



# NN Group Creating value for our stakeholders

August 2020



# NN Group at a glance

## Our company

- Leading Dutch insurer with strong businesses in European insurance, asset management and Japan
- History dating back to 1845
- Active in 18 countries, unified international culture with shared best practices
- Approx. 18 million customers, served by more than 15 thousand employees
- Successful IPO on Euronext Amsterdam in 2014
- Credit ratings<sup>1</sup>: A/stable (S&P), A+/stable (Fitch)

## Our main brands



nationale  
nederlanden



NN investment  
partners

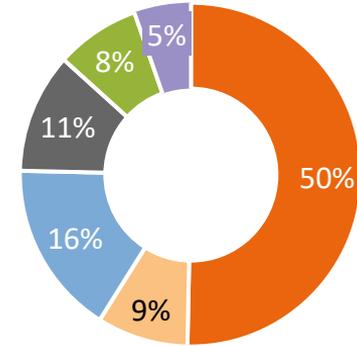


movir

AZL

BE  
FRANK

## NN Group operating capital generation<sup>2</sup>



- Netherlands Life
- Netherlands Non-life
- Insurance Europe
- Japan Life
- Asset Management
- Banking



All numbers in this presentation are as at 1H20, unless stated otherwise

1. Financial Strength Ratings

2. Percentages based on FY19 operating capital generation (OCG) (EUR 1,529m) excluding the segment Other (EUR -180m)

# Creating long-term value for our stakeholders

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 values  
Care Clear Commit

Our brand promise  
**You matter**

Our strategic commitments

- Customers and distribution**  
We see our customers as the starting point of everything we do.
- Products and services**  
We develop and provide attractive products and services.
- People and organisation**  
We empower our colleagues to be their best.
- Financial strength**  
We are financially strong and seek solid long-term returns for shareholders.
- Society**  
We contribute to the well-being of people and the planet.



- Led by our purpose and ambition, guided by our values and brand promise, and driven by our strategic commitments, we are able to create long-term value for our company and our stakeholders

# Becoming a customer-centric, data-driven company

**Evolving current skills while developing new capabilities and an entrepreneurial mindset to meet changing customer demands and to stay competitive and relevant in the future**

End of value chain manufacturing

Low customer engagement

Product focus

Only sell what we manufacture

One product for all, technical pricing

Back-office / operations-centric

Legacy technology, limited digitalisation



Front of value chain (customer engagement, distribution)

Increased customer engagement, active in platform economy

Solutions rather than products

Manufacturing, but also selling third-party offering

Personalised solutions, customer-driven pricing

Data / customer-centric

Customer experiences where digital and tied-agent channels reinforce each other

# Our broader responsibility to stakeholders

## Excellent customer experience

### Customer engagement

All insurance business units scoring above market average NPS<sup>1</sup> by 2023

### Brand consideration<sup>2</sup>

28% by 2023

## Engaged employees

### Employee engagement

≥ 7.8 by 2023

### Women in senior management positions

40% by 2023

## Positive contribution to society

### ESG-integrated AuM

80% by 2023

### Acceleration of the transition to a low-carbon economy

Net-zero carbon proprietary investment portfolio by 2050

### Contribution to society in charitable donations and volunteering hours

1% of operating result<sup>3</sup> by 2023

# Providing an excellent customer experience

## Empowering customers to make sound financial decisions

- Offering transparent and suitable products and services
- Using a multi-channel approach to reach customers
- Raising awareness on the importance of financial planning
- Offering guidance and financial planning tools to increase knowledge of financial matters

## Innovating our business while adding value to our customers

- Using digital capabilities to further enhance our customer experience
- Securing data protection and complying with GDPR
- Developing products or services that address societal challenges, e.g. Hello Mobility and Powerly in the Netherlands and health insurance products in CEE

