the three parties. The master claim agreement contains further details on claim handling, conduct of litigation and dispute resolution.

Indemnification and allocation agreement

ING Groep N.V. and NN Group N.V. have entered into an indemnification and allocation agreement, in which ING Group has agreed to indemnify NN Group for certain liabilities that relate to the business of or control over certain (former) U.S. and Latin American subsidiaries of NN Group in the period until 30 September 2013 or, if the relevant subsidiary was divested by NN Group after 30 September 2013, such later date of divestment. These liabilities mainly include contingent liabilities that may arise as a result of the initial public offering of ING U.S. (such as prospectus liability), the sales of the Latin American businesses (such as claims under warranties and other buyer protection clauses) and the liabilities for the claims concerning the performance of certain interest-sensitive products that were sold by a former subsidiary of NN Group in Mexico.

41 Legal proceedings

General

NN Group is involved in litigation and arbitration proceedings in the Netherlands and in a number of foreign jurisdictions, involving claims by and against NN Group which arise in the ordinary course of its business, including in connection with its activities as insurer, lender, seller, broker-dealer, underwriter, issuer of instruments and investor and its position as employer and taxpayer. In certain of such proceedings, very large or indeterminate amounts are sought, including punitive and other damages. While it is not feasible to predict or determine the ultimate outcome of all pending or threatened legal and regulatory proceedings, NN Group believes that some of the proceedings set out below may have, or have in the recent past had, a significant effect on the financial condition, profitability or reputation of NN Group.
Because of the geographic spread of its business, NN Group may be subject to tax audits in numerous jurisdictions at any point in time. Although NN Group believes that it has adequately provided for its tax positions, the ultimate outcome of these audits may result in liabilities that are different from the amounts recognised.

Unit-linked products in the Netherlands

Since the end of 2006, unit-linked products (commonly referred to in Dutch as ‘beleggingsverzekeringen’) have received negative attention in the Dutch media, from the Dutch Parliament, the AFM and consumer interest groups. Costs of unit-linked products sold in the past are perceived as too high and Dutch insurers are in general being accused of being less transparent in their offering of such unit-linked products.

In 2013 Woekerpolis.nl and in 2017 Consumentenbond and Wakkerpolis, all associations representing the interests of policyholders of Nationale-Nederlanden, individually initiated so-called ‘collective proceedings’ against Nationale-Nederlanden. These claims have been rejected by Nationale-Nederlanden and Nationale-Nederlanden defends itself in these legal proceedings.

On 9 January 2024, NN Group announced a settlement with interest groups ConsumentenClaim, Woekerpolis.nl, Woekerpolisproces, Wakkerpolis and Consumentenbond regarding unit-linked products sold in the Netherlands by Nationale-Nederlanden, including Delta Lloyd and ABN AMRO Life. The settlement relates to all unit-linked products of policyholders affiliated with the aforementioned interest groups and is subject to a 90% acceptance rate of affiliated policyholders that have received an individual proposal for compensation. As part of the settlement, all pending proceedings with respect to unit-linked products initiated by these interest groups against Nationale-Nederlanden will be discontinued once the settlement is executed, which is currently anticipated before end 2025. The settlement also includes that no new legal proceedings may be initiated by the aforementioned interest groups or their affiliated persons/parties. To cover the settlement costs, a provision of approximately EUR 360 million was recognised in the fourth quarter of 2023. This includes EUR 60 million for hardship cases, and customers unaffiliated with one of the aforementioned interest groups that have not previously received compensation.

Argentina

On 10 April 2019, NN Group filed a claim with the International Centre for Settlement of Investment Disputes (ICSID) under the Bilateral Investment Treaty between Argentina and the Netherlands, in order to resolve a dispute with the Argentine Republic. The dispute relates to the nationalisation of Orígenes – NN Group’s former pension fund manager in Argentina - by the Argentine Government in 2008. These proceedings may last for several years. As the case is still pending, it is unclear at this stage whether and to what extent any compensation will be granted to NN Group and therefore no compensation has been recognised.

42 Companies and businesses acquired and divested

Divestments (2024)

NN Group's operations in Turkey

In September 2024, NN Group announced that it had reached agreement to sell its Turkish operations (NN Hayat ve Emeklilik, included in the segment Insurance Europe) to Zurich Türkiye. The sale relates to assets and liabilities with a book value of EUR 43 million and EUR 31 million respectively at 31 December 2024. The transaction was subject to regulatory and antitrust approval and closed in January 2025.

The transaction did not have significant impact on IFRS equity and the solvency ratio. At the moment of closing (i.e. in the first half 2025 results), the unrealised revaluation and foreign currency translation in equity that relate to Turkey are recognised in the profit and loss account as part of the result on divestment; at 31 December these unrealised reserves in equity amounted to EUR 135 million (loss on divestment).

As of the announcement, NN Group's Turkish operations meet the IFRS criteria for 'Held for sale' presentation; based on materiality, NN Group does not present the above-mentioned assets and liabilities in scope of the transaction separately in the balance sheet as Assets/Liabilities Held for sale. Presentation as held for sale would not have had a significant impact on equity or net result.

43 Structured entities

NN Group's activities involve transactions with structured entities in the normal course of business. A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed through contractual arrangements. NN Group's involvement in these entities varies and includes both debt financing and equity financing of these entities as well as other relationships. Based on its accounting policies, as disclosed in Note 1 'Accounting policies', NN Group establishes whether these involvements result in no significant influence, significant influence, joint control or control over the structured entity.

The structured entities over which NN Group can exercise control are consolidated. NN Group may provide support to these consolidated structured entities as and when appropriate, however this is fully reflected in the Consolidated annual accounts of NN Group as all assets and liabilities of these entities are included in the Consolidated balance sheet and off-balance sheet commitments are disclosed.

NN Group's activities involving structured entities are explained below in the following categories:
- Consolidated NN Group originated liquidity management securitisation and covered bond programmes.
- Investments – Third-party managed structured entities.

Consolidated NN Group originated liquidity management securitisation and covered bond programmes

Mortgage loans issued are partly funded by issuing residential mortgage-backed instruments under NN Group's Dutch residential mortgage-backed instruments programmes and covered bonds. In the second half of 2023, both Hypenn RMBS I and Hypenn RMBS VII were fully redeemed early. The mortgage loans transferred to these securitisation vehicles continue to be recognised in the balance sheet of NN Group. Total amounts of mortgage loans securitised (notes issued) and notes held by third parties as at 31 December is as follows:

Mortgage loans securitised

	Maturity year	Related mortgage loans		RMBS issued and held by third parties	
		2024	2023	2024	2023
Soft Bullet Covered Bonds	2024-2041	8,535	9,257	7,327	8,322
Total		**8,535**	**9,257**	**7,327**	**8,322**

NN Group companies hold the remaining notes.

Third-party managed structured entities

As part of its investment activities, NN Group invests both in debt and equity instruments of structured entities originated by third parties.

Most of the investments in debt instruments of structured entities relate to asset-backed instruments (ABS), classified as Investments at fair value through other comprehensive income. Reference is made to Note 3 'Investments at fair value through other comprehensive income' where the ABS portfolio is disclosed.

The majority of the investments in equity instruments of structured entities relate to interests in investment funds that are not originated or managed by NN Group. Reference is made to Note 5 'Investments at fair value through profit or loss' in which these investments are reported in the line debt instruments for risk of company.

NN Group has significant influence for some of its real estate investment funds as disclosed in Note 7 ‘Investments in associates and joint ventures’.

The maximum exposure to loss for NN Group is equal to the reported carrying value of the investment recognised in the balance sheet of NN Group.

44 Related parties

In the normal course of business, NN Group enters into various transactions with related parties. Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operating decisions. Related parties of NN Group include, among others, associates, joint ventures, key management personnel and the defined benefit and defined contribution plans. Transactions between related parties have taken place on an arm’s length basis and include distribution agreements, sourcing and procurement agreements, human resources-related arrangements, and rendering and receiving of services.

There are no significant provisions for doubtful debts or individually significant bad debt expenses recognised on outstanding balances with related parties.

NN Group identifies the following (groups of) related party transactions:

Transactions with key management personnel

Transactions with members of NN Group’s Executive Board, Management Board and Supervisory Board are considered to be transactions with key management personnel. Reference is made to Note 45 ‘Key management personnel compensation’ for more information on these transactions.

Transactions with consolidated entities

Entities over which NN Group can exercise control are considered to be related parties of NN Group. These entities are consolidated by NN Group. Transactions with or between entities controlled by NN Group are eliminated in the Consolidated annual accounts. More information on the NN Group originated liquidity management securitisation programmes is disclosed in Note 43 ‘Structured entities’.

Transactions with associates and joint ventures

Associates and joint ventures of NN Group are related parties of NN Group. The transactions with associates and joint ventures can be summarised as follows:

	2024	2023
Assets	83	85
Income	4	4

Transactions with post-employment benefit plans

Entities administering or executing post-employment benefit plans of the employees of NN Group are considered to be related parties of NN Group. This relates to NN Group’s pensions funds, i.e. the ING Group DB pension fund (joint with ING Bank), the Stichting Pensioensfonds Delta Lloyd, the NN CDC pension fund and BeFrank PPI in the Netherlands and Instelling voor Bedrijfspensioenvoorziening Delta Lloyd Life OFP in Belgium. For more information on the post-employment benefit plans, reference is made to Note 26 ‘Non-attributable operating expenses’.

Transactions with other related parties

Pension entities

NN Group operates several pension entities in The Netherlands, including BeFrank PPI N.V., Delta Lloyd Algemeen Pensioenfonds and De Nationale Algemeen Pensioenfonds. For these entities, all asset management and other services are provided by NN Group entities on an arm’s length basis. NN Group has no financial interest in the pension schemes that are executed by these entities. These entities are considered related parties.

45 Key management personnel compensation

Transactions with key management personnel (Executive Board, Management Board and Supervisory Board) are transactions with related parties. These transactions are disclosed in more detail as required by Part 9 Book 2 of the Dutch Civil Code in sections II and III in the remuneration report in the financial report. These sections of the remuneration report are therefore part of the annual accounts.

Notes to the Consolidated annual accounts continued

2024

Executive Board and Management Board (2024)

Amounts in thousands of euros	Executive Board	Management Board	Total
Fixed compensation			
– base salary (cash)	2,733	4,563	7,296
– base salary (fixed shares)	683	1,141	1,824
– pension costs[1]	58	173	231
– individual saving allowance[1]	732	1,136	1,868
Variable compensation			
– upfront cash	124	167	291
– upfront shares	124	167	291
– deferred cash	186	250	436
– deferred shares	186	250	436
Fixed and variable compensation	**4,826**	**7,847**	**12,673**
Other benefits	149	296	445
Employer cost social security[2]	108	215	323
Total compensation	**5,083**	**8,358**	**13,441**

1 The pension costs consist of an amount of employer contribution (EUR 231 thousand) and an individual savings allowance (EUR 1,868 thousand which is 23,3% of the amount of base salary above EUR 137,800).
2 The employer cost social security does not impact the overall remuneration received by the Executive Board and Management Board members.

In the table above, 'Executive Board' refers to the two members of the Executive Board as at 31 December 2024. The two members of the Executive Board are also members of the Management Board. In the table above, 'Management Board' refers to the six members of the Management Board as at 31 December 2024, i.e. those members that are not also member of the Executive Board. In the table above 'Total' refers to all members of the Management Board during 2024.

Remuneration of the members of the Executive Board and the Management Board is recognised in the profit and loss account in 'Staff expenses' as part of 'Total expenses'. The total remuneration as disclosed in the table above (for 2024: EUR 13.4 million) includes all variable remuneration related to the performance year 2024. Under IFRS-EU, certain components of variable remuneration are not recognised in the profit and loss account directly, but are allocated over the vesting period of the award. The comparable amount recognised in staff expenses in 2024 and therefore included in 'Total expenses' in 2024, relating to the fixed expenses of 2024 and the vesting of variable remuneration of 2024 and earlier performance years, is EUR 13.3 million.

As at 31 December 2024, members of the Executive Board and Management Board held a total of 166,511 NN Group N.V. shares.

In 2024, 18,306 share awards on NN Group N.V. (both deferred and upfront) were granted to the Executive Board and Management Board.

Supervisory Board (2024)

Amounts in thousands of euros	Supervisory Board
Fixed fees	801
Expense allowances	63
Compensation Supervisory Board	**864**

As at 31 December 2024, members of the Supervisory Board held no NN Group N.V. shares.

Loans and advances to members of the Management Board (2024)

Amounts in thousands of euros	Amount outstanding 31 December	Average interest rate	Repayments
Management Board members	349	2.34%	3
Loans and advances	**349**		**3**

As at 31 December 2024, no loans and advances were provided to members of the Executive Board and Supervisory Board.

Notes to the Consolidated annual accounts continued

2023

Executive Board and Management Board (2023)

Amounts in thousands of euros	Executive Board	Management Board [2]	Total
Fixed compensation			
– base salary (cash)	2,597	4,131	6,728
– base salary (fixed shares)	649	1,033	1,682
– pension costs[1]	54	157	211
– individual saving allowance[1]	696	1,029	1,725
Variable compensation			
– upfront cash	112	171	283
– upfront shares	112	171	283
– deferred cash	168	257	425
– deferred shares	168	257	425
Fixed and variable compensation	**4,556**	**7,206**	**11,762**
Other benefits	139	282	421
Employer cost social security[2]	138	192	330
Total compensation	**4,833**	**7,680**	**12,513**

[1] The pension costs consist of an amount of employer contribution (EUR 211 thousand) and an individual savings allowance (EUR 1,724 thousand which is 23,3% of the amount of base salary above EUR 128,810).
[2] The employer cost social security does not impact the overall remuneration received by the Executive Board and Management Board members.

In the table above, 'Executive Board' refers to the two members of the Executive Board as at 31 December 2023. The two members of the Executive Board are also members of the Management Board. In the table above, 'Management Board' refers to the six members of the Management Board as at 31 December 2023, i.e. those members that are not also member of the Executive Board. In the table above 'Total' refers to all members of the Management Board during 2023.

Remuneration of the members of the Executive Board and the Management Board is recognised in the profit and loss account in 'Staff expenses' as part of 'Total expenses'. The total remuneration as disclosed in the table above (for 2023: EUR 12.5 million) includes all variable remuneration related to the performance year 2023. Under IFRS-EU, certain components of variable remuneration are not recognised in the profit and loss account directly, but are allocated over the vesting period of the award. The comparable amount recognised in staff expenses in 2023 and therefore included in 'Total expenses' in 2023, relating to the fixed expenses of 2023 and the vesting of variable remuneration of 2023 and earlier performance years, is EUR 12.5 million.

As at 31 December 2023, members of the Executive Board and Management Board held a total of 160,574 NN Group N.V. shares.

In 2023, 15,099 share awards on NN Group N.V. (both deferred and upfront) were granted to the Executive Board and Management Board.

Supervisory Board (2023)

Amounts in thousands of euros	Supervisory Board
Fixed fees	812
Expense allowances	67
Compensation Supervisory Board	**879**

As at 31 December 2023, members of the Supervisory Board held no NN Group N.V. shares.

Loans and advances to members of the Management Board (2023)

Amounts in thousands of euros	Amount outstanding 31 December	Average interest rate	Repayments
Management Board members	352	2.41%	9
Loans and advances	**352**		**9**

As at 31 December 2023, no loans and advances were provided to members of the Executive Board and Supervisory Board.

Notes to the Consolidated annual accounts continued

46 Fees of auditors

Fees of auditors NN Group

	2024	2023
Audit fees	23	20
Audit related fees	2	5
Fees of auditors NN Group N.V.	**25**	**25**

Fees as disclosed above relate to the network of the NN Group's auditors and are the amounts related to the respective years, i.e. on an accrual basis (excluding VAT).

The audit related fees in 2023 include mainly fees related to the implementation of IFRS 9 and IFRS 17 as well as services in relation to prospectuses, internal control reports provided to external parties and reporting to regulators.

Auditor fees are included in 'External advisory fees' as part of the Other operating expense.

47 Subsequent and other events

Turkey

On 10 January 2025, the sale of NN Turkey was completed. Reference is made to Note 42 'Companies and businesses acquired and divested'.

Share buyback

In February 2025, NN Group announced that it will execute an open market share buyback programme for an amount of EUR 300 million. The programme will be executed within nine months and commenced on 3 March 2025. NN Group intends to cancel any repurchased NN Group shares under the programmes unless used to cover obligations under share-based remuneration arrangements.

Tender offer for its subordinated notes

In March 2025, NN Group announced a tender for purchase by NN Group of the EUR 1 billion Fixed to Floating Rate Undated Subordinated Notes for cash at a price of 101.6% of the nominal amount. The tender was completed in March 2025 and NN Group accepted the purchase of EUR 763 million in nominal amount.

In March 2025, NN Group issued euro-denominated, perpetual, restricted Tier 1, temporary write-down securities for an amount of EUR 1 billion. The notes are first callable on 11 September 2034. The coupon is fixed at 5.75% per annum until 11 March 2035 and will be reset every fifth year thereafter.

48 Risk management

This note explains details with regard to the risk profile of NN Group.

Topics described in this section include:

- Partial Internal Model (PIM) (including assumptions and limitations).
- Solvency Capital Requirement of NN Group.
- Risk profile, risk mitigation and risk measurement of the main types of risks: Market risk, Counterparty default risk, Liquidity risk and Non-market risk.

1. Partial Internal Model (PIM)

The Solvency Capital Requirement (SCR) is calculated based on the actual risk exposure of NN Group. Under Solvency II, the SCR is the capital required to ensure that the (re) insurance company will be able to meet its obligations over the next 12 months with a probability of at least 99.5%. The risk-based framework for calculating Solvency Capital Requirements at NN Group is a combination of an Internal Model (IM) and Standard Formula (SF) components, the so-called Partial Internal Model (PIM). The major Dutch insurance entities use an internal model for modelling SCR for Market, Counterparty default and Non-market risks. The determined SCR is used for both, local reporting and group consolidation purposes. For the EU-based international insurance businesses and smaller insurance undertakings in the Netherlands, NN Group uses the Solvency II Standard Formula to calculate the SCR for local reporting and for Group consolidation. The capital requirement for Operational risk is based on the Standard Formula approach across the Group.

The non-insurance businesses (e.g. Pension Funds, NN Bank) and international insurance undertakings not based in the EU (e.g. Japan) are consolidated in the Group SCR based on the local applicable (sectoral) capital requirements. The Solvency II concept of (provisional) Equivalence is granted to capital frameworks that are deemed to have similarity with the Solvency II framework and/or principles and as such can be relied upon to assess capital requirements. At NN Group, the (provisional) Equivalence applies to Japan. The total Group SCR is obtained from the Internal Model and Standard Formula capital requirements using EIOPA's integration technique 3 and the capital requirements for non-insurance businesses and international insurance undertakings not based in the EU.

The choice for a Partial Internal Model is based on the conviction that an Internal Model in general better reflects the risk profile of the major Dutch (re) insurance entities and has additional benefits for risk management purposes, whilst the Standard Formula adequately captures the risk profile of the international businesses and smaller Dutch entities:

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- An Internal Model approach can better reflect the specific assets and therefore the Market risk in the portfolio of Dutch businesses e.g., sovereign and other credit spread risks.
- The approach used for most significant Non-market risks within the Life businesses such as longevity (trend uncertainty) and within the Non-life business can be better tailored to NN Group's specific portfolio characteristics. Diversifications effects inherent to the business model can be captured in a more adequate manner.
- The granularity of the PIM and close alignment of the modelling techniques and parameters to NN Group's risk management approach also means that it can be used for a wide range of business decisions.

2. Assumptions and limitations

2.1 Risk-free rate and Volatility Adjustment (VOLA):

The assumptions used to determine the risk-free curve are important, as this curve is used for discounting future cash flows and to calculate market value of liabilities. For determining valuation of liabilities on Solvency II balance sheet, NN Group uses the methodology prescribed by EIOPA for the risk-free rate including the Credit Risk Adjustment (CRA) and the Ultimate Forward Rate (UFR). Where appropriate, the risk-free rate is adjusted with the Volatility Adjustment (VOLA) for the calculation of Own Funds.

2.2 Valuation assumptions – replicating portfolios:

For SCR calculations, NN Group uses replicating portfolio techniques to represent the insurance product-related cash flows, options and guarantees by means of standard financial instruments. The replications are used to determine and revalue insurance liabilities under a large number of simulated market scenarios.

2.3 Diversification and correlation assumptions:

As for any integrated financial services provider offering a variety of products across different business segments and geographic regions, and investing in a wide range of assets, diversification is key to NN Group's business model. The resulting diversification reflects the fact that all potential worst-case losses are highly unlikely to materialise at the same time. The Internal Model takes diversification effects into account when aggregating required capitals for different risk types as well as at Group level. Diversification benefits result from diversification across regions, business units and risk categories.

Where possible, correlation parameters are derived through statistical analysis based on historical data. In case historical data or other portfolio-specific observations are insufficient or not available, correlations are set by expert judgement via an established, well-defined and controlled process. Similar to other risk models, correlations and expert judgements are also monitored for appropriateness given availability of more recent data, and are subject to regular development, validation and regulatory oversight.

2.4 Model limitations

NN Group's Partial Internal Model set-up resulted from managing a balance between (1) an easy-to-communicate methodology and (2) efficient calculations with appropriate accuracy and granularity to reflect the underlying risks. Despite several limitations stemming from this, the PIM is considered to be adequate to assess NN Group's risk profile, to determine Solvency Capital Requirements and to be used in key decision making processes (use test).

As a result of the granular modelling approach and the wide variety of NN Group's assets and liabilities, the PIM is more complex than the Standard Formula.

Inherent model limitations of the PIM are related to the calibration of a 1-in-200-year stress event for a full spectrum of Market and Non-market risks, which are based on sometimes limited historical data. Limitations also relate to the overall aim of determining forward-looking distributions of risk factors under stress based on historical data as well as the use of modelling assumptions and expert judgements.

The components of NN Group's PIM for Market and Counterparty default risk and the models for risk aggregation and replication have been developed and are run centrally and thus carry an inherent risk that the developed models include aspects which might be less appropriate for individual entities. On a regular basis the business units perform 'Fit For Local Use' assessments. Models also undergo regular reviews and monitoring, under agreed governance, and in addition, model validations are performed by an independent model validation function. Such reviews can result in additional monitoring and/or locally calculated and further centrally processed adjustments.

The Risk Management function informs the Management Board and Supervisory Board on an annual basis on the performance of the Internal Model.

3. Solvency II 2020 review

After a long period of negotiations between the European Commission, the European Council and the European Parliament, a revised Solvency II directive (Level I) was published in the Official Journal of 8 January 2025. The amended regulation will be effective as of 30 January 2027, wich means that reporting after this date will reflect the changes from the Solvency II 2020 review. Some key aspects in the agreement are not detailed out in the Solvency II directive but will be clarified later in the process (part of Level II and III). This relates for example to the parameterisation of elements that are relevant for the determination of the risk margin and the Volatility Adjustment. The revised Solvency II directive forms the basis for the revision of the Level II and III regulation, which can lead to further changes.

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4. Solvency Capital Requirement

4.1 Solvency II ratio of NN Group

The following table shows the NN Group Solvency II ratio as at 31 December 2024 and 31 December 2023, respectively.

Solvency II ratio of NN Group

	2024	2023
Eligible Own Funds	17,026	17,691
Solvency Capital Requirement	8,786	8,990
NN Group Solvency II ratio (Eligible Own Funds/SCR)	194%	197%

The SCR is based on NN Group's PIM. This comprises Internal Model calculations for all risks, except for Operational risk, for NN Life, NN Non-life, NN Re and the main holding companies owned by NN Group N.V. and SF calculations for ABN AMRO Non-life and the international insurance entities of NN Group in Europe. SCR for Operational risk is calculated using the Standard Formula for all Solvency II entities. The capital requirements of non-Solvency II entities, in particular NN Life Japan, Pension Funds, and NN Bank are calculated using local sectoral rules.

4.2 Solvency Capital Requirement

The following table shows the NN Group SCR as at 31 December 2024 and 31 December 2023, respectively.

Solvency Capital Requirements

	2024	2023
Market risk	6,555	6,602
Counterparty default risk	112	129
Non-market risk	4,966	4,773
Total BSCR (before diversification)	**11,633**	**11,504**
Diversification	–3,085	–2,659
Total BSCR (after diversification)	**8,548**	**8,845**
Operational risk	567	560
LACDT	–1,757	–1,780
Other	5	4
Solvency II entities SCR	**7,363**	**7,629**
Non Solvency II entities	1,423	1,361
Total SCR	**8,786**	**8,990**

The Solvency II total Basic Solvency Capital Requirement (total BSCR after diversification) includes both the PIM businesses' BSCR and the Standard Formula businesses' BSCR. This figure also reflects the diversification benefits between the business units using Internal Model and Standard Formula.

The general developments of the Basic SCR (BSCR):
- Lower Market risk SCR, mainly due to portfolio developments, partially offset by model refinements and market movements.
- Lower Counterparty default risk SCR, driven by various portfolio developments.
- Higher Non-market risk SCR, mainly driven by lower interest rates and the impact of model changes mainly at NN Non-Life, partially offset by the impact of longevity reinsurance at NN Life.

More details on the Market and Non-market risk SCR, as well as explanation on the most important changes in the risk profile, are presented in the next sections.

