

# NN Group Creating long- term value for our stakeholders

February 2023



# NN Group at a glance

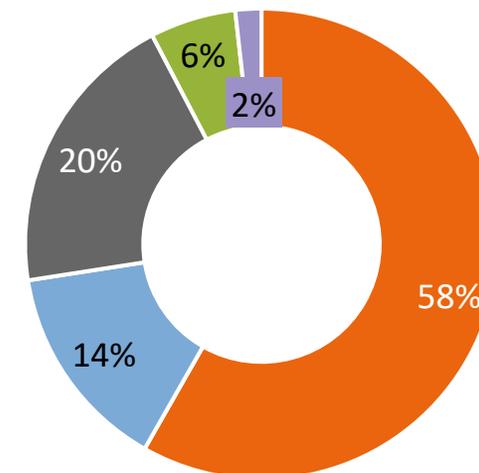
## Our company

- International financial services company, with a strong presence in Europe and Japan
- Active in 11 countries, unified international culture with shared best practices
- Approx. 20 million customers served by around 16,000 employees
- Successful IPO on Euronext Amsterdam in 2014
- Credit ratings<sup>1</sup>: A/positive (S&P), AA-/stable (Fitch)

## Our main brands



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



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

All numbers in this presentation are as at 31 December 2022 or for 2H22, unless stated otherwise

1. Financial Strength Ratings

2. Percentages based on FY22 operating capital generation excluding the segments Asset Management and Other (EUR 1,961m); the asset manager, NN IP, was sold to Goldman Sachs in April 2022





# 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.

# An industry leader, known for customer engagement, talented people and contribution to society

NN Group can make a real difference by supporting our 20 million **customers** and contributing to the transition to a **sustainable economy**

It is also our ambition to be known for our talented **people** and contribution to **society**

We believe that this approach allows us to deliver solid long-term returns for **shareholders**

Embedding ESG throughout the organisation and **governance** structure is key to achieving our objectives

Providing relevant **products and services** to support **customers** through the challenges of today and tomorrow

Contributing to the transition to a sustainable economy by **investing our assets responsibly**

Inclusive and open working environment for 16,000 **employees**

Contributing to the **communities** in which we live and operate

Maintaining a strong balance sheet

Embedding ESG in the organisation

## Contributing to the SDGs

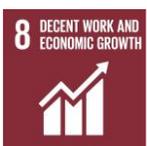
### Healthy living



### Sustainable planet



### Inclusive economy

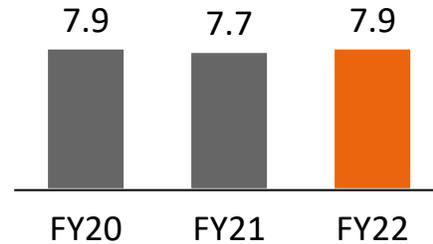


# Good progress on strategic targets for Customers, Employees and Society

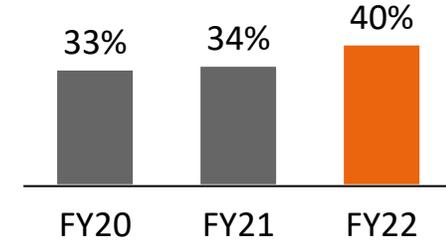
Above market average Net Promoter Score (NPS-r) of Netherlands and International<sup>1</sup> by 2025

**Netherlands: on par**  
**International: on par**

Employee engagement<sup>2</sup> of  $\geq 8.0$  by 2025



Diversity: Women in senior management positions<sup>3</sup> of  $\geq 40\%$  by 2025



Reduction GHG<sup>4</sup> emissions of corporate investment portfolio by 25% by 2025

**On track**

More than double investments in climate solutions<sup>5</sup> by +EUR 6bn by 2030

**EUR ~3bn invested in 2022**

Reaching 1m people in supporting financial, physical and/or mental well-being<sup>6</sup> by 2025