## Helping customers to make their homes more sustainable



**18m**

Customers

**4/11**

Insurance business units scoring above market average (NPS-r)<sup>1</sup>

**18**

Innovation initiatives

# Attracting and retaining engaged employees

## Employee value proposition

- Providing a workplace that supports cooperation and allows people to thrive
- Encouraging professional and personal development of staff
- Attracting talent with relevant skills to transform our business
- Frequent dialogues on performance and engagement

## Ensuring a diverse workforce

- An international company with a diverse and inclusive business culture
  - 33% of senior management is non-Dutch
  - Further increasing female leadership
  - Included in Bloomberg Gender-Equality Index 2020
- Target: 40% women in senior management positions (by 2023)

## Optimising employee engagement

- Engagement essential for long-term business performance
  - Measurement through yearly engagement survey
  - Follow up results to continually improve our efforts
- Target:  $\geq 7.8$  by 2023

**33%**

Senior management positions held by women



**7.9**

Engagement score<sup>1</sup>

# Investing our assets in a responsible way

## Responsible investing at the core of NN IP's strategy<sup>1</sup>



## ESG integration

- NN IP applies a stringent definition of ESG integration
- All three (E, S and G) factors included in each individual investment analysis
- Demonstrated and documented in a consistent way

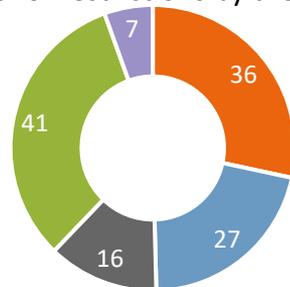


**71%**  
ESG-integrated strategies

- Target: 80% of AuM ESG-integrated by 2023

## Restriction: a measure of last resort

- NN Group's norms-based RI criteria: a reflection of relevant laws, internationally recognised standards and our organisation's values
- Number of restrictions by theme<sup>2</sup>



- Controversial weapons and/or arms trade
- Tobacco production
- Oil sands and controversial pipelines
- Thermal coal mining
- Violations of international standards of business conduct

# Using our influence to support the transition to a sustainable economy

## Voting, a powerful tool

- Voting on behalf of our own assets and our clients' assets
- Separate voting committees in place
- NN IP voted at 99% of the total voteable meetings<sup>1</sup>
- Supporting 190 shareholder resolutions linked to social and environmental topics

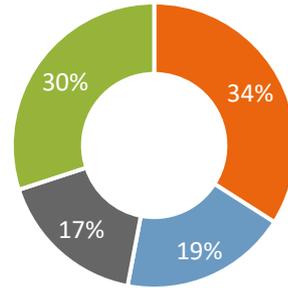
**2,752**

AGMs voted at<sup>2</sup>

**31,775**

Agenda items

## Dialogues and engagements on ESG topics in (662)<sup>3</sup>



Environmental Governance  
Social ESG overlap

- Focus themes for engagement 2020-2023: Climate change and Natural resources, Decent work, and Corporate governance

## Examples of collective engagement programmes



# Offering sustainable and impact investment strategies

## NN IP's sustainable & impact investment strategies

- Sustainable investments: companies with sustainable business models; includes equity, fixed income and multi-asset products
- Impact investment strategies aim to generate a measurable positive impact and a clear link to UN Sustainable Development Goals
- NN IP's Green Bond Fund is one of the world's largest open-ended green bond funds (EUR 1.6bn AuM)

➤ Objective: continue to increase AuM in sustainable and impact funds and mandates



**Green Bond Short**  
**Duration: act on**  
**climate, protect**  
**against rising rates**



## EUR 24.3bn

AuM in sustainable and impact funds and mandates

## 7%

Growth of AuM<sup>1</sup>  
(compared with FY19)



# Aiming for a net-zero carbon proprietary investment portfolio

## Our long-term ambition

- Transition of proprietary investment portfolio to net-zero emissions by 2050, in line with 1.5°C target of the Paris Agreement
- Playing our part in helping the real economy to decarbonise serves as a guiding principle in our approach
- To ensure appropriate actions, asset-class specific approaches will be defined in a step-by-step manner
- Aim to increase allocation to 'green investments' that support the Paris goals