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SCR for Operational risk is broadly stable. The offsetting effect of Loss Absorbing Capacity of Deferred Taxes (LACDT) decreased mainly due to a lower tax base. In the above table, 'Other' includes loss-absorbing capacity of technical provisions (LACTP) and capital requirements for non-modelled Solvency II entities.

4.3 Solvency II ratio sensitivities

Along with the SCR, NN Group regularly calculates the sensitivities of the Solvency II ratio under various scenarios, by assessing the changes for both Eligible Own Funds and SCR. The Solvency II ratio sensitivities are primarily designed to support the NN Group Management Board and the Risk Management functions in having a forward-looking view on the risks to solvency of the company, and to analyse the impacts of market or other events. Additionally, Solvency II ratio sensitivities are used for external communication to enable investors to assess the potential volatility of the company's solvency ratio. The sensitivities are selected to reflect plausible, realistic scenarios that could materialise within the foreseeable future and are not calibrated on a pre-defined confidence interval or time horizon.

The effect on the Solvency II ratio is calculated based on applying an instantaneous stress on the balance sheet, and on ceteris paribus basis. For all Solvency II insurance entities, NN Life Japan and NN Bank, the after stress Own Funds are calculated for each of the sensitivity scenarios; the impacts on SCR are recalculated for the BSCR and Operational risk SCR components. LACDT is recalculated keeping the LACDT percentage fixed. 'Other' SCR components including the LACTP are kept constant.

The Solvency II sensitivities are disclosed for the main Market risks in the sections below.

Main types of risks

In the next sections the main risks associated with NN Group's business are discussed. Each risk type is analysed through the risk profile, risk mitigation and risk measurement. For Market and Non-market risks more detailed quantification of risk exposures are provided.

We assess natural catastrophe risks such as windstorm, flood and hail (depended on the business unit's exposure to these risks) in our current SCR models considering losses over the next one-year horizon under a 1-in-200 year event. Furthermore, we regularly conduct assessments into the financial materiality of sustainability risks on our balance sheet. NN has concluded that the calculation of SCR does not require any adjustments at this point due to risks related to sustainability, as these risks are either covered by the SCR or not considered material over this time horizon.

5. Market risk

Market risk comprises the risks related to the impact of changes in various financial market indicators on NN Group's balance sheet. Market risks are taken in pursuit of returns for the benefit of customers and shareholders. Accordingly, risk and return consideration and optimisation are paramount for both policyholder and shareholder. In general, Market risks are managed through a well-diversified portfolio under a number of relevant policies within clearly defined and monitored limits. NN Group reduces downside risk through various hedging programmes, in particular risks for which NN Group has no or only a limited appetite, such as Interest rate, Inflation, and Foreign exchange risks.

In managing our assets, we apply the prudent person principle, which means that we only invest in assets and instruments whose risks NN Group can properly identify, measure, monitor, manage, control and report and take into account in the assessment of our overall solvency needs. For new asset classes or asset classes of growing importance, NN Group continuously improves the relevant processes.

Market risk capital requirements

	2024	2023
Interest rate risk	1,163	898
Equity risk	2,186	2,457
Credit spread risk	3,659	3,340
Real estate risk	1,907	2,014
Foreign exchange risk	519	584
Inflation risk	231	216
Basis risk	56	53
Diversification market risk	–3,166	–2,960
Market risk	**6,555**	**6,602**

In 2024, the Market risk SCR decreased from EUR 6,602 million to EUR 6,555 million, mainly driven by portfolio developments, partially offset by model refinements and market movements.

The table below sets out NN Group's market value of assets for each asset class as at the end of 2024 and 2023. The values in the table below may differ from those included in the consolidated IFRS balance sheet as derivatives are excluded from this overview and furthermore due to classification and valuation differences to reflect a risk management view.

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Investment assets (including NN Bank)

	Market value 2024	% of total 2024	Market value 2023	% of total 2023
Fixed income	**132,556**	**82%**	**136,530**	**81%**
Government bonds and loans	39,492	24%	40,046	24%
Financial bonds and loans	7,918	5%	7,671	5%
Corporate bonds and loans	23,325	14%	23,308	14%
Asset-backed securities	2,423	2%	2,642	2%
Mortgages[1]	58,265	36%	61,729	37%
Other retail loans	1,133	1%	1,134	1%
Non-fixed income	**20,335**	**13%**	**20,448**	**12%**
Common & preferred stock[2]	2,770	2%	3,533	2%
Private equity	106	0%	138	0%
Real estate[3]	11,932	8%	12,007	7%
Mutual funds (money market funds excluded)[4]	5,527	3%	4,770	3%
Money market instruments (money market funds included)[5]	**8,471**	**5%**	**10,682**	**6%**
Total investments	**161,362**	**100%**	**167,660**	**100%**

1 Mortgages originated by NN Bank are on amortised cost value. The mortgage value on the consolidated IFRS balance sheet differs from the value in the current table due to the acquisition premium of mortgages and the inclusion of mortgages underlying the mortgage structure vehicles.
2 All preference shares are included in 'common & preferred stock', even when preference shares are modelled as bonds.
3 The real estate values exclude the real estate forward commitments, since NN Group has no price risk related to them.
4 Fixed income mutual funds are included in mutual funds.
5 Money market mutual funds and commercial papers are included in the money market instruments.

The total investment assets have decreased from EUR 167.7 billion at the end of 2023 to EUR 161.4 billion at the end of 2024, a decrease of EUR 6.3 billion. This decrease is primarily due to the run-off of the balance sheet, the reclassification of ABN saving mortgages as "risk for policy holder" and the valuation's decrease of the government bond exposure. The main developments in NN Group's risk profile in 2024 reflect the company's strategy to maintain a relatively conservative investment portfolio to ensure a resilient balance sheet. In 2024, NN Group has reduced exposure towards mortgages and equity following its Strategic Asset Allocation.

5.1 Interest rate risk

Interest rate risk is defined as the possibility of decrease in the Solvency II Own Funds due to adverse changes in the level or shape of the risk-free interest rate curve used for valuation of assets and liability cash flows. Exposure to Interest rate risk arises from asset or liability positions that are sensitive to changes in this risk-free interest rate curve.

5.1.1 Risk profile

The Interest rate risk SCR of NN Group increased to EUR 1,163 million in 2024 from EUR 898 million in 2023. The increase is mainly driven by portfolio developments.

5.1.2 Risk mitigation

The Interest rate SCR indicates to what extent interest rate sensitivities of assets and liabilities are matched on a Solvency II basis. The majority of NN Group liability cash flows are predictable and stable, since exposure to policyholder behaviour and profit-sharing mechanisms is very limited. Therefore, the Interest rate risk management focuses on matching asset and liability cash flows for the durations for which the markets for fixed income instruments are sufficiently deep and liquid. NN Group manages its interest rate position by investing in long-term bonds and interest rate swaps. While staying overall duration matched, NN Group has reduced its exposure to normalisation (i.e. rising) of the interest rate curve after the last liquid point according to Solvency II regulation.

NN Group has implemented limits and tolerances for Interest rate risk exposures at NN Group level as well as for relevant business units to limit Interest rate risk.

Mitigating solutions for new business and products, such as a development of defined contribution pension products in the Netherlands and a shift towards protection products in general, are continuously monitored and worked on.

5.1.3 Risk measurement

For the valuation of EUR-denominated asset cash flows, NN Group uses market swap curves. For the asset cash flows denominated in other currencies, the relevant swap or government curve is used for that specific currency.

For the purpose of valuation of the EUR-denominated liability cash flows NN Group uses a swap curve less Credit Risk Adjustment (CRA) plus VOLA in line with definitions under Solvency II. For the liability cash flows denominated in other currencies, the relevant swap or government curve is used where this curve is also lowered by the Credit Risk Adjustment and adding the VOLA specific for each currency. In line with Solvency

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II regulations, NN Group extrapolates the EUR swap curve starting from the Last Liquid Point (LLP) onwards to the Ultimate Forward Rate for each relevant currency in its portfolio. The LLP used for EUR is 20 years. As such, the SCR for Interest rate risk primarily depends on the level of cash flow matching between assets and liabilities up to the 20-year point, and the difference between the swap curve and the curve extrapolated to the UFR for longer cash flows.

The sensitivity of the Solvency II ratio to changes in interest rates is monitored on a quarterly basis. The table below presents the Eligible Own Funds, SCR, and Solvency II ratio sensitivities to various changes in interest rates.

Solvency II ratio sensitivities for interest rate comprise the following set of shocks, each of them is calculated independently as a standalone scenario: a parallel up and a parallel down shifts of the discount curve, and a steepening scenario for the interest rates used to discount asset cash flows after the LLP.

Solvency II ratio sensitivities: interest rate risk at 31 December 2024

2024	Own Funds impact	SCR impact	Solvency II ratio impact
Interest rate: Parallel shock +50 bps	–407	–226	0%
Interest rate: Parallel shock -50 bps	451	247	-0%
Interest rate: 10 bps steepening between 20y-30y	–129	–8	–1%

Solvency II ratio sensitivities: interest rate risk at 31 December 2023

2023	Own Funds impact	SCR impact	Solvency II ratio impact
Interest rate: Parallel shock +50 bps	–343	–224	1%
Interest rate: Parallel shock -50 bps	393	251	–1%
Interest rate: 10 bps steepening between 20y-30y	–151	–7	–2%

Solvency II ratio sensitivities to interest rates decreased as the Own Funds sensitivity has increased because of asset portfolio changes, while the SCR sensitivity remained stable.

Under the parallel shock scenarios, the base risk-free interest rate curves for each currency are shocked by +/-50 bps for all tenors up until the LLP. The other components of the basic risk-free interest rate curve – namely UFR, Credit Risk Adjustment, VOLA and extrapolation technique towards UFR remain unchanged. The asset interest rate curves are shocked with the parallel shocks for all tenors.

In the interest rate steepening scenario, the EUR asset valuation curve is shocked after the LLP (the LLP for EUR is set at 20 years under Solvency II). The steepening is applied for interest rate curve tenors between 20 and 30 years (a linear increase from 0 to 10 bps of 1bp per tenor). After the 30 years point, the shift in the interest rate curve remains constant at 10bps. As the EIOPA risk-free curve is extrapolated after the LLP, the steepening sensitivity only affects the asset discount curve.

5.2 Equity risk

Equity risk is defined as the possibility of a decrease in Solvency II Own Funds due to adverse changes in the level of equity market prices. Exposure to Equity risk arises from direct or indirect asset or liability positions, including equity derivatives such as futures and options, that are sensitive to equity prices.

5.2.1 Risk profile

The table below sets out the market value of NN Group's equity assets as at the 31 December 2024 and 2023, respectively.

Equity assets

	2024	2023
Common & preferred stock	2,770	3,533
Private equity	106	138
Mutual funds (money market funds are excluded, fixed income mutual funds are included)	5,527	4,770
Total	**8,403**	**8,441**

NN Group is mainly exposed to public listed equity, and to a lesser extent to private equity and equity exposures through mutual funds. The direct equity exposure is spread mainly across the Netherlands (28% in 2024 compared with 26% in 2023) and remaining exposure in other countries, predominantly in core EU countries (49% in 2024 compared with 50% in 2023, including the Netherlands). Note that mutual funds are classified as equity in the table above but include also fixed income funds. Fixed income mutual funds represent 40% of the total mutual fund market value. The three main mutual fund investments are in private equities (EUR 1.6 billion), infrastructure equities (EUR 1.5 billion) and emerging market debt (EUR 1.4 billion).

As shown in the 'Market risk capital requirements' table on p.347, the Equity risk SCR of NN Group decreased from EUR 2,457 million in 2023 to EUR 2,186 million in 2024 mainly driven by portfolio developments.

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5.2.2 Risk mitigation
Exposure to equities provides additional diversification and upside return potential in the asset portfolio of an insurance company with long-term illiquid liabilities. The Concentration risk on individual issuers is mitigated by having issuer risk limits in place in investment mandates as well as at NN Group level. There is no natural hedge for Equity risk on the liability side of the balance sheet. NN Group has the possibility to protect the downside risk of the equity portfolio by selling equity or buying appropriate derivatives.

5.2.3 Risk measurement
The sensitivity of the Solvency II ratio to changes in the value of equity is monitored on a quarterly basis. This scenario estimates the impact of an instantaneous shock of -25% applied to the value of direct equity and equity mutual funds. Derivatives like equity options or equity forwards which have equity as underlying are also revalued using the same shock applied to the underlying equities or equity indices.

The table below presents the Eligible Own Funds, SCR and Solvency II ratio sensitivity to a downward shock in equity prices at 31 December 2024 and 2023, respectively.

Solvency II ratio sensitivities: Equity risk (2024)

2024	Own Funds impact	SCR impact	Solvency II ratio impact
Equity Downward shock -25%	–1,081	–160	–9%

Solvency II ratio sensitivities: Equity risk (2023)

2023	Own Funds impact	SCR impact	Solvency II ratio impact
Equity Downward shock -25%	–1,604	–299	–12%

The Solvency II ratio sensitivity to Equity risk has decreased mainly due to portfolio developments and reallocation of infrastructure equities from the equity sensitivity to the real estate sensitivity. This reallocation was performed to account for the specific nature of infrastructure equity investments. These investments are backed by physical assets and have a more stable valuation than investments in listed or private equity.

5.3 Credit spread risk
Credit spread risk is defined as the possibility of a decrease in Solvency II Own Funds due to adverse movements in the credit spreads of fixed income assets. The credit spread widening (or narrowing) reflects market supply and demand, rating migration of the issuer and changes in expectation of default. Changes in liquidity and other risk premia that are relevant to specific assets can play a role in the value changes as well.

In the calculation of the SCR for the Partial Internal Model entities, NN Group assumes no change to the VOLA on the liability side of the balance sheet after a shock-event, but instead reflects the illiquidity of liabilities in the asset shocks to ensure an appropriate SCR. This approach ensures appropriate risk incentives and is approved by DNB. NN Group also shocks all government bonds and its mortgage portfolio in the calculation of Credit spread risk capital requirements for the Partial Internal Model entities.

The main asset classes in scope of the Credit spread risk module for Partial Internal Model entities are government and corporate bonds, mortgages and loans.

For the calculation of the SCR for Credit spread risk of the Standard Formula insurance entities, the main asset classes in scope are corporate bonds and loans.

5.3.1 Risk profile
As shown in the 'Market risk capital requirements' table on p.347, the Credit spread risk SCR of NN Group increased from EUR 3,340 million in 2023 to EUR 3,659 million in 2024, driven by model refinements and partially offset by portfolio developments.

The table below sets out the market value of NN Group's bonds and loans subject to Credit spread risk SCR by type of issuer as at 31 December 2024 and 31 December 2023, respectively.

Fixed-income bonds and loans by type of issuer

	Market value		Percentage	
	2024	2023	2024	2023
Sovereign	39,492	40,046	54%	54%
Finance and Insurance	7,918	7,671	11%	10%
Manufacturing	7,089	6,560	10%	9%
Utilities	2,504	2,585	3%	4%
Asset-backed securities	2,423	2,642	3%	4%
Transportation and Warehousing	1,885	2,114	3%	3%
Information	1,697	1,778	2%	2%
Real Estate and Rental and Leasing	1,589	1,800	2%	2%
Other	8,561	8,471	12%	12%
Total	**73,158**	**73,667**	**100%**	**100%**

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Market value sovereign exposures (2024)

The tables below set out the market value of NN Group's government bonds and loans subject to Credit spread risk SCR by country and maturity as at 31 December 2024 and 31 December 2023, respectively.

			Market value of government bond and loans in 2024 by number of years to maturity[3]								
2024	Rating[1]	Domestic exposure[2]	0-1	1-2	2-3	3-5	5-10	10-20	20-30	30+	Total 2024
Japan	A+	100%	394	284	321	652	1,391	1,692	1,314	519	6,567
France	AA-	0%	73	80	43	100	204	1,355	347	2,063	4,265
Belgium	AA-	27%	7	58		329	327	1,578	936	618	3,853
Netherlands	AAA	99%	51	9	13	250	320	2,699	267	9	3,618
Germany	AAA	0%	30	99	53	353	926	1,228	413	210	3,312
Spain	A-	30%	114	43	24	262	190	1,591	125	79	2,428
European Union	AAA	0%	5	24	3	3	213	791	1,305		2,344
Austria	AA+	0%		157	233	7	38	512	257	1,098	2,302
United States	AA+	0%						205	1,369		1,574
Finland	AA+	0%	162	3	1	68	1	722	48	54	1,059
Italy	BBB	0%	9	4	103	174	317	111	270	35	1,023
Other[4] - Above Investment Grade			263	317	245	738	1,385	1,552	1,606	82	6,188
Other[4] - Below Investment Grade				4	61	106	644	106	38		959
Total			**1,108**	**1,082**	**1,100**	**3,042**	**5,956**	**14,142**	**8,295**	**4,767**	**39,492**

1 NN Group uses the second-best rating across Fitch, Moody's and S&P to determine the credit rating label of its bonds.
2 Percentage of the bonds held in the local unit, e.g., percentage of Dutch bonds held by entities registered in the Netherlands is 99%.
3 Based on legal maturity date.
4 Investment Grade reflects a rating of BBB- or higher; Below Investment Grade reflects a rating below BBB-.

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Market value sovereign exposures (2023)

2023	Rating[1]	Domestic exposure[2]	Market value of government bond and loans in 2023 by number of years to maturity[4] 0-1	1-2	2-3	3-5	5-10	10-20	20-30	30+	Total 2023
Japan	A+	100%	413	418	305	681	1,665	1,913	1,594	654	7,643
France	AA	0%	55	24	79	46	307	1,413	353	3,135	5,412
Germany	AAA	0%	316	18	96	418	501	1,647	607	209	3,812
Belgium	AA-	28%	11	11	62	335	135	1,741	1,052	622	3,969
Netherlands	AAA	99%	2	95	11	247	328	2,280	158	244	3,365
Austria	AA+	0%	11		168	241	1	145	495	1,134	2,195
Spain	A-	29%	109	101	46	74	428	1,176	512	76	2,522
United States	AAA	0%						208	1,432		1,640
Multilateral[3]	AAA	0%	63	11	133	66	327	872	592	22	2,086
Finland	AA+	0%	4	143	3	66	1	712	50		979
Italy	BBB	0%	17	9	4	133	395	177	250	33	1,018
Other[5] – Above Investment Grade			315	268	178	462	1,461	1,267	696	69	4,716
Other[5] – Below Investment Grade					3	113	410	125	37		688
Total			**1,316**	**1,098**	**1,088**	**2,882**	**5,959**	**13,676**	**7,828**	**6,198**	**40,045**

[1] NN Group uses the second-best rating across Fitch, Moody's and S&P to determine the credit rating label of its bonds.
[2] Percentage of the bonds held in the local unit, e.g., percentage of Dutch bonds held by entities registered in the Netherlands is 99%.
[3] Includes EIB, ECB, EFSF, EU and ESM.
[4] Based on legal maturity date.
[5] Investment Grade reflects a rating of BBB- or higher; Below Investment Grade reflects a rating below BBB-.

Out of NN Group's total sovereign debt exposure, 49% (or EUR 19 billion) is invested in AAA and AA rated eurozone countries in 2024 as compared to 48% in 2023. Of the EUR 19 billion core eurozone government bonds and loans held by NN Group, 78% will mature after year 10 and 35% after year 20 in 2024 while those for 2023 were EUR 20 billion, 81% and 41% respectively. With regard to Central and Eastern Europe, the government bond exposures are mainly domestically held. In the Partial Internal Model, all government bonds contribute to Credit spread risk, including those rated AAA.

Notes to the Consolidated annual accounts continued

The tables below show the market value of non-government fixed-income securities (excluding mortgages and derivatives) by rating and maturity.

Market value non-government bond securities and loans (2024)

	Market value of non-government bond securities and loans in 2024 by number of years to maturity								
2024	**0-1**	**1-2**	**2-3**	**3-5**	**5-10**	**10-20**	**20-30**	**30+**	**Total 2024**
AAA	344	212	196	88	572	783	888	962	4,045
AA	213	277	330	494	589	405	80	84	2,472
A	1,022	1,424	1,191	2,281	3,920	1,420	847	142	12,247
BBB	1,044	1,529	1,140	1,808	3,031	1,518	560	66	10,696
BB	362	190	378	799	509	70		13	2,321
B and below	173	186	115	713	292	54	11		1,544
No rating available	143	84	18	70	25				340
Total	**3,301**	**3,902**	**3,368**	**6,253**	**8,938**	**4,250**	**2,386**	**1,267**	**33,665**

Market value non-government bond securities and loans (2023)

	Market value of non-government bond securities and loans in 2023 by number of years to maturity								
2023	**0-1**	**1-2**	**2-3**	**3-5**	**5-10**	**10-20**	**20-30**	**30+**	**Total 2023**
AAA	216	320	219	235	291	922	909	1,320	4,432
AA	108	186	253	508	507	306	114	101	2,083
A	1,014	1,117	1,357	2,033	3,241	1,246	930	159	11,097
BBB	1,834	1,206	1,390	1,838	3,246	1,397	631	69	11,611
BB	264	370	449	881	598	55	25		2,642
B and below	89	121	384	387	213	8			1,202
No rating available	206	41	31	179	82	14		1	554
Total	**3,731**	**3,361**	**4,083**	**6,061**	**8,178**	**3,948**	**2,609**	**1,650**	**33,621**

Notes to the Consolidated annual accounts continued

The table below shows NN Group's holdings of loans and other debt securities as at 31 December 2024 and 31 December 2023, respectively.

Market value all loans and other debt securities (per credit rating)

	2024	2023
AAA	13,754	13,259
AA	17,535	18,144
A	23,296	22,860
BBB	13,250	14,200
BB	3,193	3,233
B and below	1,765	1,417
No rating available	263	439
Mortgages[1]	58,265	61,729
Other Retail Loans	1,235	1,249
Total	**132,556**	**136,530**

1 Mortgages refer to all mortgages using the same criteria and is aligned with the Mortgages figure in Investment assets above.

5.3.2 Mortgages

The valuation of mortgages is based on the market interest rate (swap rate) as well as the prevailing mortgage rates for new mortgages. Valuation changes related to changes in the swap rates are reflected as Interest rate risk, while the remaining value movements are assumed to be related to Credit (spread) risk. The required capital for credit spread changes for mortgages within entities using the Partial Internal Model is calculated in the Credit spread risk module. The required capital for credit defaults for mortgages within entities using the Standard Formula is calculated in the Counterparty default risk module.

The Loan-to-Value (LTV) for residential mortgages (which is based on the net average loan to property indexed value and are exposure-weighted) decreased for NN Group from 56% at the end of December 2023 to 54% at the end December 2024. The LTV decreased compared to 2023 due to the house price increase of 11.1% in the Netherlands between Q3 2023 and Q3 2024 (Figures of fourth quarter are unavailable per year-end). At NN Life, the Banking business, NN Non-life and NN Belgium the LTV stood at 53%, 54%, 57% and 52% respectively at the end of December 2024 while those were 55%, 57%, 62% and 56% respectively at the end of December 2023.

The inherent credit risk of mortgages is backed primarily by means of the underlying property, but also through the inclusion of mortgages guaranteed by the Nationale Hypotheek Garantie (NHG) and other secondary covers like savings, investments and life insurance policies. On portfolio level the NHG coverage showed no significant changes compared to prior year. Mortgages with NHG accounted for 23%, 34%, 17% and 26% at NN Life, the Banking business, NN Non-life, and NN Belgium respectively at the end of December 2024 and 23%, 32%, 17% and 27% at NN Life, the Banking business, NN Non-life and NN Belgium respectively at the end of 2023.

Loan-to-Value on mortgage loans[1]

	2024	2023
NHG	27%	27%
LTV <= 80%	68%	66%
LTV 80% - 90%	4%	4%
LTV 90% - 100%	1%	2%
LTV > 100%		1%
Total NN Group	**100%**	**100%**

1 Risk figures and parameters do not include third party originated mortgages and collateralised mortgages although they are on the balance sheet of NN Group.

The mortgage portfolio is under regular review to ensure troubled assets are identified early and managed properly. The loan is categorised as a non-performing loan (NPL) if the loan is 90 days past due, or the client was in default the previous month, and the minimum holding period (MHP) is active, or the loan is classified as Unlikely To Pay (UTP) by the problem loans department.

The main criterion for lifting the default status will be that no arrears greater than EUR 250 occurred during the MHP. For defaulted clients that are classified as 'distressed restructuring', the MHP is 12 months. For all other defaulted clients, the MHP is 3 months.

The total provision decreased by EUR 3.7 million to EUR 3.7 million due the release of the management overlay related to rising interest rates and high inflation, and a decrease of the provision related to unsecured commercial loans. The management overlay was released as interest rates and inflation decreased in combination with increasing wages. The impact of the house price increase on the provision was limited as the portfolio was already well-collateralised.

Notes to the Consolidated annual accounts continued

The net exposure decreased after deduction of capped collaterals and guarantees because of an increase in the house price. The NHG guarantee value slightly decreased due to an improvement in the calculation of the NHG guarantee value amount.