**>229,000 people reached**



1. Net Promoter Score (NPS-r) is measured for the retail business line in the Netherlands and for the 10 International business units based on a quarterly score
2. The target score is related to the benchmark. The target of at least 8.0 reflects a score above the current benchmark of 7.9; The metric indicates on a scale from 0 to 10 how likely it is that someone will recommend NN as an employer
3. Includes all managerial positions reporting directly to the CEOs of our business units in addition to the Management Board and managerial positions reporting directly to a Management Board member
4. GHG = Greenhouse Gas; Reductions compared with portfolio financed emissions (in tCo2 per EUR million invested at year-end 2021, reflecting underlying emissions of 2019)
5. The amount invested in climate solutions reflects the nominal value for green bonds, and the market value for certified green buildings, renewable infrastructure and other investments
6. Cumulative starting 2022

# Climate Action Plan



## Climate Action Plan<sup>1</sup>

- Sets out a clear roadmap to reduce greenhouse gas (GHG) emissions to net-zero in NN's own operations by 2040, as well as in its investments and insurance underwriting by 2050, by:
  - Helping to accelerate the transition to a low-carbon economy, for example using engagement, capital allocation to climate solutions, and phase out and/or exclusion policies
  - Developing and offering products and services that address the environmental challenges our that customers face

## Decarbonisation following engagement

- Primarily focus on dialogue and engagement with companies to stimulate their transition to a sustainable business model
- Developments are monitored closely; if insufficient progress is made or there is no willingness to improve, investments are run-off or divested

## Tightening fossil fuel related policies

- NN has had policies on oil sands and thermal coal in place since 2018/2019
- Stricter application of coal phase-out policy; increased restrictions and divestment from companies that have not demonstrated sufficient progress to exit coal
- Policies have been tightened for oil sands and additional criteria added around unconventional exploration and production focused on Arctic drilling and shale oil and gas; existing holdings divested

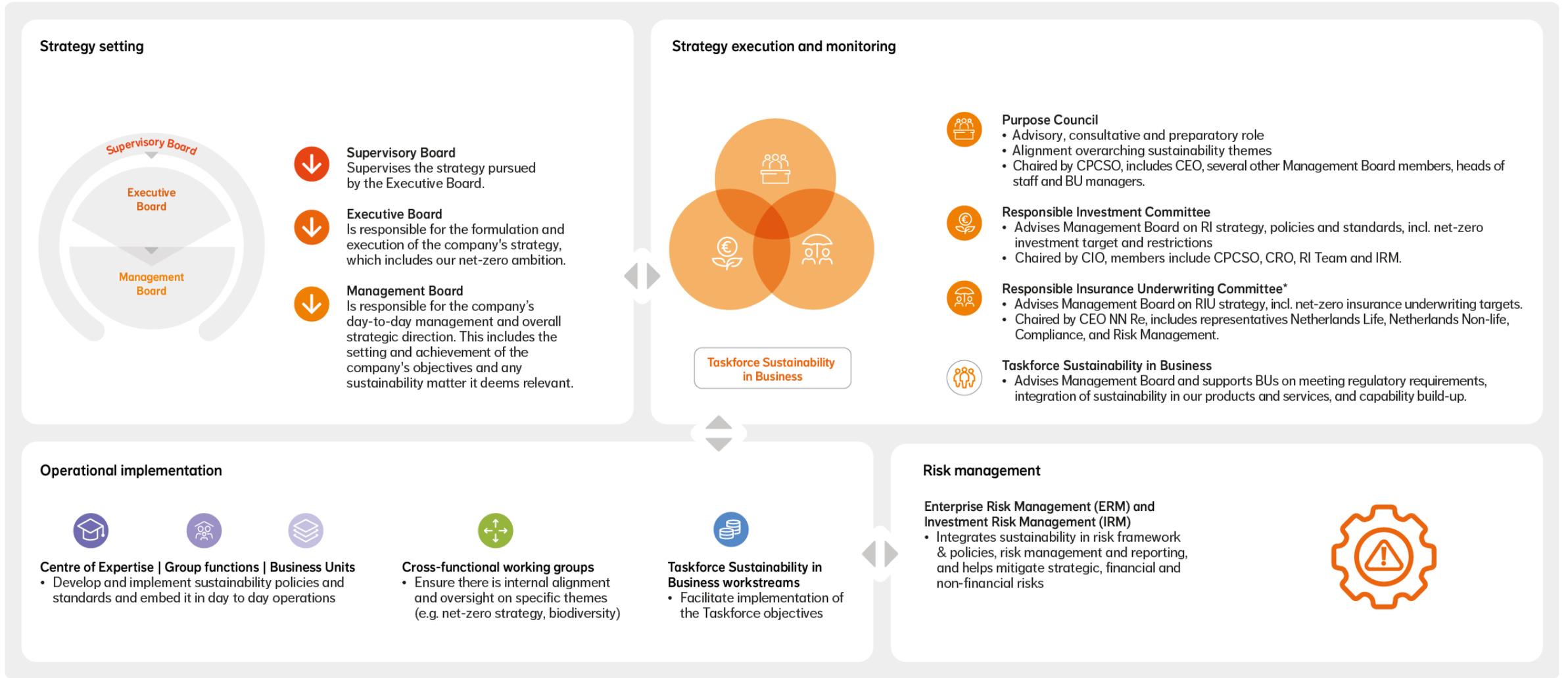
1. Climate Action Plan published in December 2022, download at <https://www.nn-group.com/sustainability/taking-climate-action.htm>