## Building on existing climate change actions

- Extended carbon footprint analysis to cover 80% of total proprietary asset portfolio
- Developed in-house models for TCFD-aligned scenario analysis to gain insights in climate-related risks and opportunities
- Phase out of coal in proprietary investments to 'close to zero' by 2030
- Strong focus on sustainability in real estate portfolio leading to improved scores in GRESB assessment for fifth year in a row

## Underlining (inter)national commitments & collaborations

TCFD

TASK FORCE ON  
CLIMATE-RELATED  
FINANCIAL  
DISCLOSURES



IIGCC

Institutional Investors Group on Climate Change



PCAF

Partnership for  
Carbon Accounting  
Financials

# Investing in our communities

## Empowering people to improve their financial wellbeing

NN Future Matters, our global community investment programme, focuses on three themes:

- Promoting financial empowerment
  - Creating economic opportunities
  - Alleviating financial distress
- Target: 1% of our operating result<sup>1</sup> contributed through charitable donations and volunteering by 2023

## Developing innovative business concepts for societal challenges



## Supporting our communities during COVID-19<sup>2</sup>

- NN contributed to special funds set up for healthcare professionals in the Netherlands and Spain
- EUR 150k donated to Dutch food banks (the Netherlands)
- Donation of EUR 22k for the Central Clinical Hospital of MSWiA (Poland)
- EUR 200k donated for ventilators and breathing monitors (Romania)
- Donation of EUR 10k for developing materials for home schooling (Czech)

# 38

Students selected in 1H20 for scholarship programme



# EUR 3m

Donated to charitable organisations<sup>3</sup>

# Contributing to the Sustainable Development Goals

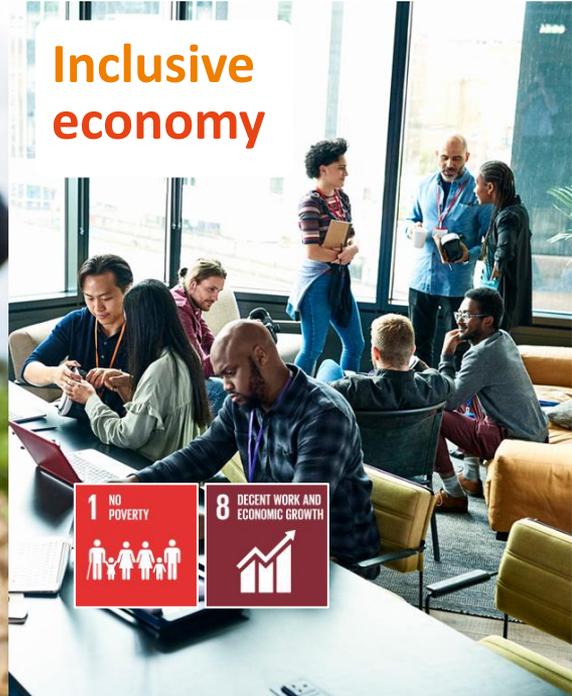
Healthy and  
secure living



Sustainable  
planet



Inclusive  
economy



# Strong corporate governance framework

## NN Group has a two-tier board structure

### Supervisory Board

responsible for supervising the management performed by the Executive Board and the general course of affairs of NN Group and its businesses, and assists the Executive Board with advice

### Executive Board

entrusted with the management, strategy and operations of NN Group under the supervision of the Supervisory Board

### Management Board

entrusted with the day-to-day management of NN Group and the overall strategic direction of the company

- The overall composition of the Supervisory Board and of the Executive Board and Management Board, taken as a whole, is balanced considering the members' nationality, gender, age, education, experience and work background