Credit quality: NN Group mortgage portfolio, outstanding[1,2,5]

	Life business		Banking		Other[3]		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Performing mortgage loans that are not past due	25,610	25,915	22,491	21,887	4,807	4,876	52,908	52,678
Performing mortgage loans that are past due	105	119	136	161	23	26	264	306
Non-performing mortgage loans[4]	75	79	113	99	15	13	203	192
Total	**25,790**	**26,114**	**22,740**	**22,147**	**4,845**	**4,915**	**53,375**	**53,176**
Provisions for performing mortgage loans	1	2	1	2			2	4
Provisions for non-performing mortgage loans	1	2	1	1			2	3
Total[4]	**2**	**4**	**2**	**3**			**4**	**7**

1 The total value for Mortgages is different in this table vs. the Investment Assets Table on p.348 because of exclusion of mortgage not originated by NN Bank of EUR 4,890 million in 2024 (2023: EUR 8,554 million).
2 Amounts are excluding partial transfer of mortgages and Dutch Residential Mortgages Fund.
3 'Other' column includes numbers for the Non-life entities, Belgium business and other small entities.
4 The non-performing loans include 'unlikely to pay' mortgage loans, which may not be past due.
5 The carrying value includes the accrued interest, past due amount, and deduction of construction deposits.

Notes to the Consolidated annual accounts continued

Collateral on mortgage loan[1,2,5]

	Life business		Banking		Other[3]		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Carrying value	25,790	26,113	22,740	22,147	4,845	4,915	53,375	53,175
Indexed collateral value of real estate	55,761	55,531	49,913	45,931	10,179	9,487	115,853	110,949
Savings held[6]	1,146	1,134	1,563	1,481	80	77	2,789	2,692
NHG guarantee value[4]	4,998	5,300	6,081	5,853	966	1,026	12,045	12,179
Total cover value + including NHG guarantee capped at carrying value	25,784	26,100	22,739	22,138	4,845	4,913	53,368	53,151
Net exposure	**6**	**13**	**1**	**9**		**2**	**7**	**24**

1 The total value for Mortgages is different in this table vs. the Investment Assets Table on p.347 because of exclusion of mortgage not originated by NN Bank of EUR 4,890 million in 2024 (2023: EUR 8,554 million).
2 Amounts are excluding partial transfer of mortgages and Dutch Residential Mortgage Fund.
3 'Other' column includes numbers for the Non-life entities, Belgium business and other small entities.
4 The NHG guarantee value follows an annuity scheme and is corrected for the 10% own risk (on the granted NHG claim).
5 The carrying value includes the accrued interest, past due amount, and deduction of construction deposits.
6 Savings held includes life policies.

5.3.3 Risk mitigation

NN Group has Concentration risk limits for individual issuers which depend on the credit quality of the issuer; for individual asset classes; and country limits which depend on the country's credit rating and GDP, and whether the country is a member of the European Union. These limits ensure that large risk concentrations are avoided. NN Group has ensured a high level of diversification in its fixed income portfolio by investing in a high number of issuers, across a broad range of countries, sectors and asset classes. In addition, NN Group's mortgages are subject to strict underwriting criteria and are well collateralised.

5.3.4 Risk measurement

The sensitivity of the Solvency II ratio to changes in credit spreads is monitored on a quarterly basis. The tables below present the Eligible Own Funds, SCR and Solvency II ratio sensitivities to various changes in credit spreads.

Notes to the Consolidated annual accounts continued

Solvency II ratio sensitivities: Credit spread risk at 31 December 2024

2024	Own Funds impact	SCR impact	Solvency II ratio impact
Credit spread: Parallel shock for AAA-rated government bonds +50 bps	–501	–9	–6%
Credit spread: Parallel shock for AA and lower-rated government bonds +50 bps	–759	–45	–8%
Credit spread: Parallel shock spreads corporates +50 bps	391	–72	6%
Credit spread: Parallel shock spreads mortgages +25 bps	–551	–18	–6%

Solvency II ratio sensitivities: Credit spread risk at 31 December 2023

2023	Own Funds impact	SCR impact	Solvency II ratio impact
Credit spread: Parallel shock for AAA-rated government bonds +50 bps	–397	–4	–4%
Credit spread: Parallel shock for AA and lower-rated government bonds +50 bps	–738	–37	–7%
Credit spread: Parallel shock spreads corporates +50 bps	371	–63	6%
Credit spread: Parallel shock spreads mortgages +25 bps	-564	-15	-6%

Solvency II ratio sensitivities to credit spread increased as the OF sensitivity has increased because of asset portfolio changes, while the SCR sensitivity remained relatively stable.

NN Group has exposure to government, corporate and financial debt and is exposed to spread changes for these instruments. Furthermore, the VOLA in the valuation of liabilities introduces an offset to the valuation changes on the asset side (except for mortgages).

The Solvency II sensitivities for spread changes cover four possible scenarios – spread widening for AAA rated government bonds, spread widening for non-AAA rated government bonds, spread widening for corporates and spread widening for mortgages. For three scenarios, a parallel widening of the respective spread curves of +50bps is assumed, while for mortgages it is +25 bps. There is a corresponding translation of the spread widening on asset valuations on the VOLA according to EIOPA's reference portfolio in each of the scenarios.

Government bond shocks are applied to the following asset classes: government bonds and loans, government-linked instruments (sub- sovereigns and supranational). Corporate spread shocks are applied to the following asset classes: corporate bonds (financials and non-financials), covered bonds, subordinated bonds, asset-backed securities and loans. Mortgages are subject to spread shocks in a separate scenario.

NN Group's sensitivity to credit spread changes is mainly driven by the difference between NN Group's investment portfolio and the EIOPA reference portfolio. The reference portfolio represents the weights of an average European insurers' portfolio to different fixed income assets and is used to determine the level of the VOLA to be applied for the valuation of liabilities. Asset spread changes impact the level of the VOLA and therefore also the valuation of liabilities and thus provide an offset to asset valuation changes. NN Group is exposed to widening in government bond spreads as the VOLA provides only a partial offset of the losses on the asset side. At the same time, the exposure to widening of credit spreads on corporate bonds has a positive impact on the ratio due to a lower exposure of NN Group to these asset classes compared with the reference portfolio. Mortgages spread widening has a negative impact on the Solvency II ratio, as mortgages are not part of the reference portfolio.

5.4 Real estate risk

Real estate risk is defined as the possibility of decrease in Solvency II Own Funds due to adverse changes in the value of real estate. Exposure to Real estate risk arises mainly from holding direct real estate properties or positions in real estate mutual funds. With the long-term nature of the liabilities of NN Group, illiquid assets such as real estate play an important role in the asset allocation.

5.4.1 Risk profile

NN Group's real estate exposure (excluding forward commitments) decreased as a result of negative revaluations, from EUR 12,007 million at the end of 2023 to EUR 11,787 million at the end of 2024. The real estate exposure is mainly present in the portfolios of NN Life, NN Non-life and NN Belgium Life.

NN Group has various categories of real estate: investments in real estate funds and joint-ventures, real estate directly owned and investments in buildings occupied by NN Group. Several of the real estate funds, in which NN Group participates, include leverage and therefore the actual real estate exposure (as reflected in the EUR 11,787 million) is larger than NN Group's value of participation in real estate funds. The real estate portfolio is held for the long-term and is illiquid. Furthermore, there are no hedge instruments available in the market to effectively reduce the impact of market volatility.

Notes to the Consolidated annual accounts continued

Rental income is largely in line with inflation and occupancy rates in 2024 are high at 95%. Real estate is valued by external independent appraisers. Real Estate valuation often show a prolonged negative movement in case of economic downturn. On average, European real estate markets have bottomed out during 2024 and 2025 is expected to show a modest recovery.

The table below sets out NN Group's real estate exposure per region as at 31 December 2024 and 2023, respectively.

Real estate assets per region

	2024	2023
Western Europe	56%	56%
Southern Europe	18%	18%
Nordics	10%	10%
Central and Eastern Europe	5%	5%
UK and Ireland	11%	11%
Total	**100%**	**100%**

The real estate portfolio is well-diversified across sectors and geographies. Real estate exposure is mainly from Western European countries. Main underlying types are residential real estate (42%) and industrial real estate (27%). Retail and office real estate represents respectively 17% and 8% of NN Group's total real estate exposure.

As shown in the 'Market risk capital requirements' table on p.347, the Real estate risk SCR of NN Group decreased from EUR 2,014 million in 2023 to EUR 1,907 million in 2024 primarily due to model refinements and portfolio developments.

5.4.2 Risk mitigation

Exposure to real estate provides for additional diversification for the asset portfolio. The Concentration risk on individual assets is limited under the relevant investment mandates. Real estate portfolio is also well diversified across European countries and sectors.

5.4.3 Risk measurement

The sensitivity of the Solvency II ratio to changes in the value of real estate is monitored on a quarterly basis. This scenario estimates the impact of an instantaneous shock of -10% to the value of direct real estate exposures and real estate within mutual funds.

The table below presents the Eligible Own Funds, SCR and Solvency II ratio sensitivity to a downward shock in the value of real estate at 31 December 2024 and 2023.

Solvency II ratio sensitivities: Real estate risk

	Own Funds impact		SCR impact		Solvency II ratio impact	
	2024	2023	2024	2023	2024	2023
Real estate Downward shock -10%	–1,334	–1,199	–90	–68	–13%	–12%

The Solvency II ratio sensitivity to Real estate risk has increased mainly due to portfolio developments and reallocation of infrastructure equities from the equity sensitivity to the real estate sensitivity. This reallocation was performed to account for the specific nature of infrastructure equity investments. These investments are backed by physical assets and have a more stable valuation than investments in listed or private equity.

5.5 Foreign exchange risk

Foreign exchange (FX) risk measures the negative impact on Solvency II Own Funds related to changes in currency exchange rates.

5.5.1 Risk profile

FX transaction risk can occur on a local entity level, while FX translation risk can occur when non-Euro entities are consolidated at the level of NN Group and show a risk in regard to NN Group's reporting currency, the Euro.

The SCR for Foreign exchange risk decreased from EUR 584 million in 2023 to EUR 519 million in 2024. This is mainly due to model refinements.

5.5.2 Risk mitigation
The FX risk at the local entity level is mitigated by limiting investment to the non-local currency assets or by hedging with FX forwards and cross currency swaps.

5.6 Inflation risk
Inflation risk is defined as the risk of adverse changes in inflation that result in a decrease in Solvency II Own Funds. Inflation risk is calculated for the Dutch entities applying the Partial Internal Model for the SCR calculation.

5.6.1 Risk profile
The SCR for Inflation risk increased to EUR 231 million from EUR 216 million at the end of 2023 as a result of portfolio development. Inflation risk is limited and hedged to a large extent with inflation-linked swaps or bonds.

5.6.2 Risk mitigation
The Inflation risk is managed through the use of inflation-linked swaps and investments in inflation-linked bonds. The exposure to inflation-linked liabilities is limited.

5.7 Basis risk
The SCR Basis risk is defined as a risk that the underlying asset or liability behaves differently than the underlying hedge instrument, which results in the loss in the Solvency II balance sheet.

5.7.1 Risk profile
The SCR for Basis risk is stable.

5.7.2 Risk mitigation
The Basis risk is mitigated by mapping of the underlying funds to risk factors for which hedge instruments are available, and also by constant monitoring of the fund performance compared to the benchmark.

5.8 Concentration risk
For the Standard Formula entities there is an additional SCR for Concentration risk calculated under Standard Formula, which is defined as the risk of loss in the Basic Own Funds as a result of the default of an issuer in which NN Group has a concentrated investment position.

5.8.1 Risk profile
The SCR for Concentration risk on NN Group level remained at nil in 2024.

5.8.2 Risk mitigation
This Concentration risk is mitigated by Concentration risk limits aiming to have a well-diversified portfolio with Credit risk concentrations in any particular issuer within the NN Group risk appetite.

5.9 Market risks within separate account businesses
The separate account businesses are those in which the policyholder bears the majority of the Market and Credit risk. NN Group's earnings from the separate account businesses are primarily driven by fee income. However, in the case of variable annuities (VA), constant proportion portfolio insurance (CPPI) policies and the guaranteed separate account pension business in the Netherlands, NN Group retains risk associated with the guarantees provided to its policyholders. Businesses in this separate account category are (i) the group pension business in the Netherlands for which guarantees are provided and (ii) other separate account business, primarily the unit-linked business, the CPPI business and the VA business.

5.9.1 Separate account guaranteed group pension business in NN Life
Risk profile
In the Dutch separate account guaranteed group pension portfolio, investments are held in separate accounts on behalf of the sponsor employer who concluded their contract with a business unit of NN Group. Regardless of actual returns on these investments, pension benefits for the beneficiaries are guaranteed under the contract. The value of the provided guarantee is sensitive to interest rates, movements in the underlying funds and the volatility of those funds.

The Assets under management for NN Life's portfolio slightly decreased to EUR 2.3 billion at 31 December 2024 compared to EUR 2.4 billion at 31 December 2023. In general, the materiality of the separate account business within NN Group has reduced in the past few years due to the run-off of the portfolio.

Risk mitigation
NN Group currently hedges the value of the guarantees it provided under group pension contracts in the Netherlands. For the purpose of hedging, the exposure under such guarantees is discounted at the swap curve without the extrapolation to the UFR. The hedge programme includes interest rate swaps and equity futures. Upon contract renewal, NN Group offers policyholders defined contribution products with investments in portfolios that NN Group can more easily hedge, thus reducing the risk to NN Group.

Notes to the Consolidated annual accounts continued

5.9.2 Other separate account businesses

Risk profile

The other separate account business primarily consists of unit-linked insurance policies, CPPI policies and variable annuities (VA). Unit-linked insurance policies provide policyholders with selected fund returns combined with an insurance cover. The Investment risk is borne by the policyholder, although there are some unit-linked products where NN Group has provided guarantees on the performance of specific underlying funds. Unit-linked products without guarantees do not expose NN Group to Market risk, except to the extent that the present value of future fees is affected by market movements of the underlying policyholder funds. Variable annuities in the VA Japan and VA Europe business consist of guaranteed minimum accumulation benefit products, guaranteed minimum death benefit products and guaranteed minimum withdrawal benefit products. The CPPI products sold in Spain and Greece are guaranteed minimum accumulation products.

Risk mitigation

The Market risks of the unit-linked and other separate account business are managed by product design. Currently, NN Group does not hedge the Market risks related to the present value of future fee income derived from this business (except for the Japanese VA business). For the Japanese and European VA business, NN Group has hedging programmes in place for the guaranteed benefits targeting Equity, Interest rate, Credit spread, and FX risk as well as Volatility risk. For the CPPI business, NN Group transfers part of the Market risk to external counterparties via bespoke derivatives.

Risk measurement

NN Group determines Eligible Own Funds for the Market and Credit risks of the separate account business through modelling the risks in the fee income and the guarantees including the mitigating effects of the hedge programmes.

6. Counterparty default risk

Counterparty default risk is the risk of loss due to default or deterioration in the credit standing of the counterparties and debtors (including reinsurers) of NN Group. The SCR for Counterparty default risk is primarily based on the issuer's probability of default (PD) and the loss-given- default (LGD) of each individual position taking into account diversification across these positions.

The Counterparty default risk module also covers any Credit risk exposures which are not covered in the Credit spread risk sub-module.

6.1 Risk profile

As shown in the 'Solvency Capital Requirements' table on p.346, the Counterparty default risk SCR of NN Group decreased from EUR 129 million at the end of 2023 to EUR 112 million at the end of 2024, driven primarily by portfolio developments. In the Partial Internal Model the mortgages do not get the capital charge under the Counterparty default risk and are under Credit spread risk SCR sub-module for these business units.

6.2 Risk mitigation

NN Group uses different Credit risk mitigation techniques. For over the counter derivatives, the exchange of collateral under the International Swaps and Derivatives Associations contracts accompanied with Credit Support Annexes is an important example of risk mitigation. Other forms of Credit risk mitigation include reinsurance collateral exchange. For cash and money market funds, limits per counterparty are put in place.

6.3 Risk measurement

The Counterparty default risk (CDR) module comprises two sub-modules:

- CDR Type I: applicable to exposures which might not be diversified and where the counterparty is likely to be (externally) rated, e.g., reinsurance contracts, derivatives and money market exposures. The underlying model is the Ter Berg model (which was also the basis for Standard Formula calibration under Solvency II).
- CDR Type II: applicable to exposures that are usually (well) diversified and where the counterparty is likely to be unrated, like retail loans, but also other forms of term lending not covered in Type I.

The capital charges for CDR Type I and CDR Type II exposures are calculated separately and subsequently aggregated.

6.4 Counterparty default risk in insurance contracts

As of 1 January 2023, NN Group implemented IFRS 17 'Insurance Contracts'. IFRS 17 introduces, among others, additional disclosures related to risk management. Whereas most of these are covered in the relevant sections of this Annual Report, the tables below outline Counterparty default risk arising from insurance and reinsurance contracts. For more information regarding IFRS 17 see section Our performance and Note 12 'Insurance contracts'.

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Counterparty Default Risk exposures[1] arising from insurance and reinsurance contracts at 31 December 2024

2024	Insurance contracts[2]	Reinsurance held as Assets[3]	Reinsurance held as Liabilities[3]	Reinsurance Total[3]
AA		653	–894	–241
A	53	183	–67	116
BBB		14		14
No rating available	1,134	32	–15	18

[1] Maximum exposure given on Solvency II Standard Formula basis. Standard Formula basis is used due to the fact that Standard Formula rating is more conservative. Intercompany exposure is excluded.
[2] Insurance contracts exposure is related to receivables from policyholders, brokers, and tied agents as well as policyholder loans.
[3] Reinsurance exposure is related to, among others, reinsurance recoverables, receivables from and payables to (external) reinsurers.

Counterparty Default Risk exposures[1] arising from insurance and reinsurance contracts at 31 December 2023

2023	Insurance contracts[2]	Reinsurance held as Assets[3]	Reinsurance held as Liabilities[3]	Reinsurance Total[3]
AA		714	–343	371
A	49	221	34	255
BBB		32	–27	5
No rating available	1,106	27	12	39

[1] Maximum exposure given on Solvency II Standard Formula basis. Standard Formula basis is used due to the fact that Standard Formula rating is more conservative. Intercompany exposure is excluded.
[2] Insurance contracts exposure is related to receivables from policyholders, brokers, and tied agents as well as policyholder loans.
[3] Reinsurance exposure is related to, among others, reinsurance recoverables, receivables from and payables to (external) reinsurers.

7. Liquidity risk

Liquidity risk is the risk that one of NN Group's entities does not have sufficient liquid assets to meet its financial obligations when they become due and payable, at reasonable cost and in a timely manner. Liquidity in this context is the availability of funds, or certainty that funds will be available without significant losses, to honour all commitments when due. NN Group manages Liquidity risk via a Liquidity risk framework, ensuring that – even after shock – NN Group's businesses can meet immediate obligations. Liquidity stress events can be caused by a market-wide event or an idiosyncratic NN Group specific event. These events can be short-term or long-term and can both occur on a local, regional or global scale, both through cash flows related to assets and liabilities.

Subsidiaries that trade derivatives are responsible for maintaining sufficient liquidity levels to meet their collateral requirements. For this purpose, liquidity buffers are set to ensure sufficient liquidity is available in an adverse scenario and to ensure the liquidity thresholds are being met.

7.1 Risk profile

Liquidity risk covers three areas of attention. Operational liquidity risk is the risk that liquid funds are unavailable to meet financial obligations when due. Market liquidity risk, is the risk that an asset cannot be sold on short-term without significant losses. Funding risk is the risk related to not being able to refinance maturing debt instruments and may lead to higher funding costs. The connection between Market and Funding liquidity risk stems from the fact that when payments are due and not enough cash is available, investment positions need to be converted into cash. If market liquidity is low or an adverse market movement took place in this situation, this could lead to a loss.

In 2024, Liquidity risk remains relevant to consider given the volatility in interest rates. In case of a significant increase of interest rates, NN Group is exposed to the risk of having to sell assets which contribute to capital generation or to the hedging of liability cash flows. NN Group has a robust liquidity risk management framework in place to manage this risk. A minimum buffer of immediately available liquidity (cash and committed facilities) is maintained. Repurchase agreements (repos), Group cash capital and the revolving credit Facility at Group can further support the liquidity position if needed.

A liquidity event on the liability side, resulting from e.g. payments related to increased lapses or claims, leads to a liquidity outflow which may affect the overall liquidity position of NN Group. This outflow typically occurs over a period of time. NN Group's liquidity metrics demonstrate that NN Group has sufficient cash and unencumbered liquid assets which can be liquidated to fulfill stressed liquidity needs from liabilities in a combined market and liability stress scenario. Selling liquid assets in the case of a lapse event is considered to be a logical consequence since the balance sheet decreases.

7.2 Risk mitigation

NN Group aims to match day-to-day cash in- and outflows and at the same time wants to be able to have sufficient cash in case of a liquidity stress event. NN Group holds a minimum buffer of cash which is immediately available in order to be able to meet collateral calls from derivatives exposures in the case of significant market movements, as well as outflows from liabilities in a stress situation. Furthermore, NN Group has a wide range of options to generate additional liquidity, if necessary, amongst which committed repo facilities which are available at all times and a revolving credit facility.

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NN Group Liquidity Management Principles defines three levels of Liquidity Management:
- Short-term liquidity (including operational liquidity) management covers the day-to-day cash requirements under normal business conditions.
- Long-term liquidity management considers business conditions, in which Market liquidity risk materialises.
- Stress liquidity management looks at the company's ability to respond to a potential crisis situation.

7.3 Risk measurement

NN Group measures Liquidity risk as the difference between liquidity needs and liquidity sources available for sale in a stress event for different time horizons. Liquidity risk is not part of NN Group's Partial Internal Model.

8. Non-market risk

Within the SCR Partial Internal Model a differentiation is made for the classification of Non-market risks for different NN Group entities depending on the model applied.

For the business units applying Partial Internal Model, Non-market risks are split between:
- Insurance risk: is the risk related to the events insured by NN Group and comprise Actuarial and Underwriting risks such as Mortality risk (including Longevity), Morbidity risk, and Property & Casualty risk which result from the pricing and acceptance of insurance contracts.
- Business risk: is the risk related to the management and development of the insurance portfolio but exclude risks directly connected to insured events. Business risk includes Expense risk, Persistency risk, and Premium re-rating risk. Business risks can occur because of internal, industry, regulatory/political or wider market factors. Persistency risk is the risk that policyholders use options available in the insurance contracts in a way that is different from that expected by NN Group. Depending on the terms and conditions of the insurance policy, and the laws and regulations applicable to the policy, policyholders could have the option to surrender, change premiums, change investment fund selections, extend their contracts, take out policy loans, and make choices about how to continue their annuity and pension savings contracts after the accumulation phase, or even change contract details. Policyholder behaviour therefore affects the profitability of the insurance contracts. Changes in tax laws and regulations can affect policyholder behaviour, particularly when the tax treatment of their products affects the attractiveness of these products for customers.

For the uusiness Units applying Standard Formula, Non-market risks are split between:
- Life risk: the life portfolio is mainly attributed to the individual and group business in the international entities of NN Group (mainly Belgium, Spain Life, Poland). This risk comprises the Mortality, Longevity, Disability-morbidity, Expense, Lapse, and Life catastrophe risks.
- Health risk: this covers the Similar to Life Techniques (SLT) Health portfolio risk (comprising Mortality, Longevity, Disability-morbidity, Expense and Lapse risks), the Non-SLT (NSLT) Health portfolio risk (comprising Premium and Reserve risk and Lapse risk), and the Health catastrophe risk. Within NN Group, the Health risk stems from morbidity riders in Belgium, Poland, Slovakia, Romania, from the yearly renewable health insurance portfolio of Greece and Hungary.
- Non-life risk: this covers Non-life portfolio mainly contributed by ABN AMRO Non-life. This risk covers the Premium and Reserve risk, Non-life catastrophe risk, and Lapse risk.

8.1 Risk profile

The table below presents the Non-market risk SCR composition at the end of 2024 and at the end of 2023, respectively. The main changes in the risk profile are explained in the subsequent section of this document.

Non-market risk capital requirements

	2024	2023
Insurance risk (IM entities)	2,641	2,480
Business risk (IM entities)	1,729	1,846
Life risk (SF entities)	1,286	1,190
Health risk (SF entities)	325	289
Non-life risk (SF entities)	100	89
Diversification non-market risk	–1,115	–1,121
Non-market risk	**4,966**	**4,773**

The Non-market risk SCR increased from EUR 4,773 million in 2023 to EUR 4,966 million in 2024.

The increase is predominantly driven by lower interest rates and the impact of model changes mainly at NN Non-Life, partially offset by the impact of longevity reinsurance at NN Life.

Notes to the Consolidated annual accounts continued

8.2 Risk mitigation

Proper pricing, underwriting, claims management and diversification are the main risk mitigating actions for Insurance risks.

NN Group Insurance risks are mainly managed on business unit level. Insurance liabilities cover multiple geographies, product benefits, lengths of contract and both Life and Non-life risk, NN Group reduces the likelihood that a single risk event will have a material impact on NN Group's financial condition. Risks not sufficiently mitigated by diversification are managed through concentration and exposure limits and through reinsurance: retention limits for Non-life insurance risks are set by line of business for catastrophic events and individual risk.

Furthermore, Insurance risks are managed through terms and conditions of the insurance policies to ensure that NN Group underwriting is correctly aligned with the intended policyholder benefits to mitigate the risk that unintended benefits are covered. This is achieved through NN Group's underwriting standards, product design requirements, and product approval and review processes – as referred to under Risk Management Policies, Standards and Processes.

8.3 Insurance risk

Insurance risk is the risk that the future insurance claims and other contractual benefits cannot be covered by premiums, policy fees and/or investment income or that insurance liabilities are not sufficient because claims and benefits might differ from the assumptions used in determining the best estimate liability. Insurance risk manifests itself in the life as well as in the Non-life portfolio of NN Group.