# Ambition to achieve net-zero emissions across the business

	Ambition	Actions	Interim targets <sup>2</sup>	
			2025	2030
<b>Proprietary investment portfolio</b>	Transition proprietary investment portfolio to net-zero GHG <sup>1</sup> emissions by 2050	• Develop and implement asset class specific Paris Alignment strategies		
		• Reduce GHG emissions of corporate investment portfolio	by 25%	by 45%
		• Phase out of thermal coal-exposed companies		close to zero <sup>3</sup>
		• More than double investments in climate solutions such as renewable infrastructure, green bonds and energy efficient real estate		invest an extra EUR 6bn (to EUR 11bn)
<b>Products &amp; services</b>	Transition the underwriting portfolio to net-zero GHG emissions by 2050	• Develop relevant products and services, such as sustainable pensions, Woonnu (sustainable mortgages) and Powerly		
		• Member of Net Zero Insurance Alliance, developing metrics and targets for insurance underwriting		
<b>Own operational footprint</b>	Reduce GHG emissions of own business operations <sup>4</sup> to net-zero by 2040	• Encourage hybrid way of working; achieve 100% electric car fleet; adjusted business travel policy; improve energy efficiency in buildings and increase use of renewable electricity	by 35%	by 70%
		• Compensate remainder of emissions by purchasing voluntary carbon credits		

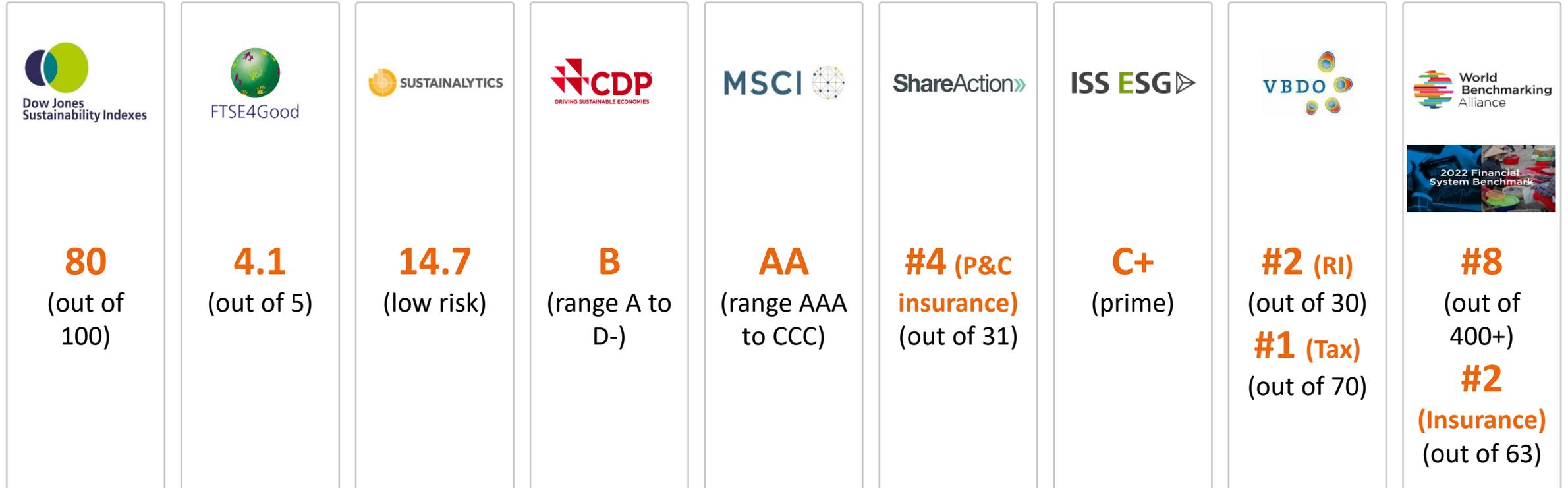
1. GHG = Greenhouse Gas  
 2. Baseline date: 2021 (based on underlying emissions from 2019)  
 3. 'Close to zero' defined as between 0-5%  
 4. Energy consumption, cars and business air travel