## Supervisory Board



**David Cole (NL/US)**  
1961  
Chair



**Hélène Vletter-van Dort (NL)**  
1964  
Vice-chair



**Heijo Hauser (D)**  
1955  
Member



**Hans Schoen (NL)**  
1954  
Member



**Clara Streit (D/US)**  
1968  
Member



**Robert Jenkins (US)**  
1951  
Member

# Experienced and diverse Management Board



**David Knibbe (NL)**  
Chief Executive Officer<sup>1</sup>



**Dailah Nihot (NL)**  
Chief Organisation &  
Corporate Relations



**Delfin Rueda (ESP)**  
Chief Financial Officer<sup>1</sup>



**Leon van Riet (NL)**  
CEO Netherlands Life &  
Pensions



**Bernhard Kaufmann (D)**  
Chief Risk Officer



**Fabian Rupprecht (CH/D)**  
CEO International Insurance



**Satish Bapat (NL/IND)**  
CEO NN Investment  
Partners



**Janet Stuijt (NL)**  
General Counsel



**Tjeerd Bosklopper (NL)**  
CEO Netherlands Non-life,  
Banking & Technology

- Strong Management Board with the required skills and experience in the current fast-paced and dynamic environment
- Average experience in the financial sector of over 20 years
- Diversity (age, gender, culture and ethnicity) promoted throughout the organisation
  - Supervisory Board: 33% female, 67% male
  - Management Board: 22% female, 78% male
  - 53% of Supervisory and Management Board members with non-Dutch nationality
- Executive variable remuneration linked to NN Group's medium-term strategic priorities and based on both financial and non-financial performance

1. Also member of the Executive Board

# Our performance in sustainability ratings

## Dow Jones Sustainability Indices (World and Europe)

- Score: 78 (out of 100)
- Rank: 11<sup>th</sup>  
(out of 79)



## FTSE4Good Index

- Score: 5 (out of 5)



## Euronext Vigeo: Eurozone 120



## Sustainalytics

- Score: 84 (out of 100)



## MSCI

- Score: AA  
(range AAA to CCC)



## CDP (Carbon Disclosure Project)

- Score: C  
(range A to D-)



# For more information

## General

- <https://www.nn-group.com/sustainability.htm>
- <https://www.nn-group.com/sustainability/responsible-investment.htm>
- <https://www.nnip.com/en-INT/professional/asset-management/responsible-investing>

## Voting activities

- <https://viewpoint.glasslewis.net/webdisclosure/search.aspx?glpcustuserid=NNI1018>

## Download the annual report

- <https://www.nn-group.com/investors/financial-reports-1.htm>

## Memberships and endorsements (not exhaustive)



# Important legal information

NN Group's Consolidated Annual Accounts are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU") and with Part 9 of Book 2 of the Dutch Civil Code. In preparing the financial information in this document, the same accounting principles are applied as in the NN Group N.V. Condensed consolidated interim financial information for the period ended 30 June 2020.

All figures in this document are unaudited. Small differences are possible in the tables due to rounding. Certain of the statements contained herein 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) the effects of the Covid-19 pandemic and related response measures, including lockdowns and travel restrictions, on economic conditions in countries in which NN Group operates, on NN Group's business and operations and on NN Group's employees, customers and counterparties (3) changes in performance of financial markets, including developing markets, (4) consequences of a potential (partial) break-up of the euro or European Union countries leaving the European Union, (5) changes in the availability of, and costs associated with, sources of liquidity as well as conditions in the credit markets generally, (6) the frequency and severity of insured loss events, (7) changes affecting mortality and morbidity levels and trends, (8) changes affecting persistency levels, (9) changes affecting interest rate levels, (10) changes affecting currency exchange rates, (11) changes in investor, customer and policyholder behaviour, (12) changes in general competitive factors, (13) changes in laws and regulations and the interpretation and application thereof, (14) changes in the policies and actions of governments and/or regulatory authorities, (15) conclusions with regard to accounting assumptions and methodologies, (16) changes in ownership that could affect the future availability to NN Group of net operating loss, net capital and built-in loss carry forwards, (17) changes in credit and financial strength ratings, (18) NN Group's ability to achieve projected operational synergies, (19) catastrophes and terrorist-related events, (20) adverse developments in legal and other proceedings and (21) the other risks and uncertainties contained in recent public disclosures made by NN Group.

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