8.3.1 Risk profile

The table below presents the Partial Internal Model Insurance risk SCR for the Dutch NN insurance entities of NN Group (namely NN Life, NN Non-life and NN Re) as at 31 December 2024 and 31 December 2023, respectively.

Insurance risk capital requirements

	2024	2023
Mortality (including longevity) risk	1,969	1,975
Morbidity risk	1,295	981
Property & Casualty risk	816	815
Diversification insurance risk	–1,439	–1,291
Insurance risk (IM entities)	**2,641**	**2,480**

Increase in the Insurance risk SCR is mostly driven by lower interest rates, as well as the impact of model changes at NN Non-Life related to morbidity risk.

Mortality risk occurs when claims are higher due to higher mortality experience (for instance in relation to term insurance). Longevity risk is the risk that technical provisions to cover insurance obligations will not be sufficient due to higher than expected life expectancies arising from mortality improvements such as better living conditions, improved health care, and medical breakthroughs. While NN Group is exposed to both Longevity and Mortality risks, these risks do not fully offset one another as the impact of the Longevity risks in the pension business in the Netherlands is significantly larger than the Mortality risk in the other businesses.

Morbidity risk is borne primarily by the health insurance portfolio which pays out a fixed amount benefit, reimburses losses (e.g. in the case of loss of income), or pays for expenses of medical treatment related to certain illness or disability events. The main exposures to Morbidity risks within NN Group are the disability insurance policies underwritten in Netherlands Non-life.

Non-life portfolio includes Property & Casualty (P&C) products covering risks such as fire damage, car accidents, personal and professional liability, windstorms, hail, and third-party liabilities. The P&C risk is primarily underwritten by Netherlands Non-life and catastrophic losses are partially mitigated to external reinsurers through NN Re.

The additional (physical) impact of climate change on the Insurance risk is not quantified yet but is expected to be limited because of the shorter time horizon of one year used to define the Solvency Capital Requirements. NN Group performs qualitative and quantitative risk assessments to assess the physical impact of climate change on various Non-life product lines based on the latest IPCC scenarios and taking into account various time horizons. We refer to the 'Anticipated financial effects' section of the Sustainability Statement of this report.

8.3.2 Risk mitigation

Insurance risk is mitigated through diversification between NN Group business units, between Mortality and Longevity risks within NN Group business units, appropriate pricing, underwriting and claims management policies, and risk transfer via reinsurance and index-based hedges, which are used to reduce the Own Funds volatility.

Notes to the Consolidated annual accounts continued

The risks that are not sufficiently mitigated by diversification are managed through concentration and exposure limits and through reinsurance:
- Retention limits for Life insurance risks are set per insured life and significant mortality events affecting multiple lives such as pandemics.
- Retention is used to manage risk levels (such as Non-life reinsurance and morbidity reinsurance in Japan Life).
- Retention limits for Non-life insurance risks are set by line of business for catastrophic events and individual risks.

For NN Non-life natural catastrophic events are a major risk. One of the main natural catastrophe threatening the Netherlands is storms causing severe wind damage. NN Non-life has a reinsurance programme in place, offering protection against severe storms and other natural perils. In addition, reinsurance contracts per risk group are in place, covering NN Non-life against large one-off events such as fires.

The reinsurance programmes are in general facilitated by NN Re. In addition, reinsurance creates Credit risk which is managed in line with the Reinsurance Standard of NN Group.

8.4 Business risk

Business risk include risks related to the management and development of the Insurance risk, Persistency risk, and Expense risks. These risks occur because of internal, industry, regulatory/political, or wider market factors.

8.4.1 Risk profile

The table below presents the Partial Internal Model Business risk SCR for the Dutch NN insurance entities of NN Group as at 31 December 2024 and 31 December 2023, respectively.

Business risk capital requirements

	2024	2023
Persistency risk	605	632
Premium risk	1	1
Expense risk	1,529	1,564
Diversification business risk	–406	–351
Business risk (IM entities)	**1,729**	**1,846**

The Persistency risk SCR decreased from EUR 632 million in 2023 to EUR 605 million in 2024 primarily due to model refinements.

The SCR for Expense risk decreased from EUR 1,564 million in 2023 to EUR 1,529 million in 2024. The decrease is due to model refinements that is partially offset by decreased interest rates. This SCR reflects the risk that future actual expenses exceed the expenses assumed in our best estimate provisions. Expense risk comprises Expense level and Expense inflation risks, materially driven by NN Life.

8.4.2 Risk mitigation

Persistency and Premium risks are managed through the product development, product approval and review processes and by ensuring that appropriate advice is given to the customer, not only at the point of sale but also during the lifetime of the product. The policyholder behaviour experience of in-force policies is assessed at least annually.

As part of its strategy, NN Group has put several programmes in place to improve the customer experience. These programmes improve the match between customer needs and the benefits and options provided by NN Group's products. Over time, NN Group's understanding and anticipation of the choice policyholders are likely to make, will improve, thereby decreasing the risk of a mismatch between actual and assumed policyholder behaviour.

Ongoing initiatives are in place to manage Expense risk throughout NN Group, especially in the Netherlands where company targets are in place to reduce expenses, thus, lowering Expense risk going forward. These initiatives seek to reduce expenses in line with the number of underlying contracts in place. Besides the already described mitigating actions, proper pricing, underwriting, claims management, and diversification are also risk mitigating actions for Business risk.

8.5 Life risk

Life risk includes risks arising from the underwriting of life insurances of the business units applying Standard Formula and is split into Mortality risk, Longevity risk, Disability/Morbidity risk, Persistency risk, Expense risk, Revision risk, and Catastrophic risk. These risks refer to the adverse deviation from the best estimate liabilities due to the perils covered, policyholder behaviour and the processes used in the conduct of business.

Notes to the Consolidated annual accounts continued

8.5.1 Risk profile

Life risk capital requirements

	2024	2023
Mortality risk	104	99
Longevity risk	59	57
Morbidity risk	16	14
Expense risk	356	361
Lapse risk	997	897
Catastrophe risk	118	110
Diversification life risk	–364	–348
Life risk (SF entities)	**1,286**	**1,190**

As shown in the table above, the Life risk SCR for the SF business units increased slightly from EUR 1,190 million in 2023 to EUR 1,286 million in 2024 mainly due to portfolio development.

8.5.2 Risk mitigation

The majority of Life risk is comprised of Lapse, Expense and Mortality risks (in Standard Formula entities) mainly from the international NN Group entities (Belgium, Poland, Spain).

The NN Group Standard Formula entities manage the Expense risk through detailed budgeting and monitoring the costs using activity-based costing.

Lapse risk management serves an important objective for NN Group entities. When deviations from assumed lapse rates are observed over a prolonged period of time, a product review and further management actions are taken to address the underlying reasons.

8.6 Health risk

Health risk arises from issuing health insurance contracts, which is divided in Similar to Life Techniques (SLT) risk, Non-Similar to Life Techniques (NSLT) risk and Catastrophe risk. SLT risk is associated to health obligations pursued on a similar technical basis to that of life insurance, while NSLT risk applies to health obligations not pursued on a similar technical basis to that of life insurance. These risks refer to the adverse deviation from the best estimate liabilities due to the perils covered, policyholder behaviour and the processes used in the conduct of business.

8.6.1 Risk profile

Health risk capital requirements

	2024	2023
SLT	302	268
NSLT	24	22
Catastrophe risk	33	32
Diversification health risk	–34	–33
Health risk (SF entities)	**325**	**289**

As shown in the table above, the Health risk SCR of the business units applying Standard Formula increased from EUR 289 million in 2023 to EUR 325 million in 2024. The increase is mainly explained by portfolio development.

8.6.2. Risk mitigation

The majority of Health risk originates from international NN Group entities (Belgium, Poland, Slovakia and Romania). They mitigate the risks by strict acceptance policies and stringent claims-handling procedures. An acceptance policy and internal control processes are developed for each product line maintained by those entities.

8.7 Non-life risk

Non-life risk involves risks arising from the underwriting of Non-life insurance, which includes Premium and Reserve risk, Persistency risk and Catastrophic risk. These risks refer to the adverse deviation from the best estimate liabilities due to the perils covered, policyholder behaviour and the processes used in the conduct of business.

8.7.1 Risk profile

Non-life risk capital requirements

	2024	2023
Premium and reserve risk	83	78
Lapse risk	19	16
Catastrophe risk	35	24
Diversification non-life risk	–37	–29
Non-life risk (SF entities)	**100**	**89**

As shown in the table above, the Non-life risk SCR of the business units applying Standard Formula increased from EUR 89 million in 2023 to EUR 100 million in 2024 mainly due to portfolio development.

8.7.2 Risk mitigation

Non-life risk is mitigated through appropriate pricing and underwriting policies and through risk transfer via reinsurance. Most of the Non-life risk comes from ABN AMRO Non-life, and they manage the risk using various reinsurance contracts.

49 Capital and liquidity management

Objectives, policies and processes

Objective

The goal of NN Group's capital and liquidity management is to adequately capitalise NN Group and its operating entities at all times to meet the interests of our stakeholders, including our customers and shareholders. The balance sheet is assessed in line with our capital management framework which is based on regulatory, economic and rating agency requirements. NN Group closely monitors and manages the following metrics: Own Funds/Solvency Capital Requirement (SCR), cash capital at the holding company, financial leverage, fixed cost coverage, capital generation and liquidity.

Governance

The NN Group Capital Management and Corporate Treasury Department reports to the NN Group CFO. Activities of the department are executed on the basis of established policies, guidelines and procedures.

Capital Management is responsible for the sufficient capitalisation of NN Group entities, which involves the management, planning and allocation of capital within NN Group. Corporate Treasury is responsible for the management and execution of debt capital market transactions, term (capital) funding, cash management and risk management transactions.

Capital management and framework

NN Group manages its capital along a three-pillar framework taking into account the solvency positions at NN Group and its operating entities, cash capital at holding, and financial and debt metrics:

- NN Group defines a comfort zone between 150%-200% Group Solvency ratio where NN Group intends to pay a progressive dividend per share and execute an annual share buyback. In the case of a Group Solvency ratio sustainably above 200%, there is an opportunity to increase the share buyback further. NN Group aims to capitalise its operating entities adequately at all times. Operating entities have to comply with the local statutory capital frameworks that are under supervision of local regulators. To ensure adequate capitalisation, they are managed to commercial capital target levels, which are set in accordance with the risk associated with the business activities, commercial requirements and other relevant factors. The commercial capital target levels are set in local legal entity capital policies and approved by the Management Board of NN Group. Capital adequacy is ensured through the capital planning process which starts with the annual budgeting process in which a capital plan is prepared for NN Group and its operating entities with a time horizon of 5 years. NN Group's risk appetite statements, as further described in Note 48 'Risk Management', drive the target setting and are cascaded down to the operating entities in line with NN Group's risk management strategy. Other important factors which are considered in the capital plan are efficient capital allocation, the cost of capital and capital generation. Capital positions of operating entities are closely monitored and, if necessary, measures are taken to ensure capital adequacy. At the end of 2024, all operating entities were capitalised above their local regulatory requirements.
- In addition, cash capital is held at the holding company to cover capital needs of the entities after a 1-in-20 year stress event and to cover financial leverage costs and holding company expenses for a period of at least 12 months. The free cash flow to the holding is the cash made available to NN Group, and is driven by remittances and capital injections with subsidiaries, financial leverage costs and holding company expenses. This can be distributed to shareholders (reference is made to Note 11 'Equity' for information on distributable reserves), used to reduce debt or for other corporate purposes. The free cash flow to the holding is closely monitored and forecasted on a regular basis.
- NN Group aims to maintain a financial leverage and fixed-cost coverage ratio consistent with a single 'A' financial strength rating. Financial leverage measures the amount of debt that NN Group issued to capitalise its businesses. Debt used for funding of operating activities or liquidity needs is not considered financial leverage. The fixed-cost coverage ratio measures the ability of NN Group to pay its financing expenses and is defined as the earnings before interest and tax (EBIT) divided by interest before tax on financial leverage. Special items, revaluations on derivatives that are non-eligible for hedge accounting, market and other impacts and amortisation of acquisition intangibles are excluded from EBIT.

Notes to the Consolidated annual accounts continued

Liquidity management

NN Group monitors and manages its liquidity risk based on certain severe stress scenarios, assessed by operating entities and aggregated at the group level. Liquidity positions are periodically reported and monitored both on an individual entity and on a consolidated basis.

NN Group measures liquidity risk as the difference between liquidity needs and liquidity sources available for sale in a stress event for different time horizons. At 31 December 2024, the liquidity position of all entities was adequate (reference is made to Note 48 ‘Risk Management’ for more information on liquidity risk management).

For the Banking business, the Dutch Central Bank (DNB) requires an annual internal evaluation of capital adequacy, liquidity position and the risk management framework, including stress testing. This internal evaluation is performed using an Internal Capital and Liquidity Adequacy Assessment Process (ICAAP and ILAAP) and reviewed by DNB in its Supervisory Review & Evaluation Process (SREP). The ICAAP, ILAAP, and SREP show that NN Bank has a robust capital and liquidity position.

NN Group has an undrawn syndicated revolving credit facility of EUR 1.9 billion. In October 2024 the maturity of the revolving credit facility was extended with one year to 2028. The facility is available until its maturity in 2028. In 2023 and 2024, no amounts were drawn under the revolving credit facility.

Significant events of 2024 are listed below in chronological order

On 9 January 2024, NN Group announced a settlement with interest groups ConsumentenClaim, Woekerpolis.nl, Woekerpolisproces, Wakkerpolis and Consumentenbond regarding unit-linked products sold in the Netherlands by Nationale-Nederlanden, including Delta Lloyd and ABN AMRO Life. Reference is made to Note 41 ‘Legal Proceedings’ for more information.

On 29 February 2024, NN Group announced an open market share buyback programme for an amount of EUR 300 million within 9 months, which commenced on 2 April 2024. The share buyback programme was completed on 12 December 2024.

On 12 March 2024, NN Group issued EUR 750 million of undated subordinated notes. The EUR 750 million undated subordinated notes are first callable on 12 September 2030. The coupon is fixed at 6.375% per annum until the first coupon reset date on 12 March 2031 and will be reset every fifth year thereafter. The undated subordinated notes qualify as restricted Tier 1 regulatory capital.

On 13 March 2024, the tender offer announced by NN Group on 4 March 2024 was settled. NN Group repurchased EUR 287 million of the outstanding EUR 415 million undated subordinated notes issued in 2014. On 23 May 2024, NN Group announced the early redemption of the remaining EUR 128 million undated subordinated notes on the first call date 13 June 2024.

On 20 March 2024, NN Group announced the early redemption of the outstanding EUR 335 million dated subordinated notes issued in 2014 on the first call date 8 April 2024.

On 20 June 2024, NN Group paid a 2023 final dividend of EUR 2.08 per ordinary share, equivalent to EUR 566 million in total. To neutralise the dilutive effect of the stock dividend on earnings per share, NN Group announced the repurchase of ordinary shares for a total of EUR 232 million. The share buyback programme was completed on 30 August 2024.

On 27 August 2024, NN Group paid a 2024 interim dividend of EUR 1.28 per ordinary share, equivalent to EUR 347 million in total. The 2024 interim dividend was fully paid in cash.

On 25 September 2024, NN Group announced it had reached an agreement to sell its Turkish operations to Zurich Türkiye. The transaction was completed on 10 January 2025. The completion of the transaction followed the fulfilment of the customary closing conditions, including receipt of all necessary regulatory approvals.

Solvency II

Solvency II is the regulatory framework for (re-)insurance undertakings and groups domiciled in the EU.

Under the Solvency II regime, required capital (Solvency Capital Requirement) is risk-based and calculated as the post-tax value-at-risk at the confidence interval of 99.5% on a one-year horizon. Available capital (Own Funds) is determined as the excess of assets over liabilities, both based on economic valuations, plus qualifying subordinated debt. The EU Solvency II directive requires that (re-)insurance undertakings and groups hold sufficient Eligible Own Funds to cover the SCR.

NN Group is the holding company of licensed insurers and banking businesses. Regulated entities which from local regulatory perspective are not subject to the Solvency II regime (e.g. pension funds in Central Europe, NN Bank, BeFrank and BeFrank PPI) are included in Own Funds based on their local available capital and in SCR based on required capital defined by sectoral supervisory rules. NN Life Japan is included in Own Funds and SCR based on its available and required capital determined according to the local solvency regime recognised by the European Commission as provisionally equivalent.

Notes to the Consolidated annual accounts continued

NN Group uses the Partial Internal Model (PIM) to calculate capital requirements under Solvency II. The group capital model is named as such due to the fact that an Internal Model is used to calculate the capital requirements for the Dutch insurance entities (namely NN Life, NN Non-life and NN Re in the Netherlands), while the Standard Formula is used to calculate capital requirements for operational risk (across the group), for the international insurance entities that fall under Solvency II, and for ABN AMRO Non-life.

Further details on the NN Group capital requirements at 31 December 2024 are provided in Note 48 'Risk Management'.

After a long period of negotiations between the European Commission, the European Council and the European Parliament, a revised Solvency II directive (Level I) was published in the Official Journal of 8 January 2025. The amended regulation will be effective as of 30 January 2027, which means that reporting after this date will reflect the changes from the Solvency II 2020 review. Some key aspects in the agreement are not detailed out in the Solvency II directive but will be clarified later in the process (part of Level II and Level III). This relates for example to the parameterisation of elements that are relevant for the determination of the risk margin and the Volatility Adjustment. The revised Solvency II directive forms the basis for the revision of the Level II and III regulation, which can lead to further changes. Based on the Level I text and current market conditions, NN Group remains comfortable with its solvency position and does not expect changes to its dividend policy.

Eligible Own Funds and Solvency Capital Requirement

	2024	2023
Shareholders' equity	19,831	19,624
Minority interest	85	79
Elimination of intangible assets	–1,197	–1,234
Valuation differences on assets	–1,362	–1,361
Valuation differences on liabilities, including insurance and investment contracts	–4,294	–2,998
Deferred tax effect on valuation differences	1,516	1,132
Difference in treatment of non-Solvency II regulated entities	–12	–3
Excess assets/liabilities	**14,567**	**15,240**
Qualifying subordinated debt	4,188	4,127
Foreseeable dividends and distributions	–683	–681
Basic Own Funds	**18,072**	**18,685**
Non-available Own Funds	867	896
Non-eligible Own Funds	179	98
Eligible Own Funds (a)	**17,026**	**17,691**
– of which Tier 1 unrestricted	9,578	10,388
– of which Tier 1 restricted	1,783	1,414
– of which Tier 2	2,361	2,631
– of which Tier 3	1,105	1,144
– of which non-Solvency II regulated entities	2,199	2,113
Solvency Capital Requirements (b)	**8,786**	**8,990**
– of which from solvency II entities	7,363	7,628
– of which from non-solvency II entities	1,423	1,362
NN Group Solvency II ratio (a/b)1	**194%**	**197%**

1 The Solvency ratio is not final until filed with the regulator.

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NN Group was adequately capitalised at 31 December 2024 with a Solvency II ratio of 194% based on the Partial Internal Model.

The NN Group Solvency II ratio decreased to 194% from 197% at the end of 2023, mainly due to capital flows to shareholders, adverse market impacts and other changes, partly offset by operating capital generation as well as management actions. Market impacts mainly reflect movements in government bond spreads and negative equity variance. Other changes mainly consist of regulatory changes, including the impact of the reduction of the Ultimate Forward Rate, an update of the Volatility Adjustment representative portfolio by EIOPA and the counter-cyclical buffer step-up of NN Bank, as well as model and assumption changes.

Eligible Own Funds decreased to EUR 17,026 million at 31 December 2024 from EUR 17,691 million at 31 December 2023. The decrease was mainly driven by capital flows to shareholders and the aforementioned market impacts, regulatory changes and model and assumption changes, partly offset by operating capital generation.

The SCR of NN Group decreased to EUR 8,786 million at 31 December 2024 from EUR 8,990 million at 31 December 2023. The decrease was mainly driven by management actions, partly offset by regulatory changes.

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Structure, amount and quality of Own Funds

Subordinated liabilities included in NN Group Own Funds

Interest rate	Issue[1]	Year of issue	Notional	First call date	Due date	Own Funds tier	Solvency II value	
							2024	2023
4.500%	NN Group N.V.	2014	1,000	15 January 2026	Perpetual	Tier 1	1,011	994
4.625%	NN Group N.V.	2017	850	13 January 2028	13 January 2048	Tier 2	849	830
5.250%	NN Group N.V.	2022	500	30 August 2032	1 March 2043	Tier 2	510	503
6.000%	NN Group N.V.	2023	1,000	3 May 2033	3 November 2043	Tier 2	1,047	1,037
6.375%	NN Group N.V. [2]	2024	750	12 September 2030	Perpetual	Tier 1	771	
4.375%	NN Group N.V.[3,4]	2014	415	13 June 2024	Perpetual	Tier 1		420
4.625%	NN Group N.V.[5]	2014	335	8 April 2024	8 April 2044	Tier 2		334

1 All securities are listed on Euronext Amsterdam, except the EUR 750 million Tier 1 notes issued in 2024, which are listed on Euronext Dublin.
2 These securities possess a principal loss-absorbency mechanism such that, in case of specified trigger events related to non-compliance with the SCR or MCR as specified in Solvency II legislation, (part of) the principal amount of the notes can be (temporarily) written-down to immediately absorb losses.
3 These securities were originally issued by Delta Lloyd N.V. which was merged into NN Group N.V. at the end of 2017.
4 These securities were part of two tender offers announced on 25 April 2023 and 4 March 2024 by NN Group. The notional presented is the remaining notional at year-end 2023.
5 These securities were part of a tender offer announced on 25 April 2023 by NN Group. The notional presented is the remaining notional at year-end 2023.

The undated subordinated notes issued in 2014 with a notional amount of EUR 1 billion have a coupon of 4.50% and are fully paid in. NN Group N.V. has the right to redeem these notes on the first call date on 15 January 2026 or on any interest payment date thereafter. The subordinated notes are classified as Restricted Tier 1 capital based on the transitional provisions (grandfathering). These subordinated notes are grandfathered for a maximum period of 10 years until 1 January 2026.

The dated subordinated notes issued in 2017 with a notional amount of EUR 850 million have a coupon of 4.625%, maturity date on 13 January 2048, and are fully paid in. NN Group N.V. has the right to redeem these notes on the first call date on 13 January 2028 or on any interest payment date thereafter. These subordinated notes qualify as Tier 2 capital.

The dated subordinated notes issued in 2022 with a notional amount of EUR 500 million have a coupon of 5.25%, maturity date on 1 March 2043, and are fully paid in. It was the first issuance under NN Group's Sustainability Bond Framework. NN Group N.V. has the right to redeem these notes on the first call date of 30 August 2032 or any other interest payment date thereafter. These subordinated notes qualify as Tier 2 capital.

The dated subordinated notes issued in 2023 with a notional amount of EUR 1 billion have a coupon of 6.00%, maturity date on 3 November 2043, and are fully paid in. It was the second issuance under NN Group's Sustainability Bond Framework. NN Group N.V. has the right to redeem these notes on the first call date of 3 May 2033 or any other interest payment date thereafter. These subordinated notes qualify as Tier 2 capital.

The undated subordinated notes issued in 2024 with a notional amount of EUR 750 million have a coupon of 6.375% and are fully paid in. NN Group N.V. has the right to redeem these notes on the first call date on 12 September 2030 or on any interest payment date thereafter. These subordinated notes qualify as Restricted Tier 1 capital.

The undated subordinated notes (originally issued by Delta Lloyd N.V. in 2014) with outstanding notional amount of EUR 128 million (EUR 415 million outstanding notional amount at year-end 2023) were redeemed on the first call date of 13 June 2024.

The dated subordinated notes issued in 2014 with outstanding notional amount of EUR 335 million were redeemed on the first call date of 8 April 2024.

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Eligible Own Funds

NN Group Own Funds are classified into three tiers as follows:

- The excess of assets over liabilities on the basis of consolidated accounts excluding net Deferred Tax Asset is classified as (unrestricted) Tier 1.
- The proportional share in the Own Funds of BeFrank, BeFrank PPI and pension funds in Central Europe is classified as (unrestricted) Tier 1.
- The proportional share in the Eligible Own Funds of NN Life Japan is classified as (unrestricted) Tier 1 (European Commission recognised the solvency regime applied to the insurance undertakings in Japan as provisionally equivalent to Solvency II according to Commission Delegated Decision (EU) 2016/310 of 26 November 2015).
- The proportional share in the Own Funds of NN Bank is classified as (unrestricted) Tier 1 with the exception of the subordinated loans which are classified as Tier 2.
- Undated subordinated notes are classified as (restricted) Tier 1 including those based on the transitional provisions (grandfathering).
- Dated subordinated debt is classified as Tier 2.
- The Net Deferred Tax Asset (Deferred tax assets and liabilities are offset only where such assets and liabilities relate to taxes levied by the same tax authority on the same taxable undertaking) is classified as Tier 3.

As at 31 December 2024 and 2023, NN Group had no ancillary Own Funds.

There are a number of regulatory restrictions on the amounts classified as Restricted Tier 1, Tier 2 and Tier 3 capital. The following restrictions have to be taken into account:

- Restricted Tier 1 capital cannot exceed 20% of the total Tier 1 amount.
- The proportion of Tier 1 items in the Eligible Own Funds should be higher than one third of the total amount of Eligible Own Funds.
- Tier 2 and Tier 3 capital together cannot exceed 50% of the SCR.
- Tier 3 capital cannot exceed 15% of the Solvency Capital Requirements.
- Tier 3 capital cannot exceed one third of the total amount of Eligible Own Funds.