# Sustainability is embedded in our governance



\* Operational in 2023

# Our performance recognised in indices and ratings



## Customers

Providing relevant products and services to support customers through the challenges of today and tomorrow

# Providing an excellent customer experience

## Customer needs shape the customer experience

- Meeting real needs through each phase of customers' lives
- Offering guidance and planning tools to increase knowledge of matters relevant to our customers
- Providing products and services that address societal issues, such as housing, pensions and income protection

## Innovating our business while adding value to our customers

- Using digital capabilities to continually enhance customer experience
- Being there where our customers want us to be, offering the choice of digital channels, brokers and/or tied agent network in Europe
- Strengthening existing and entering new partnerships and platforms

## Ensuring data privacy & protection

- Complying with GDPR<sup>1</sup>, designated Data Protection Officers at HQ and BUs
- Adequate procedures in place to handle customer requests in relation to their rights under the GDPR
- Artificial intelligence (AI) framework in place for the development and use of trustworthy AI within NN Group
- Monitoring and anticipating the development of European AI regulation
- Providing customers with cyber security services



Award for the most innovative sustainable mortgage provider



Award for best Belgian sustainable fund offering and best Belgian term life product



Winner of the jury prize For the Human Capital Planner and the Pensioen Pulse module

1. GDPR = General Data Protection Regulation

# Developing products and services that help customers address societal challenges

## Sustainable planet

### Sustainable living environment

- Mortgages that incentivise the purchase or upgrade of sustainable homes
- Platforms to help customers make their homes more energy-efficient
- BeFrank (PPI) offers the option to compensate CO<sub>2</sub> footprint of pension investments



### Sustainable Mobility

- Supporting fleet owners to transition to electric fleets and to improve the driving style of chauffeurs, thereby reducing damages, fuel consumption & maintenance and increasing road safety
- Promoting sustainable car repair service



## Healthy living

### Mental and physical health

- Platforms that provide additional support around mental & physical wellbeing
- Providing additional covers in (collective) insurance policies to close the health gap
- Solutions that lower barriers to accessing healthcare, e.g. SkinVision



### Financial health

- Engaging, often preventively, with customer facing payment difficulties
- Providing tooling to customers to support their financial decisions
- Enabling employers to support their employees in improving their financial health



## **Responsible investing**

**Contributing to the transition to a sustainable economy by investing our assets responsibly**

# Using our influence to achieve positive change

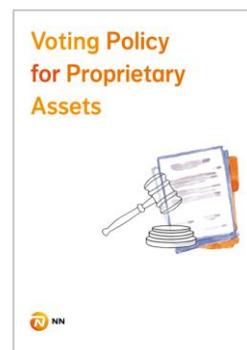
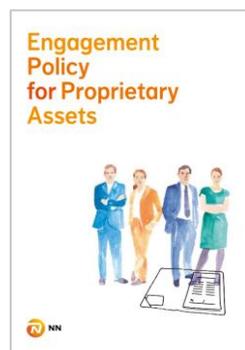
## Responsible Investment Framework Policy

- Policy sets out approach to integrating ESG factors in the investment process and active ownership practices
- Preference for inclusion backed by engagement to exclusion
- NN works with GSAM / NN IP and other external asset managers to ensure adherence to the RI policy and strategies, and to track progress through regular reporting
- NN Group is a signatory to the United Nations Principles for Responsible Investment



## Voting and engagement

- Engagement by NN Group or by external asset managers and service providers
- Focus themes for engagement: Climate action, Biodiversity, Deforestation, Human rights, Corporate governance



## 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>1</sup>



1. Based on NN's Exclusion list published on our website (update November 2022). NN Group's Internal Restricted List is broader (for example, it includes private companies, and broader restrictions for Proprietary Assets such as nuclear weapons and unconventional oil and gas)

# Aiming for a net-zero carbon investment portfolio

## Our long-term ambition

- Transitioning our proprietary investment portfolio to net-zero GHG emissions by 2050<sup>1</sup>
- Playing our part in helping the real economy to decarbonise
- Our approach: 1) decarbonisation of the investment portfolio, and 2) increasing investment in climate solutions

## 1. Decarbonisation of investment portfolio

- Paris Alignment strategies for sovereign bonds, corporate investments<sup>2</sup>, residential mortgages and real estate
- Encourage sustainability progress through active dialogue
- Preference to allocate new investments to better climate performers, based on potential to align to net-zero by 2050
- Exclusions related to unconventional oil and gas and thermal coal mining
- Phase-out of thermal coal exposed investments by 2030

## 2. Increasing investments in climate solutions

- Launch of Positive Impact Programmatic Venture in collaboration with CBRE to invest in sustainable and affordable Dutch residential real estate; initial equity commitment of EUR 500m
- Newly launched Dutch Climate Action Fund that invests in projects and companies active in climate change solutions that support the Dutch energy transition; initial commitment of EUR 125m

## Underlining our (inter)national commitments and endorsements



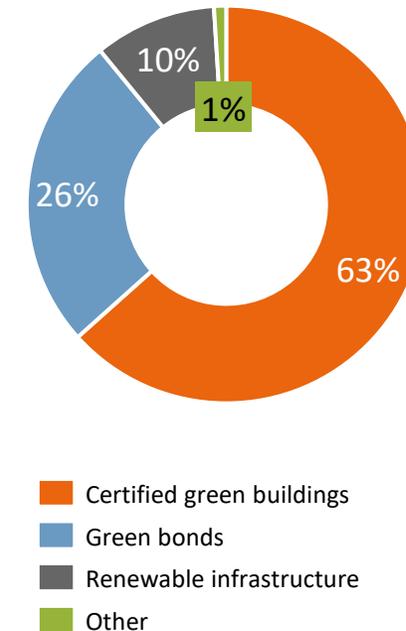
1. To align with the 1.5°C target of the Paris Agreement
2. Corporate investments comprise listed equity and corporate fixed income

# Net-zero strategy for proprietary asset portfolio

## Targets per asset category

- Government bonds: aim to improve weighted average Climate Score annually
- Mortgages: aim to set a quantitative decarbonisation target in 1H23
- Corporate investments: reduce GHG emissions by 25% by 2025 and 45% by 2030
  - **Encourage more sustainability via active dialogue:** we actively engage with businesses in which we invest to encourage them to become carbon neutral
  - **Investing in transition leaders:** we have developed a method to select businesses based on their ambitions and their potential to achieve net-zero by 2050, in line with the Paris Agreement. When it comes to new investments, our preference is for businesses that are better positioned to make the transition to a low-carbon economy
  - **Exclusion as last resort:** developments are closely monitored and in the case of insufficient progress over time, we will divest
  - **Investing in climate solutions:** target to invest an additional EUR 6bn in climate solutions by 2030; EUR ~3bn invested<sup>2</sup> in 2022
- (Non-listed) real estate: aim to set a quantitative decarbonisation target in 1H23; for direct portfolio, aim to be on a 1.5-degree pathway for all buildings by 2030 (scope 1, 2 and part of scope 3); for operational emissions, the aim is to reach net-zero by 2040

## Climate solutions assets breakdown<sup>1</sup>



1. At 31 December 2022

2. The amount invested in climate solutions reflects the nominal value for green bonds, and the market value for certified green buildings, renewable infrastructure and other investments

## People

Providing an inclusive and open working environment that allows employees to thrive