The application of the regulatory restrictions as at 31 December 2024 is reflected in the table below.

Eligible Own Funds to cover the Solvency Capital Requirement

	Available Own Funds 2024	Eligible Own Funds 2024	Available Own Funds 2023	Eligible Own Funds 2023	Eligibility restriction
Tier 1	11,361	11,361	11,802	11,802	More than one third of total EOF
Of which:					
– Unrestricted Tier 1	9,578	9,578	10,388	10,388	Not applicable
– Restricted Tier 1	1,783	1,783	1,414	1,414	Less than 20% of Tier 1
Tier 2 + Tier 3	3,645	3,465	3,873	3,775	Less than 50% of SCR
Tier 2	2,361	2,361	2,631	2,631	
Tier 3	1,284	1,105	1,243	1,144	Less than 15% of SCR; Less than one third of total EOF
Non-Solvency II regulated entities	2,199	2,199	2,113	2,113	
Total Own Funds	**17,205**	**17,026**	**17,789**	**17,691**	

Transferability and fungibility of Own Funds

NN Group adjusts the group Own Funds taking into account the value of own fund items that cannot effectively be made available to cover the group SCR. These are the own fund items of related undertakings subject to legal and regulatory constraints that restrict the ability of those items to absorb all types of loss within the group and/or transferability of assets. Based on NN Group's assessment these own fund items mainly include:

- Differences between valuations of assets and liabilities based on Solvency II principles and according to principles that related undertakings use to prepare respective local annual accounts.
- For NN Life Japan, own fund items according to local rules but which are not part of shareholders' equity.
- For NN Bank, own funds covering pillar II guidance issued by regulator.
- The transitional measures on risk-free interest rates and technical provisions.
- Legal reserves set up according to local company law.
- Any minority interest in a related undertaking.

Notes to the Consolidated annual accounts continued

These own fund items are included in NN Group Own Funds to the extent they are eligible for covering contribution of the respective related undertaking to the NN Group's SCR. On 31 December 2024 excess non-available own funds amounted to EUR 867 million. On 31 December 2023, this amount was EUR 896 million.

Cash capital position at the holding company

NN Group holds a cash capital position at the holding company to cover capital needs of the entities after a stress event and to cover financial leverage costs and holding company expenses for a period of at least 12 months. Cash capital is defined as net current assets available at the holding company. NN Group is comfortable with a cash capital position at the holding company to be in a range of EUR 0.5 billion and EUR 1.5 billion. A related metric is the free cash flow at the holding which is defined as the change in the cash capital position at the holding company over the period, excluding acquisitions, divestments, and capital transactions with shareholders and debtholders.

Cash capital position at the holding company

	2024	2023
Cash capital position at the holding company - opening balance	971	2,081
Remittances from subsidiaries[1]	1,877	1,855
Capital injections into subsidiaries[2]	–91	–1,117
Other[3]	–267	–267
Free cash flow to the holding[4]	**1,519**	**470**
Cash divestment proceeds	0	0
Acquisitions	0	–20
Capital flow to shareholders	–1,213	–1,053
Increase/decrease in debt and loans	–6	–507
Cash capital position at the holding company - closing balance	**1,271**	**971**

1 Includes interest on and repayment/redemption of intragroup subordinated loans provided to subsidiaries by the holding company.
2 Includes subordinated loans provided to subsidiaries by the holding company.
3 Includes interest on subordinated loans and debt with external debtholders, holding company expenses and other cash flows.
4 Free cash flow to the holding company is defined as the change in cash capital position of the holding company over the period, excluding acquisitions, divestment proceeds and capital transactions with shareholders and debtholders.

The cash capital position at the holding company increased to EUR 1,271 million from EUR 971 million at the end of 2023. This reflects remittances from subsidiaries, partly offset by capital flows to shareholders as well as other movements including holding company expenses, interest on loans and debt and other holding company cash flows. Capital flows to shareholders comprise the 2023 final and 2024 interim cash dividends of EUR 334 million and EUR 347 million respectively and the repurchase of EUR 532 million of own shares.

Financial leverage

The financial leverage and fixed-cost coverage ratio are managed in accordance with a single 'A' financial strength rating target.

Financial leverage

	2024	2023
Shareholders' equity	19,831	19,624
Contractual service margin after tax[1]	5,458	4,861
Minority interest	85	79
Capital base for financial leverage (a)	**25,374**	**24,564**
– Undated subordinated notes[2]	1,736	1,416
– Subordinated debt	2,346	2,680
Total subordinated debt	**4,082**	**4,096**
Debt securities issued	1,196	1,195
Financial leverage (b)	**5,278**	**5,291**
Financial leverage ratio (b/(a+b))	17.2%	17.7%
Fixed-cost coverage ratio[3]	10.2x	8.7x

1 Contractual service margin after tax and net of reinsurance is included in the capital base for financial leverage ratio in the calculation based on IFRS 9/ IFRS 17.
2 The undated subordinated notes classified as equity are considered financial leverage in the calculation of the financial leverage ratio. The related interest is included on an accrual basis in the calculation of the fixed-cost coverage ratio.
3 Measures the ability of earnings before interest and tax (EBIT) to cover funding costs on financial leverage. Special items, revaluations on derivatives that are non-eligible for hedge accounting, market and other impacts and amortisation of acquisition intangibles are excluded from EBIT.

Notes to the Consolidated annual accounts continued

The financial leverage ratio of NN Group decreased to 17.2% from 17.7% at the end 2023. This reflects the increase of the capital base driven by the increase of CSM and the net result, partly offset by capital flows to shareholders.

The debt transactions in 2024 had no material impact on the financial leverage position. These include the issuance of EUR 750 million of undated subordinated notes, the repurchase of EUR 287 million and redemption of EUR 128 million of undated subordinated notes, and the redemption of EUR 335 million of dated subordinated notes.

The fixed-cost coverage ratio (on the basis of the last 12 months) increased to 10.2x from 8.7x at the end of 2023. This mainly reflects higher revaluations on real estate, partly offset by realised losses on the sale of debt securities and loans.

Proposed 2024 final dividend

At the annual general meeting on 15 May 2025, a final dividend will be proposed of EUR 2.16 per ordinary share, or approximately EUR 578 million in total based on the current number of outstanding shares (net of treasury shares). The final dividend will be paid fully in cash, after deduction of withholding tax. If the proposed dividend is adopted by the General Meeting, NN Group ordinary shares will be quoted ex-dividend on 19 May 2025. The record date for the dividend will be 20 May 2025. The dividend will be payable on 27 May 2025. (For more information: https://www.nn-group.com/investors/share-information/dividend-policy-and-dividend-history.htm).

On 27 August 2024, NN Group paid an interim dividend of EUR 1.28 per ordinary share, equivalent to EUR 347 million in total. The 2024 interim dividend was fully paid in cash. The proposed 2024 final dividend of EUR 2.16 per ordinary share plus the 2024 interim dividend of EUR 1.28 per ordinary share gives a total dividend for 2024 of EUR 3.44 per ordinary share.

On 20 June 2024, NN Group paid the 2023 final dividend of EUR 2.08 per ordinary share, equivalent to EUR 566 million in total.

Share buyback

On 20 February 2025, NN Group announced that it will execute an open market share buyback programme for an amount of EUR 300 million. The programme will be executed within ten months and is anticipated to commence on 3 March 2025. The share buyback will be deducted in full from Solvency II Own Funds in the first half of 2025 and is estimated to reduce NN Group's Solvency II ratio by approximately 3%-points.

The share buyback programmes will be executed within the limitations of the existing authority granted by the General Meeting on 24 May 2024 and such authority to be granted by the General Meeting on 15 May 2025. The shares will be repurchased at a price that does not exceed the last independent trade or the highest current independent bid on the relevant trading platform. The programme will be executed by financial intermediaries and will be performed in compliance with the safe harbour provisions for share buybacks.

On 29 February 2024, NN Group announced an open market share buyback programme for an amount of EUR 300 million within nine months, commencing on 2 April 2024. The share buyback programme was completed on 12 December 2024.

NN Group neutralised the dilutive effect of the 2023 final dividend that was paid in the form of ordinary shares for a total amount of EUR 232 million. This share buyback programme was completed on 30 August 2024.

NN Group reports on the progress of the share buyback programmes on its corporate website on a weekly basis. (For more information: https://www.nn-group.com/investors/share-information/share-buyback-programme.htm).

Share capital

On 30 December 2024, 16,000,000 NN Group treasury shares which were repurchased under the share buyback programmes were cancelled.

In 2024, a total number of 12,093,872 ordinary shares for a total amount of EUR 532 million were repurchased (reference is made to Note 11 'Equity' regarding the number of shares repurchased and the total amount in 2023).

On 7 March 2025, the total number of NN Group shares outstanding (net of 1,952,675 treasury shares) was 267,047,325.

Notes to the Consolidated annual accounts continued

Credit ratings

On 23 May 2024, Standard & Poor's affirmed NN Group's financial strength rating of 'A+' with stable outlook and credit rating of 'A-' with stable outlook.

On 6 November 2024, Fitch Ratings affirmed NN Group's 'AA-' financial strength rating and 'A+' credit rating with a stable outlook.

Credit ratings on NN Group N.V. on 12 March 2025

	Financial Strength Rating	NN Group N.V. Counterparty Credit Rating
Standard & Poor's	A+	A-
	Stable	Stable
Fitch	AA-[1]	A+
	Stable	Stable

[1] Financial Strength Rating for Nationale-Nederlanden Levensverzekering Maatschappij N.V.

Authorisation of the Consolidated annual accounts

The Consolidated annual accounts of NN Group N.V. for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Executive Board on 12 March 2025. The Executive Board may decide to amend the Consolidated annual accounts as long as these are not adopted by the General Meeting.

The General Meeting may decide not to adopt the Consolidated annual accounts, but may not amend these during the meeting. The General Meeting can decide not to adopt the Consolidated annual accounts, propose amendments and then adopt the Consolidated annual accounts after a normal due process.

The Hague, 12 March 2025

The Supervisory Board

D.A. (David) Cole, chair
P.F.M. (Pauline) van der Meer Mohr, vice-chair
I.K. (Inga) Beale
R.W. (Robert) Jenkins
R.J.W. (Rob) Lelieveld
C.G. (Cecilia) Reyes
J.V. (Koos) Timmermans

The Executive Board

D.E. (David) Knibbe, CEO, chair
A.T.J. (Annemiek) van Melick, CFO, vice-chair

Parent company annual accounts

Parent company balance sheet

As at 31 December before appropriation of result	notes	2024	2023
Assets			
Intangible assets	2	216	234
Investments in group companies	3	21,271	21,329
Investments in debt securities at fair value through OCI	4	1,196	1,650
Other assets	5	3,981	3,619
Total assets		**26,664**	**26,832**
Equity			
Share capital		32	34
Share premium		12,581	12,579
Share of associates reserve		3,058	2,915
Revaluation reserve		16	19
Retained earnings		2,908	3,069
Unappropriated result		1,236	1,008
Shareholders' equity		**19,831**	**19,624**
Undated subordinated notes		1,736	1,416
Total equity	6	**21,567**	**21,040**
Liabilities			
Subordinated debt	7	2,346	2,680
Other liabilities	8	2,751	3,112
Total liabilities		**5,097**	**5,792**
Total equity and liabilities		**26,664**	**26,832**

References relate to the notes starting with Note 1 'Accounting policies for the Parent company annual accounts'. These form an integral part of the Parent company annual accounts.

Parent company profit and loss account

For the year ended 31 December	notes	2024	2023
Result group companies		1,719	1,310
Net fee and commission income		–3	–3
Other income		239	301
Total Income		**1,955**	**1,608**
Amortisation of intangible and other impairments		17	18
Interest expenses		207	248
Operating expenses		217	199
Total expenses		**441**	**465**
Result before tax		**1,514**	**1,143**
Taxation		–69	–29
Net result		**1,583**	**1,172**

Parent company annual accounts continued

Parent company statement of changes in equity (2024)

	Share capital	Share premium	Other reserves[1]	Total Shareholders' equity	Undated subordinated notes	Total equity
Balance at 1 January 2024	**34**	**12,579**	**7,011**	**19,624**	**1,416**	**21,040**
Revaluations in group companies			–102	–102		–102
Other revaluations			–3	–3		–3
Total amount recognised directly in equity (Other comprehensive income)	**0**	**0**	**–105**	**–105**	**0**	**–105**
Net result for the year			1,583	1,583		1,583
Total comprehensive income	**0**	**0**	**1,478**	**1,478**	**0**	**1,478**
Issuance (redemption) of undated subordinated notes				0	320	320
Changes in share capital	–2	2		0		0
Dividend			–681	–681		–681
Purchase (sale) of treasury shares			–529	–529		–529
Employee stock option and share plans			1	1		1
Coupon on undated subordinated notes			–62	–62		–62
Balance at 31 December 2024	**32**	**12,581**	**7,218**	**19,831**	**1,736**	**21,567**

1. Other reserves include Retained earnings and Unappropriated result.

Parent company annual accounts continued

Parent company statement of changes in equity (2023)

	Share capital	Share premium	Other reserves[1]	Total Shareholders' equity	Undated subordinated notes	Total equity
Balance at 1 January 2023	**35**	**12,578**	**6,652**	**19,265**	**1,764**	**21,029**
Revaluations in group companies			285	285		285
Other revaluations			1	1		1
Total amount recognised directly in equity (Other comprehensive income)	**0**	**0**	**286**	**286**	**0**	**286**
Net result for the year			1,172	1,172		1,172
Total comprehensive income	**0**	**0**	**1,458**	**1,458**	**0**	**1,458**
Issuance (redemption) of undated subordinated notes				0	–348	–348
Changes in share capital	–1	1		0		0
Dividend			–422	–422		–422
Purchase (sale) of treasury shares			–632	–632		–632
Employee stock option and share plans			1	1		1
Coupon on undated subordinated notes			–57	–57		–57
Changes in the composition of the group and other changes			11	11		11
Balance at 31 December 2023	**34**	**12,579**	**7,011**	**19,624**	**1,416**	**21,040**

1 Other reserves include Retained earnings and Unappropriated result.

Notes to the Parent company annual accounts

1 Accounting policies for the Parent company annual accounts

The parent company accounts of NN Group N.V. are prepared in accordance with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code. The accounting policies applicable to presentation and disclosures are in accordance with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code. The principles of valuation and determination of results stated in connection with the Consolidated balance sheet and profit and loss account are also applicable to the parent company balance sheet and profit and loss account with the exception of the following:

- Investments in group companies and Associates and joint ventures which are recognised at net asset value with goodwill, if any, recorded under intangible assets.
- Receivables from group companies are measured at amortised cost.

A list containing the information referred to in Article 379 (1), Book 2 of the Dutch Civil Code has been filed with the Commercial Register of the Chamber of Commerce in Amsterdam in accordance with Article 379 (5), Book 2 of the Dutch Civil Code.

Changes in balance sheet values due to changes in the revaluation reserves of associates are reflected in the 'Share of associates reserve', which forms part of shareholders' equity. Changes in balance sheet values due to the results of these associates, accounted for in accordance with NN Group accounting policies, are included in the profit and loss account. Other changes in the balance sheet value of these associates, other than those due to changes in share capital, are included in the 'Share of associates reserve'.

A legal reserve is carried at an amount equal to the share in the results of associates since their first inclusion at net asset value less the amount of profit distributions to which rights have accrued in the interim. Profit distributions which can be repatriated to the Netherlands without restriction are likewise deducted from the 'Share of associates reserve'.

2 Intangible assets

Intangible assets

	2024	2023
Goodwill	148	148
Other intangible assets	68	86
Intangible assets	**216**	**234**

Reference is made to Note 9 'Intangible assets' in the Consolidated annual accounts.

3 Investments in group companies

Investments in group companies

		Interest held	Balance sheet value	Interest held	Balance sheet value
		2024	2024	2023	2023
NN Insurance Eurasia N.V.	Amsterdam, The Netherlands	100%	20,152	100%	20,307
NN Bank N.V.	The Hague, The Netherlands	100%	1,018	100%	919
Nationale-Nederlanden ABN AMRO Verzekeringen Holding B.V.	Zwolle, The Netherlands	51%	81	51%	74
NN Insurance International B.V.	The Hague, The Netherlands	100%	20	100%	29
			21,271		**21,329**

Changes in Investments in group companies

	2024	2023
Investments in group companies – opening balance	21,329	20,409
Revaluations	–102	285
Result of group companies	1,718	1,310
Capital contributions		698
Dividend and repayments	–1,674	–1,368
Changes in the composition of the group and other changes		–5
Investments in group companies – closing balance	**21,271**	**21,329**

Notes to the Parent company annual accounts continued

4 Investments in debt securities at fair value through other comprehensive income

Changes in Investments in debt securities at fair value through other comprehensive income

	2024	2023
Changes in Investments at fair value through OCI - opening balance	1,650	2,398
Additions	3,958	7,250
Disposals and redemptions	–4,443	–8,038
Revaluations	–1	3
Amortisation	32	37
Changes in Investments at fair value through OCI - closing balance	**1,196**	**1,650**

5 Other assets

Other assets

	2024	2023
Receivables from group companies	2,514	2,563
Cash	930	570
Investments at fair value through profit or loss	166	367
Other receivables, prepayments and accruals	371	119
Other assets	**3,981**	**3,619**

As at 31 December 2024, an amount of EUR 2,196 million (2023: EUR 1,060 million) is expected to be settled after more than one year from the balance sheet date.

6 Equity

Total equity

	2024	2023
Share capital	32	34
Share premium	12,581	12,579
Other reserves	7,218	7,011
Shareholders' equity	**19,831**	**19,624**
Undated subordinated notes	1,736	1,416
Total equity	**21,567**	**21,040**

As at 31 December 2024, share premium includes an amount of EUR 6,386 million (2023: EUR 6,387 million) exempt from Dutch withholding tax.

Share capital

	Ordinary shares (in number)		Ordinary shares (Amount in millions of euros)	
	2024	2023	2024	2023
Authorised share capital	700,000,000	700,000,000	84	84
Unissued share capital	431,000,000	415,000,000	52	50
Issued share capital	**269,000,000**	**285,000,000**	**32**	**34**

For details on share capital and share premium, reference is made to Note 11 'Equity' in the Consolidated annual accounts.

Notes to the Parent company annual accounts continued

Changes in Other reserves (2024)

2024	Share of associates reserve	Revaluation reserve	Retained earnings	Unappropriated result[1]	Total
Other reserves – opening balance	2,915	19	3,069	1,008	7,011
Net result for the year				1,583	1,583
Revaluations in group companies	–102				–102
Other revaluations		–3			–3
Transfer from (to) share of associates reserve	245		–245		0
Transfer from (to) retained earnings			674	–674	0
Dividend				–681	–681
Purchase (sale) of treasury shares			–529		–529
Employee stock option and share plans			1		1
Coupon on undated subordinated notes			–62		–62
Other reserves – closing balance	**3,058**	**16**	**2,908**	**1,236**	**7,218**

Changes Other reserves (2023)

2023	Share of associates reserve	Revaluation reserve	Retained earnings	Unappropriated result[1]	Total
Other reserves – opening balance	2,642		2,376	1,634	6,652
Net result for the year				1,172	1,172
Revaluations in group companies	285				285
Other revaluations		1			1
Transfer from (to) share of associates reserve	–12	18	5		11
Transfer from (to) retained earnings			1,376	–1,376	0
Dividend				–422	–422
Purchase (sale) of treasury shares			–632		–632
Employee stock option and share plans			1		1
Coupon on undated subordinated notes			–57		–57
Other reserves – closing balance	**2,915**	**19**	**3,069**	**1,008**	**7,011**

[1] Unappropriated result at the end of the period represents the net result for the period minus interim dividends paid.

The total amount of Equity in the Parent company annual accounts equals Shareholders' equity (parent) in the Consolidated annual accounts. Certain components within equity are different, as a result of the following presentation differences between the Parent company accounts and Consolidated accounts:

- Unrealised revaluations within consolidated group companies, presented in the 'Revaluation reserve' in the Consolidated annual accounts, are presented in the 'Share of associates reserve' in the Parent company annual accounts.
- Foreign currency translation on consolidated group companies, presented in the 'Currency translation reserve' in the Consolidated annual accounts, is presented in the 'Share of associates reserve' in the Parent company annual accounts.
- Remeasurement of the net defined benefit asset/liability within consolidated group companies presented in the 'Net defined benefit asset/liability remeasurement reserve' in the Consolidated annual accounts, are presented in the 'Share of associates reserve' in the Parent company annual accounts.
- Non-distributable retained earnings of associates presented in 'Other reserves' in the Consolidated annual accounts, are presented in the 'Share of associates reserve' in the Parent company annual accounts.
- For capitalised software and revaluations on illiquid investments held for risk of company recognised in the profit and loss account in the Consolidated annual accounts, a reclassification is made from 'Retained earnings' to the 'Share of associates reserve' in the Parent company annual accounts for the part that is not distributable.

In 2024, NN Group updated the methodology to determine the legal reserves in the parent company balance sheet to reflect the full impact of illiquid assets that are classified as Investments at fair value through profit or loss since the implementation of IFRS 9. The comparative figures as at 31 December 2023 were adjusted accordingly. This resulted in a reclassification between components of shareholder's equity in the 2023 comparative figures. The related reclassification is included in the line 'Transfers from (to) share of associates reserve and other changes' in the 2023 disclosure of changes in equity and amounted to EUR 594 million. There was no impact on total shareholders' equity, net result and distributable reserves.

Distributable reserves

NN Group N.V. is subject to legal restrictions regarding the amount of dividends it can pay to its shareholders. These restrictions come from two sources: the national civil code and capital requirements from prudential supervision. Total freely distributable reserves are the minimum of freely distributable capital on the basis of solvency requirements (Eligible Own Funds in excess of the Solvency Capital Requirement) and freely distributable equity based on requirements in the Dutch civil code.

Notes to the Parent company annual accounts continued

The Dutch Civil Code contains the restriction that in case of negative balances in individual reserves legally to be retained, no distributions can be made out of retained earnings to the level of these negative amounts. (Non-)distributable reserves are determined per legal entity and cannot be offset between legal entities in the Group.

The net position of the accumulated revaluations on investments and the accumulated revaluations on (re) insurance contracts is used for determining (non-)distributable reserves. The accumulated revaluations on insurance contracts consist of accumulated revaluations as recognised in the consolidated balance sheet and estimated revaluations for insurance contracts for which the accumulated amount was set to zero at the first of January 2022.

In addition, NN Group's ability to pay dividends is dependent on the dividend payment ability of its subsidiaries, associates and joint ventures. NN Group is legally required to create a non-distributable reserve insofar profits of its subsidiaries, associates and joint ventures are subject to dividend payment restrictions. Such restrictions may among others be of a similar nature as the restrictions which apply to NN Group.

Legally distributable reserves, determined in accordance with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code, from NN Group's subsidiaries, associates and joint ventures are as follows:

Distributable reserves based on the Dutch Civil Code

	2024	2024	2023	2023
Shareholders' equity		19,832		19,624
Share capital	32		34	
Non-distributable reserves	3,074		2,934	
Total non-distributable part of shareholders' equity:		**3,106**		**2,968**
Distributable reserves based on the Dutch Civil Code		**16,726**		**16,656**

The Dutch supervisory rules and regulations stemming from the Dutch Financial Supervision Act (Wet op het financieel toezicht) provide a second restriction on the possibility to distribute dividends. Total freely distributable reserves is the minimum of freely distributable capital on the basis of solvency requirements and freely distributable capital on the basis of capital protection.

Freely distributable reserves

	2024	2024	2023	2023
Solvency requirement under the Financial Supervision Act	8,786		8,990	
Reserves available for financial supervision purposes	17,026		17,691	
Total freely distributable reserves on the basis of solvency requirements		**8,240**		**8,701**
Total freely distributable reserves on the basis of the Dutch Civil Code		16,726		16,656
Total freely distributable reserves (lower of the values above)		**8,240**		**8,701**

Reference is made to Note 49 'Capital and liquidity management' in the Consolidated annual accounts for more information on solvency requirements.

Other restrictions

There are other restrictions to the ability of subsidiaries, associates and joint ventures to distribute reserves to NN Group as a result of minimum capital requirements that are imposed by industry regulators in the countries in which the group companies operate. Reference is made to Note 49 'Capital and liquidity management' in the Consolidated annual accounts for the minimum capital requirements.

In addition to the legal and regulatory restrictions on distributing dividends from subsidiaries, associates and joint ventures to NN Group there are various other considerations and limitations that are taken into account in determining the appropriate levels of equity in the Group's subsidiaries, associates and joint ventures. These considerations and limitations include, but are not restricted to, rating agency and regulatory views, which can change over time; it is not possible to disclose a reliable quantification of these limitations.

Notes to the Parent company annual accounts continued

Without prejudice to the authority of the Executive Board to allocate profits to reserves and to the fact that the ordinary shares are the most junior securities issued by NN Group, no specific dividend payment restrictions with respect to ordinary shares exist.

Furthermore, NN Group is subject to legal restrictions with respect to repayment of capital to holders of ordinary shares. Capital may be repaid to the holders of ordinary shares pursuant to an amendment of NN Group's Articles of Association whereby the ordinary shares are written down. Pursuant to the Dutch Civil Code, capital may only be repaid if none of NN Group's creditors opposes such a repayment within two months following the announcement of a resolution to that effect.

Undated subordinated notes

In March 2024, NN Group announced a tender for purchase by NN Group of the EUR 750 million Fixed to Floating Rate Undated Subordinated Notes for cash at a price of 100.1% of the nominal amount. The tender was completed in March 2024 and NN Group accepted the purchase of EUR 287 million in nominal amount. In June 2024, NN Group additionally redeemed EUR 128 million of the EUR 750 million Fixed to Floating Rate Undated Subordinated Notes.

In March 2024, NN Group issued euro-denominated, perpetual, restricted Tier 1, temporary write-down securities for an amount of EUR 750 million. The notes are first callable as from 12 September 2030. The coupon is fixed at 6.375% per annum until 12 March 2031 and will be reset every fifth year thereafter. These securities are classified as equity under IFRS-EU. Coupon payments are distributed out of equity if and when paid or contractually due.

In April 2023 NN Group announced a tender for purchase by NN Group for cash of outstanding subordinated notes. The tender was completed in May 2023 and NN Group accepted the purchase of EUR 1 billion in nominal amount. This includes EUR 665 million of subordinated notes previously classified as liabilities in the balance sheet and EUR 335 million previously classified in equity. Reference is made to Note 16 'Subordinated debt'.

In July 2014, NN Group N.V. issued fixed to floating rate undated subordinated notes with a par value of EUR 1,000 million. The notes are undated, but are callable after 11.5 years and every quarter thereafter (subject to regulatory approval). The coupon is fixed at 4.5% per annum for the first 11.5 years and will be floating thereafter. As these notes are undated and include optional deferral of interest at the discretion of NN Group, these are classified under IFRS-EU as equity. Coupon payments are distributed out of equity if and when paid or contractually due. The discount to the par value and certain issue costs were deducted from equity at issue, resulting in a balance sheet value equal to the net proceeds of EUR 986 million.

In June 2014, fixed to floating rate undated subordinated notes with a par value of EUR 750 million were originally issued by Delta Lloyd which are classified as equity under IFRS-EU. The notes are undated, but are callable as from 13 June 2024 and every quarter thereafter (subject to regulatory approval). The coupon is fixed at 4.375% per annum until 13 June 2024 and will be floating thereafter. Coupon payments are distributed out of equity if and when paid or contractually due. These notes were recognised upon acquisition of Delta Lloyd for an amount of EUR 778 million.

7 Subordinated debt

Subordinated debt

Interest rate	Year of Issue	Due date	First call date	Notional amount		Balance sheet value	
				2024	2023	2024	2023
4.625%	2014	08 April 2044	08 April 2024		335		335
4.625%	2017	13 January 2048	13 January 2028	850	850	845	844
5.250%	2022	01 March 2043	30 August 2032	500	500	494	494
6.000%	2023	03 November 2043	03 May 2033	1,000	1,000	1,007	1,007
Subordinated debt						**2,346**	**2,680**

The above subordinated debt instruments have been issued to raise hybrid capital. Under IFRS-EU these debt instruments are classified as liabilities. They are considered capital for regulatory purposes. All subordinated debt is euro denominated.
In April 2024, NN Group redeemed the remaining outstanding amount of EUR 335 million of 4.625% Fixed to Floating Rate Subordinated Notes on their first call date.
In April 2023 NN Group announced the issue of EUR 1 billion subordinated notes issued under NN Group's Sustainability Bond Framework with a maturity of 20.5 years and which are first callable after 10 years, subject to redemption conditions. The coupon is fixed at 6.00% per annum until the first reset date on 3 November 2033 and will be floating thereafter. The Notes qualify as Tier 2 regulatory capital.
In April 2023 NN Group also announced a tender for purchase by NN Group for cash of outstanding subordinated notes. The tender was completed in May 2023 and NN Group accepted the purchase of EUR 1 billion in nominal amount. This includes EUR 665 million of subordinated notes previously classified as liabilities in the balance sheet and EUR 335 million previously classified in equity. Reference is made to Note 11 'Equity'.

Notes to the Parent company annual accounts continued

8 Other liabilities

Other liabilities

	2024	2023
Debt instruments issued	1,196	1,195
Amounts owed to group companies	1,428	1,790
Other amounts owed and accrued liabilities	127	127
Other liabilities	**2,751**	**3,112**

Amounts owed to group companies by remaining term

	2024	2023
Within 1 year	1,428	1,790
Amounts owed to group companies	**1,428**	**1,790**

9 Other

NN Group N.V. has issued statements of liability in connection with Article 403, Book 2 of the Dutch Civil Code and other guarantees (mainly funding and redemption guarantees) for group companies. Article 403 statements are issued to NN Insurance International B.V., Nationale-Nederlanden Interfinance B.V. and NN Personeel B.V. and filed with the Chamber of Commerce.

Reference is made to the Consolidated annual accounts for the number of employees, audit fees and remuneration of the Executive Board, the Management Board and the Supervisory Board.

Authorisation of the Parent company annual accounts

The Parent company annual accounts of NN Group N.V. for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Executive Board on 12 March 2025. The Executive Board may decide to amend the Parent company annual accounts as long as these are not adopted by the General Meeting.

The General Meeting may decide not to adopt the Parent company annual accounts, but may not amend these during the meeting. The General Meeting can decide not to adopt the Parent company annual accounts, propose amendments and then adopt the Parent company annual accounts after a normal due process.

The Hague, 12 March 2025

The Supervisory Board

D.A. (David) Cole, chair
P.F.M. (Pauline) van der Meer Mohr, vice-chair
I.K. (Inga) Beale
R.W. (Robert) Jenkins
R.J.W. (Rob) Lelieveld
C.G. (Cecilia) Reyes
J.V. (Koos) Timmermans

The Executive Board

D.E. (David) Knibbe, CEO, chair
A.T.J. (Annemiek) van Melick, CFO, vice-chair

Other information

Independent auditor's report

To: The General Meeting of Shareholders and the Supervisory Board of NN Group N.V.

Report on the audit of the annual accounts 2024 included in the annual report

Our opinion

In our opinion:

- the accompanying consolidated annual accounts give a true and fair view of the financial position of NN Group N.V. (hereafter also: 'the Group') as at 31 December 2024 and of its result and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and in accordance with Part 9 of Book 2 of the Dutch Civil Code; and
- the accompanying parent company annual accounts give a true and fair view of the financial position of NN Group N.V. as at 31 December 2024 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the annual accounts 2024 of NN Group N.V. based in Amsterdam and headquartered in The Hague, as set out on pages 243 to 383 of the annual report. The annual accounts include the consolidated annual accounts and the parent company annual accounts.

The consolidated annual accounts comprise:

- the consolidated balance sheet as at 31 December 2024;
- the following consolidated statements for 2024: the profit and loss account, the statements of comprehensive income, cash flows and changes in equity; and
- the notes comprising material accounting policy information and other explanatory information.

The parent company accounts comprise:

- the parent company balance sheet as at 31 December 2024;
- the parent company profit and loss account for 2024; and
- the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the annual accounts' section of our report.

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 designed our audit procedures in the context of our audit of the annual accounts as a whole and in forming our opinion thereon. The information in respect of going concern, fraud and non-compliance with laws and regulations, climate change and the key audit matters was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

Summary

Materiality
• Materiality of EUR 200 million • 1% of shareholders' equity

Group audit
Performed procedures for: • 92% of revenue • 88% of shareholders' equity • 96% of total assets

Risk of material misstatements related to Fraud, NOCLAR, Going concern and Climate risks

- Fraud risks: presumed risk of management override of controls and presumed risk of revenue recognition as further described in the section 'Audit response to the risk of fraud and non-compliance with laws and regulations'
- Non-compliance with laws and regulations (NOCLAR) risks: no reportable risk of material misstatement related to NOCLAR risks identified
- Going concern risks: no going concern risks identified
- Climate risks: We have considered the impact of climate-related risks on the annual accounts and described our approach and observations in the section 'Audit response to climate-related risks'

Key audit matters

- Valuation of insurance contract liabilities for life and disability insurance contracts applying the General Measurement Model
- Valuation of illiquid investments

Materiality

Based on our professional judgement we determined the materiality for the annual accounts as a whole at EUR 200 million (2023: EUR 200 million). The materiality is determined with reference to shareholders' equity and amounts to 1% (2023: 1%).

We consider shareholders' equity as the most appropriate benchmark based on our assessment of the general information needs of the users of the annual accounts of insurance companies.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the annual accounts for qualitative reasons.

We agreed with the Audit Committee of the Supervisory Board that misstatements identified during our audit in excess of EUR 10 million (2023: EUR 10 million) would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

NN Group N.V. is at the head of a group of components. The financial information of this group is included in the consolidated annual accounts of the Group.

This year, we applied the revised group auditing standard in our audit of the annual accounts. The revised standard emphasizes the role and responsibilities of the group auditor. The revised standard contains new requirements for the identification and classification of components, scoping, and the design and performance of audit procedures across the group.

We performed risk assessment procedures throughout our audit to determine which of the Group's components are likely to include risks of material misstatement to the Group annual accounts. To appropriately respond to those assessed risks, we planned and performed further audit procedures, either at component level or centrally. We identified 21 components associated with a risk of material misstatement. For 16 out of these 21 components we involved component auditors. We as group auditor audited the remaining components. We set component performance materiality levels considering the component's size and risk profile.

We have performed substantive procedures for 92% of Group revenue, 96% of Group total assets and 88% of shareholders' equity. At Group level, we assessed the aggregation risk in the remaining financial information and concluded that there is a less than reasonable possibility of a material misstatement.

In supervising and directing our component auditors, we:

- held risk assessment discussions with the component auditors to obtain their input in identifying matters relevant to the group audit;
- issued group audit instructions to component auditors on the scope, nature and timing of their work, and received written communication about the results of the work they performed;
- held meetings with all component auditors in person and/or virtually to discuss relevant developments, understand and evaluate their work;
- attended the audit closing meetings with the component auditor and component management for 6 components;
- performed site visits and physically met with component auditors in the Netherlands, Japan, Belgium, Czech and Spain to evaluate the work of the component auditor and to attend meetings with local management; and
- inspected the work performed by 16 component auditors. In doing so we evaluated the appropriateness of audit procedures performed and conclusions drawn from the audit evidence obtained, and reviewed the communicated findings for consistency. In our inspection we mainly focused on key audit matters, significant risks and key judgement areas that are material to the Group.

We consider that the scope of our group audit forms an appropriate basis for our audit opinion. Through performing the procedures mentioned above we obtained sufficient and appropriate audit evidence about the Group's financial information to provide an opinion on the annual accounts as a whole.

Audit response to the risk of fraud and non-compliance with laws and regulations

As part of our audit, we have gained insights into the Group and its business environment and the Group's risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing the Group's code of conduct, whistleblowing procedures, incidents register and its procedures to investigate indications of possible fraud and non-compliance. Furthermore, we performed relevant inquiries with the Executive Board, the Supervisory Board and other relevant functions, such as Corporate Audit Services, Legal Counsel and Compliance, and included correspondence with relevant supervisory authorities and regulators in our evaluation. We have also incorporated elements of unpredictability in our audit.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to the Group.

As a result of our risk assessment, we identified the following laws and regulations as those most likely to have a material effect on the annual accounts in case of non-compliance:

- Wet op het financieel toezicht (Wft) (including the European Solvency II directives);
- Financial and economic crime (FEC) related laws and regulations; and
- Data privacy regulation (GDPR).

Based on the above and on the auditing standards, we identified the following fraud risks that are relevant to our audit, including the relevant presumed risks laid down in the auditing standards in respect of management override of controls and revenue recognition.

Management override of controls (a presumed fraud risk)

Risk

Management is in a unique position to manipulate accounting records and prepare fraudulent annual accounts by overriding controls that otherwise appear to be operating effectively, such as those related to journal entries and accounting estimates which require significant judgement, for example the valuation of insurance contract liabilities and illiquid investments.

Response

- We assessed the design and implementation of internal controls that mitigate the risk of fraud related to journal entries and key estimates.
- We performed data analysis of high-risk journal entries and evaluated key estimates and judgements for bias by the Group, including retrospective reviews of prior year's estimates.
- Where we identified instances of unexpected journal entries or other risks through our data analysis we performed additional audit procedures to address each identified risk. These procedures also included testing of transactions back to source information.
- We incorporated elements of unpredictability in our audit, such as the revised scoping on account level and the attendance of closing meetings with management of the components.
- We considered the outcome of our other audit procedures and evaluated whether any findings or misstatements were indicative of fraud or non-compliance. If so, we re-evaluated our assessment of relevant risks and its resulting impact on our audit procedures.

We refer to the key audit matters below that provide information of our approach related to areas of higher risk due to accounting estimates where management makes significant judgements.

Revenue recognition (a presumed fraud risk)

Risk and response

Insurance revenue for the period based on the General Measurement Model (GMM) is to a large extent determined by the key assumptions made for the measurement of related insurance contract liabilities. We have covered our assessment of the risk of fraudulent revenue recognition and our response thereto in the key audit matter below 'Valuation of insurance contract liabilities for life and disability insurance contracts applying the General Measurement Model.

We communicated our risk assessment, audit responses and results to management and the Audit Committee of the Supervisory Board. Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

Audit response to going concern

The Executive Board has performed its going concern assessment and has not identified any going concern risks. To assess management's assessment, we have performed, inter alia, the following procedures:

- We considered whether management's assessment of the going concern risks included all relevant information of which we are aware as a result of our audit.
- We assessed whether the scenarios included in the Own Risk Solvency Assessment (ORSA) and Preparatory Crisis Plan that were submitted to De Nederlandsche Bank N.V. (the Dutch Central Bank, DNB) and other regulatory correspondence indicate a significant going concern risk.
- We considered whether the outcome of our audit procedures on the Group's financial position and Solvency II capital position indicate a significant going concern risk.

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on management's going concern assessment.

Audit response to climate-related risks

Management has assessed how climate-related risks and opportunities, and the Group's own ambitions, could have a significant impact on its business or could impose the need to adapt its strategy and operations. Management has considered the impact of both transition and physical risks on the annual accounts in accordance with the applicable financial reporting framework, more specifically through the valuation of investments on the asset side and insurance exposure on the liability side. The Group identified the risk of climate change as an emerging risk which is still developing and could affect the viability of the Group's strategy, as is described in the section 'managing our risks' in the annual report.

Management prepared the annual accounts and considered whether the implications from climate-related risks, ambitions and the current and/or anticipated financial effects relating to sustainability matters included in the sustainability statement have been appropriately accounted for and disclosed. As part of our audit we performed a risk assessment of the impact of climate-related risk and the ambitions made by the Group in respect of climate change on the annual accounts and our audit approach. In doing this we performed the following:

To understand management's processes we:

- Performed an analysis of the external environment and obtained an understanding of the sustainability themes and issues relevant for the Group;
  - Made inquiries of the Sustainability Officer of the Management Board, the Audit Committee of the Supervisory Board and other senior management.
  - Inspected relevant documents to understand management's assessment against the background of the Group's business and operations and the potential impact of climate-related risk and opportunities on the Group's annual accounts, and the Group's preparedness for this.
  - Read the minutes of meetings of the Executive Board, Management Board and Supervisory Board.
  - Inspected regulatory correspondence to obtain an understanding of management's assessment of climate risk and the risk management thereof.
- The Group has prepared its sustainability statement in accordance with the Non-Financial Reporting Directive using the European Sustainability Reporting Standards (ESRS) as basis for preparation of the sustainability statement. As part of our risk assessment we have read and considered the sustainability statement, which includes information on the material impacts, risks and opportunities relating to climate change. This included reviewing the information reported over the connectivity of the sustainability statement with the annual accounts, specifically relating to the anticipated financial effects of the sustainability matters identified (see section: 'Anticipated financial effects').
- We have identified and evaluated climate-related fraud risk factors related to reporting inappropriate disclosures on climate-related risk and pressures for management to meet climate targets, noting that sustainability targets are linked to the Executive Board's remuneration.
- We used KPMG climate change subject matter experts to assist in understanding how climate-related risks and opportunities may affect the Group, in order to understand potential implications for the annual accounts.

Based on the procedures performed above, we found that climate-related risks have no material impact on the 2024 annual accounts under the requirements of International Financial Reporting Standards as adopted by the European Union (EU-IFRS), and Part 9 of Book 2 of the Dutch Civil Code, and have no material impact on our key audit matters.

Furthermore we have read the 'Other information' included in the annual report with respect to climate-related risks and considered whether such information contains material inconsistencies with the annual accounts or our knowledge obtained through the audit, in particular as described above and our knowledge obtained otherwise.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual accounts. We have communicated the key audit matters to the Executive Board and the Audit Committee of the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the annual accounts as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Compared to last year the key audit matters with respect to the initial application of IFRS 17 and unit-linked exposure are not included, as the Group has transitioned to IFRS 17 and the significance of the unit-linked exposure to our audit has declined in 2024 with the agreement reached with interest groups on a settlement.

Valuation of insurance contract liabilities for life and disability insurance contracts applying the General Measurement Model

Description

Insurance contracts (hereafter: insurance liabilities) measured applying the General Measurement Model (GMM) amount to EUR 106,503 million as at 31 December 2024, or 72% of total liabilities. The valuation of insurance liabilities involves the use of cash flow models and methodologies and requires significant management judgement over assumptions, which also form the basis for determining the Solvency II best estimate liability.

Elements that give rise to a significant risk of error are the use of judgmental assumptions in estimating the fulfillment cash flows under the General Measurement Model. Key assumptions for the valuation of life insurance contracts relate to expenses, inflation and longevity. For disability contracts key assumptions relate to morbidity.

As referred to in the section 'Audit response to the risk of fraud and non-compliance with laws and regulations' in this auditor's report, assumption setting inherently includes the risk that management may influence assumptions to manage the outcome of calculations and measurements. For example, in response to perceived pressure to achieve certain key performance targets communicated internally and externally. In this regard we consider the most critical judgements the maintenance expense assumption for life insurance contracts and the morbidity assumption for disability contracts.

Given the financial significance, the level of judgement required and the inherent risk of fraud we considered the valuation of insurance contract liabilities for life and disability insurance contracts applying the General Measurement Model a key audit matter.

Our response

Our audit approach involves a combination of controls testing and substantive audit procedures. Our procedures over internal controls focused on testing of controls governing assumption setting and internal review procedures performed by the actuarial functions at both the Group and component levels. We also assessed the process for the internal validation and implementation of the models used for the valuation of the insurance liabilities.

In collaboration with our actuarial specialists we performed the following substantive audit procedures:

- Assessed the appropriateness of assumptions used in the valuation of insurance liabilities for all significant components by reference to Group data as well as relevant market and industry data.
- Tested the appropriateness of the data used, assumptions and methodologies applied in the valuation of insurance liabilities for all significant components.
- Performed substantive analysis of developments in actuarial results and movements in provisions, the risk adjustment, Contractual Service Margin (CSM) and other comprehensive income during the year, supplemented with corroborative inquiries with management and the Group Chief Actuary.
- Specifically for life insurance contracts, we performed the following:
  - Tested and assessed the data used and expert judgment applied by management in determining the updated Covid-19 excess mortality impact on the level and trend of the longevity assumptions to identify potential indicators of management bias of assumptions changes made. We also derived our own estimate for such an impact based on NN's mortality data and compared the outcome with management's estimate.
  - Challenged the appropriateness of management's estimate of expense cash flow projections for life insurance and pension products, assessing the main assumptions underlying the expected wage cost development, inflation assumptions and future savings. We assessed significant changes to the allocation keys used to allocate expenses and we assessed the methodology applied to determine the cost per policy per product group to also address the fraud risk of intentionally shifting expenses between portfolios to leverage off the duration effect to reduce expense provisions in particular product groups.
  - We evaluated the outcome of the work performed by the NN Group Model Validation function on the newly implemented best-estimate Expense inflation model and SCR Expense Inflation Risk Model, including the use of appropriate external inflation data and expert judgment applied by management. We reperformed the calculations of the impact of updated inflation rates on the expense cash flow projections and compared our outcome with management's valuations.
- For disability contracts we challenged and assessed the appropriateness of the morbidity assumption and assessed that the morbidity assumption is in line with historical data and expected developments.
- We assessed the disclosures in the annual accounts for compliance with EU-IFRS and the Dutch Civil Code.

Our observation

We consider the valuation of the insurance contract liabilities measured using the General Measurement Model to be appropriate. We refer to Note 12 'Insurance contracts' of the annual accounts. No indications and/or reasonable suspicion of fraudulent activity was identified as a result of the audit procedures performed.

Valuation of illiquid investments

Description

For illiquid (non-listed) investments quoted prices are not available and fair values are based on valuation techniques which often involve the exercise of judgement by management and the use of assumptions, estimates and unobservable inputs. Where significant pricing inputs are unobservable, management has no reliable, relevant market data available in determining the fair value. For these illiquid investments the estimation uncertainty can be high, especially due to increased market volatilities. This is mainly applicable to:

- mortgages held by the insurance entities, which are measured at fair value through other comprehensive income;
- real estate investments; and
- private equity and private debt investments.

Given the financial significance and estimation uncertainties we considered the valuation of illiquid investments a key audit matter.

KPMG

Our response

We assessed management's approach to the valuation of illiquid investments and performed the following procedures:

- Evaluated the Group's processes and controls governing the valuation of non-listed investments.
- Inspected the supporting valuation documents prepared by management's internal and external valuation experts.
- We evaluated the objectivity, independence and professional competence of external valuation experts engaged by management.
- We involved our real estate valuation specialists in the substantive audit procedures of selected real estate investments. These procedures included inspecting the valuation reports obtained from management's expert, testing the source data used and the calculations made, and challenging significant assumptions such as the gross initial yield/discount rate and estimated rental values.
- Where available, we assessed the assumptions used against relevant market data and object specific underlying characteristics such as occupancy rates and contract renewals.
- We tested and challenged management's valuation of private equity and private debt investments by critically reviewing the minutes of the meetings of management with the external fund managers, we tested the timeliness of such meetings and performed a retrospective review of prior valuations to assess the reliability of the fair value estimates provided by the external fund managers. We compared movements in the valuations for the period with available external market data and the results of comparable asset sales that occurred during the period.
- In collaboration with KPMG valuation specialists, challenged the appropriateness of the models and methodologies used by management in calculating fair values of mortgages. We tested the source data used and assessed the appropriateness of critical valuation parameters. Our valuation specialists independently calculated whether the fair value for the mortgage portfolio as a whole as determined by management is within the acceptable fair value range.
- We assessed the disclosures in the annual accounts for compliance with EU-IFRS and the Dutch Civil Code.

Our observation

We consider the fair value of illiquid investments to be appropriate. We observed that valuation uncertainties in real estate investments remained significant in 2024 due to the limited number of relevant market transactions to support the estimated yield levels that are used for valuation purposes. We refer to Note 33 'Fair value of non-financial assets' of the annual accounts in which the real estate valuation uncertainties are disclosed.

Report on the other information included in the annual report

In addition to the annual accounts and our auditor's report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the annual accounts and does not contain material misstatements; and
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the annual accounts or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the annual accounts.

The Executive Board is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

We were initially appointed by the General Meeting of Shareholders as auditor of NN Group N.V. on 28 May 2015, as of the audit for the year 2016 and have operated as statutory auditor since that date. We were reappointed at the General Meeting of Shareholders on 19 May 2022 to continue to serve the Group as its external auditor for financial years 2023-2025.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audits of public-interest entities.

European Single Electronic Format (ESEF)

The Group has prepared its annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual report prepared in XHTML format, including the (partly) marked-up consolidated annual accounts as included in the reporting package by NN Group N.V., complies in all material respects with the RTS on ESEF.

The Executive Board is responsible for preparing the annual report including the annual accounts in accordance with the RTS on ESEF, whereby the Executive Board combines the various components into one single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF. We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting).

Our examination included, but was not limited to:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package.
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - Obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications as included in the RTS on ESEF.
  - Examining the information related to the consolidated annual accounts in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

Description of responsibilities regarding the annual accounts

Responsibilities of the Executive Board and the Supervisory Board for the annual accounts

The Executive Board is responsible for the preparation and fair presentation of the annual accounts in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Executive Board is responsible for such internal control as management determines is necessary to enable the preparation of the annual accounts that are free from material misstatement, whether due to fraud or error. In that respect the Executive Board, under supervision of the Supervisory Board, is responsible for the prevention and detection of fraud and non-compliance with laws and regulations, including determining measures to resolve the consequences of it and to prevent recurrence.

As part of the preparation of the annual accounts, the Executive Board is responsible for assessing the Group's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Executive Board should prepare the annual accounts using the going concern basis of accounting unless the Executive Board either intends to liquidate the NN Group N.V. or to cease operations or has no realistic alternative but to do so. The Executive Board should disclose events and circumstances that may cast significant doubt on the Group's ability to continue as a going concern in the annual accounts. The Supervisory Board is responsible for overseeing the Group's financial reporting process.

Our responsibilities for the audit of the annual accounts

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the annual accounts is located at the website of de 'Koninklijke Nederlandse Beroepsorganisatie van Accountants' (NBA, Royal Netherlands Institute of Chartered Accountants): [eng_beursgenoteerd_01.pdf (nba.nl)](). This description forms part of our auditor's report.

Amstelveen, 12 March 2025

KPMG Accountants N.V.

J.N. Vos RA

KPMG

Limited assurance report of the independent auditor on the Sustainability Statement

To: the General Meeting of Shareholders and the Supervisory Board of NN Group N.V.

Our conclusion

We have performed a limited assurance engagement on the consolidated Sustainability Statement for 2024 of NN Group N.V. based in Amsterdam and headquartered in The Hague, (hereafter also: 'NN Group'), including the information incorporated in the Sustainability Statement by reference (hereinafter: the sustainability statement).

Based on the procedures performed and the assurance evidence obtained, nothing has come to our attention that causes us to believe that the sustainability statement is not, in all material respects:

— prepared in accordance with the European Sustainability Reporting Standards (ESRS) as adopted by the European Commission and in accordance with the double materiality assessment process carried out by NN Group to identify the information reported pursuant to the ESRS; and

— compliant with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

Basis for our conclusion

We performed our limited assurance engagement on the sustainability information in accordance with Dutch law, including Dutch Standard 3810N 'Assurance-opdrachten inzake duurzaamheidsverslaggeving' (Assurance engagements relating to sustainability reporting) which is a specified Dutch standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information'. Our responsibilities under this standard are further described in the section 'Our responsibilities for the assurance engagement on the sustainability information' section of our report.

We are independent of NN Group 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). Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics for Professional Accountants).

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

Emphasis of matters

We draw attention to section 'General Basis for Preparation' of the sustainability statement. This disclosure sets out that the sustainability statement has been prepared in a context of new sustainability reporting standards requiring entity-specific and temporary interpretations and addressing inherent measurement or evaluation uncertainties.

The section 'General Basis for Preparation', addresses inherent measurement or evaluation uncertainties. This paragraph identifies the quantitative metrics and monetary amounts that are subject to a high level of measurement uncertainty and discloses information about the sources of measurement uncertainty and the assumptions, approximations and judgements NN Group has made in measuring these in compliance with the ESRS.

We draw attention to the disclosure on the asset scope of financed emissions on page 149, disclosing the cause for excluding NN Group's carbon footprint related to investments for risk of policyholders.

The comparability of sustainability information between entities and over time may be affected by the lack of historical sustainability information in accordance with the ESRS and by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques, especially in the initial years.

'Our approach to the DMA', 'Assessing materiality', and 'Our material sustainability matters' paragraph's in the sustainability statement explains future improvements in the ongoing due diligence and double materiality assessment process, including robust engagement with affected stakeholders. Due diligence is an on-going practice that responds to and may trigger changes in NN Group's strategy, business model, activities, business relationships, operating, sourcing and selling contexts. The double materiality assessment process may also be impacted in time by sector-specific standards to be adopted. The sustainability statement may not include every impact, risk and opportunity or additional entity-specific disclosure that each individual stakeholder (group) may consider important in its own particular assessment.

Our conclusion is not modified in respect to these matters.

Limitations to the scope of our assurance engagement

Limited assurance has been provided on the non-financial statements reported in the prior-year annual report, however not in the context of the new sustainability reporting standards (ESRS). Consequently the corresponding sustainability information and thereto related disclosures on the period up to 2024 has not been subject to limited assurance procedures in the context of the ESRS.

In reporting forward-looking information in accordance with the ESRS, the Executive Board of NN Group is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by NN Group. The actual outcome is likely to be different since anticipated events frequently do not occur as expected. Forward-looking information relates to events and actions that have not yet occurred and may never occur. We do not provide assurance on the achievability of this forward-looking information.

The references to external sources or websites in the sustainability information are not part of the sustainability information as included in the scope of our assurance engagement. We therefore do not provide assurance on this information.

Our conclusion is not modified in respect to these matters.

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Responsibilities of the Executive Board and the Supervisory Board for the sustainability statement

The Executive Board is responsible for the preparation of the sustainability statement in accordance with the ESRS, including the double materiality assessment process carried out by NN Group as the basis for the sustainability statement and disclosure of material impacts, risks and opportunities in accordance with the ESRS. As part of the preparation of the sustainability statement, management is responsible for compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation). The Executive Board is also responsible for selecting and applying additional entity-specific disclosures to enable users to understand NN Group's sustainability-related impacts, risks or opportunities and for determining that these additional entity-specific disclosures are suitable in the circumstances and in accordance with the ESRS

Furthermore, the Executive Board is responsible for such internal control as it determines is necessary to enable the preparation of the sustainability statement that is free from material misstatement, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the sustainability reporting process including the double materiality assessment process carried out by NN Group.

Our responsibilities for the assurance engagement on the sustainability statement

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

Our assurance engagement is aimed to obtain a limited level of assurance to determine the plausibility of sustainability information. The procedures vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is therefore substantially less than the assurance that is obtained when a reasonable assurance engagement is performed.

We apply the quality management requirements pursuant to the Nadere voorschriften kwaliteitsmanagement (NV KM, regulations for quality management) and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our limited assurance engagement included among others:

— Performing inquiries and an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, the characteristics of NN Group, its activities and the value chain and its key intangible resources in order to assess the double materiality assessment process carried out by NN Group as the basis for the sustainability statement and disclosure of all material sustainability-related impacts, risks and opportunities in accordance with the ESRS.

— Obtaining through inquiries a general understanding of the internal control environment, NN Group's processes for gathering and reporting entity-related and value chain information, the information systems and NN Group's risk assessment process relevant to the preparation of the sustainability statement and for identifying NN Group's activities, determining eligible and aligned economic activities and prepare the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), without obtaining assurance evidence about the implementation, or testing the operating effectiveness, of controls.

— Assessing the double materiality assessment process carried out by NN Group and identifying and assessing areas of the sustainability statement, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) where misleading or unbalanced information or material misstatements, whether due to fraud or error, are likely to arise ('selected disclosures'). We designed and performed further assurance procedures aimed at assessing that the sustainability statement is free from material misstatements responsive to this risk analysis.

— Considering whether the description of the double materiality assessment process in the sustainability statement made by the Executive Board appears consistent with the process carried out by NN Group.

— Performing analytical review procedures on quantitative information in the sustainability statement, including consideration of data and trends.

— Assessing whether NN Group's methods for developing estimates are appropriate and have been consistently applied for selected disclosures. We considered data and trends, however, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate management's estimates.

— Analysing, on a limited sample basis, relevant internal and external documentation available to NN Group (including publicly available information or information from actors throughout its value chain) for selected disclosures.

— Reading the other information in the annual report to identify material inconsistencies, if any, with the sustainability statement.

— Considering whether:

  - the disclosures provided to address the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) for each of the environmental objectives, reconcile with the underlying records of NN Group and are consistent or coherent with the sustainability statement;
  - the disclosures provided to address the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) appear reasonable, in particular whether the eligible economic activities meet the cumulative conditions to qualify as aligned and whether the technical screening criteria are met; and

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  - the key performance indicators disclosures have been defined and calculated in accordance with the Taxonomy reference framework as defined in Appendix 1 Glossary of Terms of the CEAOB Guidelines on limited assurance on sustainability reporting adopted on 30 September 2024 , and in compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), including the format in which the activities are presented.
- Considering the overall presentation, structure and the fundamental qualitative characteristics of information (relevance and faithful representation: complete, neutral and accurate) reported in the sustainability statement, including the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).
- Considering, based on our limited assurance procedures and evaluation of the assurance evidence obtained, whether the sustainability statement as a whole, is free from material misstatements and prepared in accordance with the ESRS.

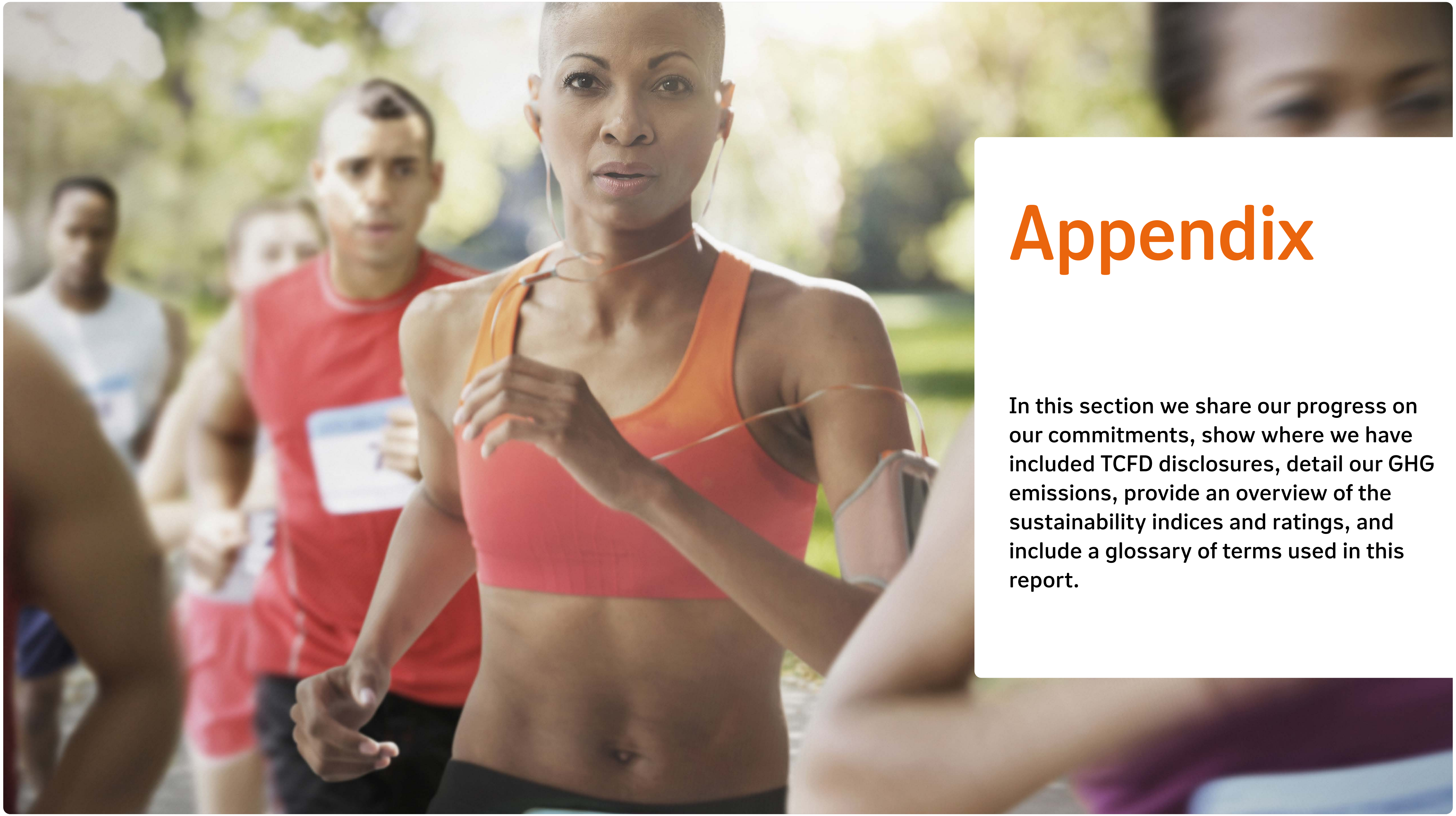
Amstelveen, 12 March 2025

KPMG Accountants N.V.

J.N. Vos RA

Appropriation of result

The result is appropriated pursuant to Article 34 of the Articles of Association of NN Group N.V., the relevant stipulations of which state that the appropriation of result shall be determined by the General Meeting, on the proposal of the Executive Board, as approved by the Supervisory Board, having heard the advice of the Executive Board. It is proposed to add the 2024 net result less the (interim and final) cash dividends to the retained earnings.



Appendix

In this section we share our progress on our commitments, show where we have included TCFD disclosures, detail our GHG emissions, provide an overview of the sustainability indices and ratings, and include a glossary of terms used in this report.

Principles for Sustainable Insurance (PSI) Progress report 2024

In June 2012, we became a founding signatory of the UN Principles for Sustainable Insurance. We report on our progress in implementing the principles in our business operations throughout the NN Group Annual Report.

Our commitment	Our goals	Our progress 2024
We will embed in our decision-making environmental, social and governance issues, relevant to our business	– Transition proprietary investment portfolio to net-zero GHG emissions by 2050 – Transition the underwriting portfolio to net-zero GHG emissions by 2050 – Reduce GHG emissions of own business operations to net-zero by 2040 – More than double investments in climate solutions such as renewable infrastructure, green bonds and energy-efficient real estate	– Carbon footprint (measured as tonnes CO_2e/EUR million invested) of NN Group's corporate investments (proprietary assets) was 86 tonnes of CO_2e in 2024. **p. 151** – Carbon footprint (measured as tonnes CO_2e/m^2) of NN Group's residential mortgages was 22.9 kg of CO_2e in 2024. **p. 154** – The insurance-associated GHG emissions for NN Group's commercial lines was 56 kilotonnes CO_2e in 2024. **p. 156** – The insurance-associated GHG emissions (measured as tonnes CO_2e/100 vehicles) for NN Group's Private Motor line was 10.73 in 2024. **p. 156** – NN Group's own operations' GHG emissions, scope 1 and scope 2 (market-based) was 6.3 kilotonnes CO_2e in 2024 and scope 3 business air travel was 3.6 kilotonnes CO_2e. **p. 146** – NN Group's total Investments in Climate Solutions was EUR 12.8 bn in 2024. **p. 154**
We will work together with clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions	– Reassess our role as an asset owner and expand active ownership activities – Develop relevant products and services – Manage our direct footprint and review our procurement process in order to create more sustainable practices	– In 2024, we formulated a Responsible Insurance Underwriting (RIU) Framework Policy, to provide direction on the integration of sustainability matters into insurance underwriting activities. **p. 143** – In 2024, NN Group updated its Voting Policy for Proprietary Assets available on our website. The revision includes detailed explanation of NN's stance on environmental, social and governance (ESG) topics, clarification of expectation for investee companies and external asset managers and updates on NN's voting policy on issues like remuneration and taxation. **p. 139** – As an insurer we engaged with clients and intermediaries on sustainability matters like climate change. **p. 144**
We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues	– Engage with stakeholders on general developments or more specific issues, ranging from products, services and business performance to our role in society – Contribute to communities by supporting the financial, physical and/or mental well-being of one million people by 2025	– In 2024, we partnered with the Verbond van Verzekeraars (Dutch Association of Insurers) to host a collaborative dialogue, supported by their knowledge partner EY. This initiative brought together leading organisations in the Netherlands on sustainability topics, creating a space for valuable cross-sector conversations. **p. 128** – In 2024, we have a partnership on Mental Well-being & Resilience for the Next Generation in collaboration with SOS Children's Villages and Save the Children. **p. 201**
We will demonstrate accountability and transparency in regularly disclosing publicly on our progress in implementing the principles	– Ensure public disclosure of our non-financial objectives, and the progress we make, in our annual reporting	– NN Group published our 2024 Annual Report. This table serves as a cross-reference to the relevant sections in these reports and our website.

Our response to the Task Force on Climate-related Financial Disclosures (TCFD)

	TCFD Recommended Disclosures	Annual Report reference
Governance	a) Describe the board's oversight of climate-related risks and opportunities	– Governance - Corporate governance - Sustainability governance – Governance - Corporate governance - Sustainability is embedded in our governance
	b) Describe management's role in assessing and managing climate-related risks and opportunities	– Governance - Corporate governance - Sustainability is embedded in our governance
Strategy	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	– Sustainability Statement - General disclosures - Our approach to the DMA
	b) Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning	– Sustainability Statement - General disclosures - Our approach to the DMA – Sustainability Statement - General disclosures - Connecting our sustainability matters to our strategy and business model
	c) Describe the resilience of the organisation's strategy, taking into considerations different climate-related scenarios, including a 2°C or lower scenario	– Sustainability Statement - Environment - Risk scenarios
Risk management	a) Describe the organisation's processes for identifying and assessing climate-related risks	– Sustainability Statement - Environment - Climate Risk Assessment framework – Sustainability Statement - Environment - Climate Risk Assessment approach
	b) Describe the organisation's processes for managing climate-related risks	– Sustainability Statement - Environment - Climate Risk Assessment results - Risk-mitigating measures for investments – Sustainability Statement - Environment - Climate Risk Assessment results - Risk-mitigating measures for liabilities – Managing our risks - Sustainability risks
	c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	– Managing our risks - Managing our risks
Metric and targets	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	– Sustainability Statement - Environment - Climate Risk Assessment - Step 4: Assess impact
	b) Disclose scope 1, scope 2, and, if appropriate, scope 3 GHG emissions, and the related risks	– Sustainability Statement - Environment - Total GHG emissions aggregated by scope 1 and 2 and material scope 3 categories
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	– Sustainability Statement - Environment - Targets

United Nations Global Compact (UNGC) Progress report 2024

UN Global Compact	NN Group commitment	Performance
Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights	– The NN statement of Living our Values includes the commitment to respect human rights – Human rights are an integral part of NN Group's Responsible Investment Framework policy that applies to all asset classes – We ask our suppliers to agree to comply with the UNGC principles that promote human rights, fair labour practices, environmental protection and anti-corruption – NN Group is a member of various international networks and initiatives	– NN statement of Living our Values – NN Group Human Rights statement – NN Group's Responsible Investment Framework policy sets out our vision and approach in this area. NN Group applies norms-based responsible investment criteria that are a reflection of relevant laws, the organisation's values and internationally recognised standards such as the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises – NN will implement human rights considerations as part of its RIU Policy, first published in 2024 – NN Group Sustainable Procurement Statement – NN Group Supplier Code of Conduct – NN Group Investment Guidance paper on Human Rights – NN Group memberships → www.nn-group.com
Principle 2 Businesses should make sure that they are not complicit in human rights abuses	– The NN statement of Living our Values includes the commitment to respect human rights – Human rights are an integral part of NN Group's Responsible Investment Framework policy that applies to all asset classes – We ask our suppliers to agree to comply with the UNGC principles that promote human rights, fair labour practices, environmental protection,and anti-corruption. – NN Group is a member of various international networks and initiatives	– NN statement of Living our Values – NN Group Human Rights statement – NN Group's Responsible Investment Framework policy sets out our vision and approach in this area. NN Group applies norms-based responsible investment criteria that are a reflection of relevant laws, the organisation's values and internationally recognised standards such as the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises – NN will implement human rights considerations as part of its RIU Policy, first published in 2024 – NN Group Sustainable Procurement Statement – NN Group Supplier Code of Conduct – NN Group Investment Guidance paper on Human Rights – NN Group memberships → www.nn-group.com

United Nations Global Compact (UNGC) Progress report 2024 continued

UN Global Compact	NN Group commitment	Performance
Principle 3/ILO Conventions 87 and 98 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	– The NN statement of Living our Values includes the commitment to respect human rights, advocate equal opportunities and encourage diversity of thinking – At NN Group, we uphold the freedom of association for all our employees and recognise the right to collective bargaining – Human rights are an integral part of NN Group's Responsible Investment Framework policy that applies to all asset classes – We ask our suppliers to agree to comply with the UNGC principles that promote human rights, fair labour practices, environmental protection and anti-corruption	– NN statement of Living our Values – NN Group Human Rights statement – NN Group Investment Guidance paper on Labour Rights – NN Group Statement on Diversity and Inclusion – Diversity and Inclusion overview – Human Resources Framework Standard – NN Group's Responsible Investment Framework policy sets out our vision and approach in this area. NN Group applies norms-based responsible investment criteria that are a reflection of relevant laws, the organisation's values, and internationally recognised standards such as the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises – NN Group Sustainable Procurement Statement – NN Group Supplier Code of Conduct → www.nn-group.com
Principle 4/ILO Conventions 29 and 105 Businesses should support the elimination of all forms of forced and compulsory labour	– The NN statement of Living our Values includes the commitment to respect human rights – Human rights are an integral part of NN Group's Responsible Investment Framework policy that applies to all asset classes – We ask our suppliers to agree to comply with the UNGC principles that promote human rights, fair labour practices, environmental protection and anti-corruption	– NN statement of Living our Values – NN Group Human Rights statement – NN Group Investment Guidance paper on Labour Rights – NN Group's Responsible Investment Framework policy sets out our vision and approach in this area. NN Group applies norms-based responsible investment criteria that are a reflection of relevant laws, the organisation's values, and internationally recognised standards such as the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises – NN Group RIU Policy – NN Group Sustainable Procurement Statement – NN Group Supplier Code of Conduct → www.nn-group.com
Principle 5/ILO Conventions 138 and 182 Business should support the effective abolition of child labour	– The NN statement of Living our Values includes the commitment to respect human rights. – Human rights are an integral part of NN Group's Responsible Investment Framework policy and applies to all asset classes. – We ask our suppliers to agree to comply with the UNGC principles that promote human rights, fair labour practices, environmental protection and anti-corruption.	– NN statement of Living our Values – NN Group Human Rights statement – NN Group Investment Guidance paper on Labour Rights – NN Group's Responsible Investment Framework policy sets out our vision and approach in this area. NN Group applies norms-based Responsible Investment criteria that are a reflection of relevant laws, the organisation's values, and internationally recognised standards such as the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises. – NN Group RIU Policy – NN Group Sustainable Procurement Statement – NN Group Supplier Code of Conduct → www.nn-group.com

United Nations Global Compact (UNGC) Progress report 2024 continued

UN Global Compact	NN Group commitment	Performance
Principle 6/ILO Conventions 100 and 111 Businesses should support the elimination of discrimination in respect of employment and occupation	– The NN statement of Living our Values includes the commitment to respect human rights – At NN Group, we believe it is right for the composition of our workforce to reflect that of society and for our people to bring a diversity of talents, beliefs and perceptions to their work	– NN statement of Living our Values – NN Group Human Rights statement – Diversity and Inclusion overview – NN Group Statement on Diversity and Inclusion www.nn-group.com
Principle 7 Businesses should support a precautionary approach to environmental challenges	– The NN statement of Living our Values includes the commitment to respect each other and the world we live in – NN Group will increase investments in climate solutions with an additional EUR 6 billion by 2030, taking the total investments in climate solutions to around EUR 11 billion – NN Group's Climate Action Plan aims to mitigate environmental and social risk of our investment and insurance activities – NN Group RIU Policy, with restrictions for climate change sensitive sectors and additional due diligence for possible environmental risks in specific sectors – NN Group's environmental approach aims to minimise the environmental impact of our own operations – NN Group's Procurement and Outsourcing Policy includes environmental aspects	– NN statement of Living our Values – NN Group Climate Action Plan – NN Group RIU Policy www.nn-group.com
Principle 8 Businesses should undertake initiatives to promote greater environmental responsibility	– The NN statement of Living our Values includes the commitment to respect each other and the world we live in – NN Group will increase investments in climate solutions with an additional EUR 6 billion by 2030, taking the total investments in climate solutions to around EUR 11 billion – NN Group's RIU Policy aims to mitigate environmental and social risk of our investment activities – NN Group's Procurementand Outsourcing Policy includes environmental issues, this is to ensure environmental sustainability – NN Group is a member of various international networks and initiatives	– NN statement of Living our Values – NN Group Climate Action Plan – NN Responsible Investment Framework Policy – NN Group Investment Guidance paper on the Environment – NN Group Investment Guidance paper on Animal Welfare – NN Group White paper Biodiversity approach for investments www.nn-group.com
Principle 9 Businesses should encourage the development and diffusion of environmentally friendly technologies	– The NN statement of Living our Values includes the commitment to respect each other and the world we live in – NN Group will increase investments in climate solutions with an additional EUR 6 billion by 2030, taking the total investments in climate solutions to around EUR 11 billion	– NN statement of Living our Values – NN Group Climate Action Plan – NN Responsible Investment Framework Policy – NN Group Investment Guidance paper on the Environment – NN Group White paper Biodiversity approach for investments www.nn-group.com

United Nations Global Compact (UNGC) Progress report 2024 continued

UN Global Compact	NN Group commitment	Performance
Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery	– The NN statement of Living our Values includes the commitment to act with integrity. NN Group has zero tolerance of bribery and corruption and has clear policies on this. NN Group implements a Code of Conduct.	– NN statement of Living our Values – NN Group Code of Conduct www.nn-group.com

GHG emissions

Total GHG emissions (tCO_2e) aggregated by scope 1, 2 and 3 categories

	Base year	2023	2024	Retrospective % Actuals / Last year	Retrospective % Actuals / Base year	Target 2025	Target 2030	Target 2040	Target 2050	Milestones and target years % Annual target / Base year
Scope 1 GHG emissions (base year = 2019)										
Gross scope 1 GHG emissions[1]	3,032	1,785	1,896	6%	−37%	−45%	−75%	Net zero		−8%
Scope 2 GHG emissions (base year = 2019)										
Gross scope 2 GHG emissions - location-based[2]		7,832	6,613	−16%						
Gross scope 2 GHG emissions - market-based	6,601	5,092	4,375	−14%	−34%	−45%	−75%	Net zero		−8%
Significant scope 3 GHG emissions - own operations (base year = 2019)										
Category 1 - purchased goods and services		87,064	75,057	−14%						
Category 3 - fuel and energy related activities (not included in scope 1 or scope 2)		1,214	1,183	−3%						
Category 5 - waste generated in operations		533	636	19%						
Category 6 - business travel (ground + air)		5,362	6,185	15%						
Category 6 - business travel (ground)		2,247	2,548	13%						
Category 6 - business travel (air)	4,275	3,115	3,637	17%	−15%	−25%	−50%	Net zero		−4%
Category 7 - employee commuting		5,603	6,133	9%						
Significant scope 3 GHG emissions - investments										
Category 15 - financed investments[3,4]		3,493,779	2,897,152	−17%						
Significant scope 3 GHG emissions - underwriting										
Category 15 - insurance-associated emissions[5]		200,844	199,513	−1%					Net zero	
Scope 3 GHG emissions										
Gross scope 3 GHG emissions		3,794,398	3,185,858	−16%						
Total GHG emissions[6]										
Total GHG emissions (scope 1, 2 and 3) – location-based		3,804,015	3,194,367	−16%						
Total GHG emissions (scope 1, 2 and 3) – market-based		3,801,276	3,192,130	−16%						

1 0% of NN's scope 1 GHG emissions are covered by regulated emissions trading schemes.
2 NN does not have any location-based targets. Therefore, a baseline is not applicable. Intermediate reduction targets are set on scope 1 and scope 2 (market-based) combined.
3 Represents the total scope 1 and 2 financed emissions of NN's proprietary assets (excluding Government bonds & lending).
4 Intermediate targets are based on carbon intensity method. Refer to the financed emissions overviews for more information.
5 Intermediate targets are partly based on carbon intensity method. Refer to the insurance-associated emissions table for more information.
6 The total GHG emissions calculcated in this overview represents the summation of the GHG categories in this table. This deviates from the 'Total GHG emissions (tCO_2e) aggregated by scope 1, 2 and material scope 3 categories'.

GHG emissions continued

Based on the outcome of our Double Materiality Assessment (DMA), we have identified that not all GHG emissions are material as we do not have a material impact for our own operations for example. Therefore this information is included in this appendix of the Annual Report for the purpose of comparability and insight into the actual impact.

The 2023 comparatives are presented on a consistent basis with the 2024 disclosures. As a result, the 2023 comparatives differ in some respects from similar amounts disclosed in the 2023 Annual Report. These differences relate mainly to GHG emissions and are largely a result of more information being available on 2023 emissions compared to the moment of finalising the 2023 Annual Report. The 2023 comparatives were also updated for certain methodology amendments. Reference is made to the Sustainability Statement for more information.

Calculation methodology

In this appendix, we disclose the GHG emissions of our own operations (scope 1 and 2) and applicable scope 3 categories. Scope 3 includes indirect emissions occurring in NN Group's value chain. We use the scope 3 categories that are provided by the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The relevance of these categories for NN Group is set out in the table below.

GHG Protocol Corporate Value Chain (Scope 3) categories	Relevance
1. Purchased goods and services	Applicable to NN Group, but the category is not material
2. Capital goods	Not applicable as NN Group does not significantly engage in activities linked to this category
3. Fuel and energy-related activities	Applicable to NN Group, but the category is not material
4. Upstream transportation and distribution	Not applicable as NN Group does not significantly engage in activities linked to this category
5. Waste generated in operations	Applicable to NN Group, but the category is not material
6. Business travel (ground)	Applicable to NN Group, but the category is not material
6. Business travel (air)	Applicable to NN Group and material
7. Employee commuting	Applicable to NN Group, but the category is not material
8. Upstream leased assets	Not applicable as NN Group does not engage in activities linked to these categories
9. Downstream transportation and distribution	Not applicable as NN Group does not engage in activities linked to these categories
10. Processing of sold products	Not applicable as NN Group does not engage in activities linked to these categories
11. Use of sold products	Not applicable as NN Group does not engage in activities linked to these categories
12. End-of-life treatment of sold products	Not applicable as NN Group does not engage in activities linked to these categories
13. Downstream leased assets	Not applicable as NN Group does not engage in activities linked to these categories
14. Franchises	Not applicable as NN Group does not engage in activities linked to these categories
15. Investments	Applicable to NN Group and material. This category includes category 15 financed emissions, and category 15 insurance-associated emissions

GHG emissions continued

GHG emissions identified as material based on the outcomes of our DMA are disclosed in our Sustainability Statement. A description of the GHG calculation methodology of our material own operations' emissions, financed emissions and insurance-associated emissions are included in the Sustainability Statement (see p. 147). For the scope 3 categories that are not covered in the Sustainability Statement and reported in this appendix only, methodology per category is shown in the table below.

Protocol Corporate Value Chain (Scope 3) categories	Calculation method	Activity data	Emissions factors applied	Source
1. Purchased goods and services	Spend-based	Euro spend per procurement category	Emissions per euro spend per procurement category	US EEIO database
3. Fuel and energy-related activities	Average data	In line with scope 1 and scope 2	Downstream emissions per unit of consumed energy	Ecoinvent and *CO_2emissiefactoren*
5. Waste generated in operations	Supplier-specific for business units in the Netherlands and average data for the other business units	Solid waste and water consumption from NN Group buildings	Emissions per unit of solid office waste, split by recycled and non-recycled, and wastewater treatment	Ecoinvent and CE Delft
6. Business travel (ground)	Distance-based and partly spend-based; spend-based only for public transport in case data for distance travelled is unavailable	Distance travelled by transport type Note: also includes emissions related to lease cars provided by NN Group to its employees via secondary employment conditions	Average emissions per kilometre travelled, per transport type and emissions per euro spend on public transport	*CO_2emissiefactoren*
7. Employee commuting	Distance-based	Distance travelled by transport type. Note: also includes emissions related to lease cars provided by NN Group to its employees via secondary employment conditions	Average emissions per kilometre travelled per transport type	*CO_2emissiefactoren*

Energy consumption and sustainability indices and ratings

Energy consumption in Mega-Watt-hours (MWh)

	2024	2023	Variance
Consumption of energy from fossil sources	20,648	22,137	–1,489
Consumption of energy from nuclear sources	1,478	1,875	–397
Fuel consumption from renewable sources			
Consumption of self-generated non-fuel renewable energy	190	133	57
Consumption of purchased or acquired electricity and district heating from renewable sources	14,976	14,618	358
Consumption of energy from renewable sources	15,166	14,751	415
Total energy consumption	**37,292**	**38,763**	**–1,471**

Based on the outcome of our DMA, we have identified the energy consumption from fossil sources as not material as we do not have a material impact with our own operations. Therefore this information is included in this appendix of the Annual Report for the purpose of transparency and insight in the actual impact.

Calculation methodology

We provide a comprehensive overview of the total energy consumption associated with NN Group's operations. 'Own operations' specifically refers to the activities and processes of entities included in the NN Group's consolidation. The energy consumption primarily stems from the use of buildings operated by NN Group. In this context, 'purchased or acquired energy' denotes energy that has been sourced from third parties.

Sustainability indices and ratings

	2024	2023	2022
Indices			
FTSE4Good	Included	Included	Included
Bloomberg Gender-Equality Index[1]		Included	Included
Ratings and benchmarks			
Sustainalytics[2]	14.3/100 (low risk)	18.5/100 (low risk)	14.7/100 (low risk)
MSCI	AA	AA	AA
ISS ESG research	C	C	C+
CDP[1]		B	B
World Benchmarking Alliance financial system benchmark[3]	35th position		8th position
VBDO (Ranking of Responsible Investments by Insurers in the Netherlands)[4]		4th position	
Financial Times-Statista 2025 Diversity Leaders	9th position	42nd position	772nd position
Equileap	1st position	Not included	Not included

1 No 2024 scoring available.
2 Sustainalytics 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).
3 The World Benchmarking Alliance financial system benchmark assessment takes place once every two years.
4 VBDO 4th out of 20 for Ranking of Responsible Investments by Insurers in the Netherlands and 1st out of 116 on Tax Transparency Benchmark.

Glossary

Annual total compensation
Compensation provided over the course of a year.

Average FTE
Average FTE in the business unit for which sick leave is registered. Definition of total workdays: either 365 or the number of actual working days of the reported year for a full-time FTE.

Average years of service
Average of all service years of all employees. Service years is calculated by looking at the years between 31/12/YYYY and the value of Continuous Service Years.

Base year
Historical date (such as year) against which a measurement is tracked over time.

Baseline
Starting point used for comparisons. In the context of energy and emissions reporting, the baseline is the projected energy consumption or emissions in the absence of any reduction activity.

Business partner
Entity with which the organisation has some form of direct and formal engagement for the purpose of meeting its business objectives.

Business relationships
Relationships that the organisation has with business partners, with entities in its value chain including those beyond the first tier (parties we have a direct contract with), and with any other entities directly linked to its operations, products, or services.

Business travel by air
Greenhouse gas emissions (GHG) based on the total distance and cabin class of business travel by air by NN employees.

CDP
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.

Collective bargaining
All negotiations that take place between one or more employers or employers' organisations and one or more workers' organisations (e.g. trade unions), for determining working conditions and terms of employment or for regulating relations between employers and workers.

Contributions to society
The Business for Social Impact (B4SI) framework offers a consistent and credible approach to reporting and impact measurement. This helps us track our contributions to society and is fully integrated into our internal and external reporting. We aim to contribute to communities by supporting financial, physical and/or mental well-being of one million people by 2025 (accumulative 2022-2025) and to contribute 1% of our operating result before tax to our communities by 2023.

Customer engagement measured through Net Promoter Score (NPS)
The internationally recognised Net Promoter Score (NPS) system, one of the key metrics in the Global brand Health Monitor (GBHM), measures how likely it is that our customers recommend our products and services to colleagues, friends or family. We use relational NPS (NPS-r) to measure the strength of the relationship with customers and gain understanding of customer satisfaction over time.

Customer privacy
Right of the customer to privacy and personal refuge.

Distance-based method
Involves determining the distance and transport mode of trips and applies the appropriate emission factor for the transport mode used in line with the applicable GHG Protocol Standards.

Due diligence
Process to identify, prevent, mitigate, and account for how the organisation addresses its actual and potential negative impacts.

EIOPA
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.

Employee engagement
We measure employee engagement through our biannual global employee engagement survey to determine progress against one of our key KPIs. This survey contains a broad selection of questions covering how employees feel about the company culture, how they are managed and the direction of the company as a whole. The scoring of these questions results in an employee engagement score, that is compared to the finance industry benchmark from Peakon.

Employee engagement survey
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.

Employee turnover
Employees (individuals who are in an employment relationship with the organisation according to national law or practice) who leave the organisation voluntarily or due to dismissal, retirement, or death in service. Total of HC of all terminated employees/Avg employee headcount. A termination is defined as a termination when the following Business Processes are successfully completed: 'End Contract Event' and 'Terminate Employee Event'.

Glossary continued

Employees covered by Collective Labour Agreement (CLA)
Internal employees who are covered by a collective bargaining agreement can be read as covered by a Collective Labour Agreement contract.

Employees represented by an employee representative body
Internal employees who are covered by a works council, unions or other organisations representing employees.

Employees with completed standard performance process
All employees that have performed all the steps in the performance process concerning the goal setting, first snapshot, team review, second snapshot and year-end review.

Energy consumption
We provide a comprehensive overview of the total energy consumption associated with NN Group's operations. 'Own operations' specifically refers to the activities and processes of entities included in the NN Group's consolidation. The energy consumption primarily stems from the use of buildings operated by NN Group. In this context, 'purchased or acquired energy' denotes energy that has been sourced from third parties.

Energy reduction
Amount of energy no longer used or needed to carry out the same processes or tasks.

Engagement
In the context of managing climate risks, engagement means entering into dialogue with investee companies on the risks of climate change, and the need to transition to a low-carbon economy.

Environmental laws and regulations
Laws and regulations related to all types of environmental issues applicable to the organisation.

Environmental, social and governance (ESG) factors
Environmental factors include (non-exhaustive): climate change, other forms of environmental degradation (e.g. air pollution, water pollution, scarcity of fresh water, land contamination, biodiversity loss and deforestation) and animal welfare, in addition to corrective policy actions aimed at addressing such factors. Climate change is further divided into:
a) transitional effects resulting from the transition to a green economy, and
b) physical effects resulting from changes in weather patterns, temperature, hydrological conditions or natural ecosystems (both acute or longer-term shifts).

- Social factors include (non-exhaustive): rights, well-being and interests of people and communities, including human rights, (in) equality, health, inclusiveness, diversity, employee rights and labour relations, workplace health and safety.
- Governance factors include (non-exhaustive): pursuing or applying proper governance practices, amongst others including executive leadership, executive pay, audits, internal controls, responsible tax practices, board independence, shareholder rights, anti-corruption and anti-bribery, and also the way in which companies or entities include environmental and social factors in their policies and procedures.

Financial economic crime (FEC)
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.

Financial sector oath or promise
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.

Formal meetings held with employee representative bodies
Number of formal meetings is seen as how often the Executive Board has consulted with the works council, union or other organisations representing employees.

Formal meetings held with employee representative bodies
Count of the number of meetings held with employee representative bodies.

Fuel-based method
Involves determining the amount of fuel and electricity consumed during transportation and applies the appropriate emission factor for that fuel or electricity in line with the relevant GHG Protocol Standards.

Full-time employee
Employee whose working hours per week, month, or year are defined according to national law or practice regarding working time. FTE is not maximised at 100% (e.g. an employee with 36 default hours and 40 scheduled weekly hours is counted as 111.11% FTE).

General Data Protection Regulation (GDPR)
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.

Glossary continued

GHG emissions of our own operations
Sum of our GHG emissions in scope 1, 2 and 3 in tonnes of CO_2 equivalent (CO_2e). The main sources concern:
- International Energy Agency or IEA. It uses emission factors from electricity of national grids.
- Association of Issuing Bodies or AIB. It provides emission factors from electricity of national grids.
- CO_2emissiefactoren.nl which uses international or European values. It provides a variety of emission factors.
- Department for Energy Security & Net Zero or DESNZ. It provides a variety of emission factors.

GRESB
GRESB is a mission-driven and industry-led organisation that provides actionable and transparent ESG data for commercial real estate and infrastructure to financial markets. GRESB collects, validates, scores and benchmarks ESG data to provide business intelligence, engagement tools and regulatory reporting solutions for investors, asset managers and the wider industry.

Global Reporting Initiative (GRI)
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.

Grievances on labour practices
NN's general policy is that employees who feel they have been harmed in their work situation as a result of an individual decision that the management has either made or failed to make, and employees who have been confronted with behaviour they perceive to be inappropriate, should attempt to resolve their situation by discussing their grievances. If discussions fail to render an acceptable solution, the employee has the option of submitting a complaint or dispute to the Complaints & Disputes Committee.

Group Sustainability Council (GSC)
The Group Sustainability Council is assisting the Management Board in relation to sustainability matters, by:
- Facilitating strategy implementation and monitoring execution and performance, including steering regulatory implementation.
- Discussing and consulting on material changes and developments.
- Incorporating the sustainability and social impact responsibilitiesof the former Purpose Council and the responsibilities of the Taskforce Sustainability in Business Steering Committee, both of which ceased to exist as of the effective date of the Group Sustainability Council.
- Chaired by Head of Sustainability and Social Impact, includes heads of staff and BU managers; CPCSO standing invitation.

Headcount
The total number/headcount of all employees categorised as 'fixed term' and 'permanent'.

Human capital return on investment
Calculated as (Operating Results Ongoing Business + Employee Expenses)/Employee Expenses. Employee Expenses = Staff Expenses – External Staff Costs.

Locked-in emissions
Estimates of future GHG emissions that are likely to be caused by NN Groups's key assets or products sold within their operating lifetime.

Male/female ratio
Total headcount of all employees where gender is male or female/Total headcount of all employees.

Employee is Worker Sub Type 'fixed term' and 'permanent'.

Net-zero
Reducing emissions in the real economy as close to zero as possible and remaining emissions are balanced using carbon removal technologies. The ambition is based on the Paris Climate Agreement to limit temperature rise to 1.5°C.

New hires
Total headcount of all hired employees. A hire is defined as a hire when the following Business Processes are successfully completed: 'Contract Contingent Worker Event' or 'Hire Employee Event'.

NN Group Compliance Function Charter
A policy set in place by NN 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.

Non-governmental organisation (NGO)
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.

OECD
The Organisation for Economic Co-operation and Development, an international organisation, established after World War II, with the aim of shaping policies that foster prosperity, equality, opportunity and well- being for all.

Open positions filled by internal candidates
Percentage of hires from the internal NN population for the stated period. Included in the percentage are the categories 'internal mobility', 'conversion from intern' and 'redundant'.

Operating capital generation (OCG)
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

Glossary continued

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.

Other incidents and concerns
Concerns refer to a report raised by an employee about an actual or suspected irregularity or misconduct within NN that leads or could lead to a violation of: NN's Values; any NN Policy; and/or any national law, regulation or code.

Participation in engagement survey
Percentage of employees who filled in the engagement survey.

Part-time employees
Sum of all employees who have an FTE value of <100%.

People supported
Following the B4SI Guidance Manual on defining output, this is the number of beneficiaries who receive a product or service as a result of our contribution. We divide that into two categories, which are our strategic themes: 'Financial well-being' and 'Physical and mental well-being'. Allocation to one of these categories is based on how resources we contributed were allocated within the theme. For example, in 2023, our cash contribution to Brand New Job is part of the 'financial well-being' strategic theme. The number reported is a cumulative figure over the years 2022-2023-2024-2025.

Product approval and review process (PARP)
The assessment of a product in relation to its customer suitability, financial and non-financial risks, and profitability. NN 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.

Ratio of CEO compensation to the average employee compensation
CEO compensation/Average employee compensation. The ratio of CEO compensation to the average employee compensation refers to the pay ratio calculation method as prescribed by the Dutch Monitoring Commission Corporate Governance. The pay ratio should be understood to mean: the ratio between the total annual remuneration of the CEO and the average annual remuneration of the employees in which the total annual remuneration of the CEO includes all remuneration components (such as base salary, variable compensation in both cash and shares, social premiums, pension, expense allowances, etc.). The average annual remuneration of employees is the total wage costs divided by the average number of FTEs during the year. The value of the share-based remuneration is determined at the moment of grant.

Recalculation Policy for Baseline GHG emissions targets
In order to accurately report on the progress towards our decarbonisation targets we will on an annual basis assess whether there are significant changes that require a recalculation of our targets and the related baselines. A materiality threshold is set at 10%, but we may choose to recalculate our base year for changes below this threshold such as in case of structural changes (i.e. mergers, acquisitions and/or divestitures).

Regardless of such events NN will review and update its targets at least every five years. Relevant events triggering an update of baselines and associated targets before this five-year time horizon has passed are amongst others (1) Structural changes to our organisation such as mergers, acquisitions and divestitures, (2) Methodological changes and/or significant improvements in data accuracy, (3) External factors affected a single base year value making it not representative, (4) other changes such as the discovery of material (cumulative) reporting errors or a material change in the scope of targets.

Report of the Management Board
The NN Group N.V. 2024 Report of the Management Board (Bestuursverslag), as referred to in section 2:391 of the Dutch Civil Code. It includes the following chapters of the Annual Report: About NN, Our strategy and business, Our performance, Managing our risks, Governance (excluding A conversation with our Supervisory Board, and, Report of the Supervisory Board), Sustainability Statement, and Our response to the TCFD disclosures and GHG emissions as included in the Appendix.

Responsible Investment (RI) Framework Policy
Sets out NN's vision, approach and key principles on responsible investment. NN defines RI as the systematic integration of relevant ESG factors into investment decision-making and active ownership practices.

Road travel
GHG from transportation in vehicles leased and owned by NN. The calculation is based on the fuel (including electricity) consumption and otherwise the distance travelled in kilometres.

Scope 1 GHG emissions
Direct GHG from sources that are owned or controlled by NN.

Scope 2 GHG emissions
Indirect GHG that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed in the office buildings owned (and held for own use) or leased by NN.

Scope 3 GHG emissions
Indirect GHG other than those reported in scope 1 and 2 that occur in NN's upstream and downstream value chain.

SMEs
Small- and medium-sized enterprises.

Spend on training and development
NN Group provides insights to enable an understanding of the training and skills development-related activities that have been offered to employees. The total amount spent on

Glossary continued

training and development is expressed in euros and divided by the total number of employees (incl. interns) in headcount at the end of the reporting period

Sustainability matters
Sustainability matters are opportunities, risks and positive and adverse impacts related to environmental, social and governance factors, including climate change, employee and human rights, anti-corruption and anti-bribery. Sustainability matters are identified based on the double materiality concept: our impact on the environment and society (inside-out perspective), but also how these matters impact our company (outside-in perspective).

Sustainability impacts
Sustainability impacts are positive/adverse impacts on environmental, social and governance factors that are created/caused by or (in)directly linked to NN Group's activities (NN's strategy, investment decisions, underwriting and operations).

Sustainability opportunities
Sustainability opportunities are opportunities related to environmental, social and governance factors that can create a positive contribution to NN Group's (non-)financial and/or strategic targets, reputation and/or balance sheet, as well as a positive impact to environment or society.

Sustainability risk
NN considers sustainability risks as risks related to ESG factors that can cause material negative impact to NN's long-term performance, reputation, value, balance sheet or operations.

Sustainable Development Goals (SDGs)
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.

Sustainable recovery
Sustainable recovery is a way of ensuring recovery of damaged goods or property related matters by not replacing it by fully new equipment or virgin materials but repairing it or using refurbished equipment or circular materials.

Task Force on Climate-related Financial Disclosures (TCFD)
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. The TCFD has fulfilled its remit and disbanded. The IFRS Foundation has taken over the monitoring of the progress of companies' climate-related disclosures.

Temporary employees
Temporary employees are employees with a contract for a limited period (i.e. fixed term contract) that ends when the specific time period expires, or when the specific task or event that has an attached time estimate is completed (e.g. the end of a project or return of replaced employees).

Total spending on training and development
The total amount spent on facilitating training and development for employees (internal and external).

Time contributions: volunteering hours
We account for a monetary value for our colleagues' volunteer hours based on time contributions.

B4SI defines this as '... the cost to the company of the paid working hours contributed by employees to a community organisation or activity. The term "volunteering" is often used to describe time contributions, but it can go beyond this to include any active engagement in community activity during paid working time. Examples include: employee volunteering, active participation in fundraising activities, longer-term secondments to community organisations, supervision of work experience placements.' Reference: Chapter 1.2, B4SI Guidance Manual, 2021 (p. 11). As of 2022, we calculate time contribution costs based on the average hourly rate of the previous year across NN and round down (2022: EUR 50 per hour) to be more accurate in the actual costs. The hourly rate is calculated based on the total employee remuneration across NN as disclosed in our Annual Report of the previous year, divided by the total number of hours per FTE (full- time equivalents). Currently, the rate is based on 52 weeks/36 hours per week, rounded down.

UN Global Compact
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.

Voting
Voting is one of the most powerful tools of active ownership and we vote at shareholder meetings on behalf of our own assets. Our Voting Policy for Proprietary Assets guides the voting considerations on behalf of NN Group's proprietary equity portfolio, and we publish our voting records on our website.

Weighted average carbon intensity
We calculate this metric to understand exposure to carbon intensive companies. Portfolio's exposure to carbon intensive companies, expressed as tCO_2 e/€M company revenue. This normalises each company's emissions by its sales. The weighted average is then calculated by portfolio weight.

Whistleblower concerns filed
Number of whistleblower concerns filed and assessed as being in scope of the Whistleblower policy/standard.

Glossary continued

Women in senior management positions
All the women in the Management Board, in managerial positions reporting directly to the Management Board, and in managerial positions reporting directly to the CEOs of NN Non-life, NN Bank or the CEOs of the NN International business units.

Workforce
The total number of employees with an employee contract.

Publication details

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Important legal information
The 2024 Annual Report provides an integrated review of the performance of NN Group. More information – for example the Solvency and Financial Condition Report (SFCR), Total Tax Contribution Report and the GRI Index Table – is available on the corporate website in the Investors/financial reports section.

Small differences in the tables are possible due to rounding. Certain of the statements in this 2024 Annual Report are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation: (1) changes in general economic conditions, in particular economic conditions in NN Group's core markets, (2) changes in performance of financial markets, including developing markets, (3) consequences of a potential (partial) break-up of the euro or European Union countries leaving the European Union, (4) changes in the availability of, and costs associated with, sources of liquidity as well as conditions in the credit markets generally, (5) the frequency and severity of insured loss events, (6) changes affecting mortality and morbidity levels and trends, (7) changes affecting persistency levels, (8) changes affecting interest rate levels, (9) changes affecting currency exchange rates, (10) changes in investor, customer and policyholder behaviour, (11) changes in general competitive factors, (12) changes in laws and regulations and the interpretation and application thereof, (13) changes in the policies and actions of governments and/or regulatory authorities, (14) conclusions with regard to accounting assumptions and methodologies, (15) changes in ownership that could affect the future availability to NN Group of net operating loss, net capital and built-in loss carry forwards, (16) changes in credit and financial strength ratings, (17) NN Group's ability to achieve projected operational synergies, (18) catastrophes and terrorist-related events, (19) operational and IT risks, such as system disruptions or failures, breaches of security, cyber-attacks, human error, changes in operational practices or inadequate controls including in respect of third parties with which we do business, (20) risks and challenges related to cybercrime including the effects of cyberattacks and changes in legislation and regulation related to cybersecurity and data privacy, (21) business, operational, regulatory, reputation and other risks and challenges in connection with Sustainability Matters (please see the link to our sustainability matters definition www.nn-group.com/sustainability/policies-reports-and-memberships/policy-and-report-library.htm), (22) the inability to retain key personnel, (23) adverse developments in legal and other proceedings and (24) the other risks and uncertainties contained in recent public disclosures made by NN Group.

Publication details

Any forward-looking statements made by or on behalf of NN Group in this 2024 Annual Report speak only as of the date they are made, and NN Group assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or for any other reason.

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