# Attracting, developing and retaining engaged employees

## Employee value proposition

- Providing a workplace that supports cooperation and allows people to thrive
- Encouraging professional and personal development of employees
- Attracting, developing and retaining talent with relevant skills to transform our business
- Offering flexibility through hybrid way of working
- Enabling employees to take vitality leave
- NN International Insurance named Top Employer for the fifth time

## Ensuring a diverse workforce

- An international company with a diverse and inclusive culture
- Promoting diversity in all its forms (visible and invisible), as set out in the NN Statement on Diversity & Inclusion
- D&I networks focused on cultural, neuro and physical, LGBTI+, age and gender diversity
- Further enhancing female leadership
- Publication of first D&I Report

**Target:** ≥ 40% women in senior management positions by 2025<sup>2</sup>

## Optimising employee engagement

- Engagement essential for long-term business performance
- Measurement through bi-annual global employee engagement survey
- Follow up results on team and organisational level to continually improve our efforts

**Target:** ≥ 8 by 2025<sup>3</sup>



16,104

Employees<sup>1</sup>



40%

Senior management positions held by women

7.9

Engagement score<sup>4</sup>



1. Total number of employees (headcount) at 31 December 2022
2. As of 2022, the scope of the target was extended to include all managerial positions reporting directly to the CEOs of our business units in addition to the Management Board and managerial positions reporting directly to a Management Board member
3. The target score is related to the benchmark. The target of at least 8.0 reflects a score above the current benchmark of 7.9; The metric indicates a scale from 0 to 10 how likely it is that someone will recommend NN as an employer.
4. 82% participation rate

## **Society**

**Being a good corporate citizen and contributing to the communities in which we live and operate**

# Using our resources, expertise and networks for the advancement of our communities

## Our target

- Support the financial, physical and/or mental well-being of 1 million people by 2025<sup>1</sup>

## SDGs



**Philosophy:** By staying close to who we are, what we value and by focusing on themes aligned with our business, we can maximise the positive impact on people in our communities

**Core themes:** Contributing to the SDGs by focusing on:

- **Financial wellbeing:** promoting financial empowerment and creating economic opportunities
- **Physical and mental wellbeing:** access to (quality of health), as well as companionship to stimulate social engagement

**Primary target group:** Underserved or socially excluded

**Approach:** Globally consistent and locally relevant programme

## FY22 achievements

- NN Group's first community investment report
- 2<sup>nd</sup> edition of Your Community Matters week:
  - 2,613 colleagues volunteered, reaching 7,498 people and raising money for local charities
- Launch of EUR 5m NN Social Innovation Fund to invest in start-up/early-stage social entrepreneurs
- > EUR 1.8m donated to support people affected by the war in Ukraine
- Building new community investment partnerships and extending existing ones; launching targeted funds (e.g. Together against Poverty Fund)

**EUR 12.8m**

Contributed to our communities<sup>2</sup>

**>100**

partners

**>30,000**

Volunteer hours

**>229,000**

People reached

1. Cumulative starting 2022

2. Contribution to our communities in 2022, including cash donations, hours of volunteering and in-kind giving (both monetised), management costs, etc., in line with B4SI standards

## **Governance**

**Sustainability is embedded throughout the organisation and governance structure**

# 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)**  
Chair



**Hélène Vletter-van Dort<sup>1</sup> (NL)**  
Vice-chair



**Inga Beale (UK)**



**Robert Jenkins (US)**



**Rob Lelieveld<sup>1</sup> (NL)**



**Pauline van der Meer  
Mohr (NL)**



**Cecilia Reyes (PH/CH)**



**Hans Schoen<sup>1</sup> (NL)**

1. Works Council nominee

# Experienced and diverse Management Board

## Management Board



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



**Annemiek van Melick (NL)**  
Chief Financial Officer<sup>1</sup>



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



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



**Dailah Nihot (NL)**  
Chief People, Communications,  
and Sustainability Officer



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



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



**Janet Stuijt (NL)**  
General Counsel

- Strong Management Board with the required skills and experience
- Average experience in the financial sector of over 20 years
- Diversity (age, gender, race and ethnicity) promoted throughout the organisation
  - Supervisory Board: 50% female, 50% male
  - Executive Board: 50% female, 50% male
  - Management Board: 38% female, 62% male
  - 38% 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

**More information**

# For more information

## Sustainability at NN Group

[NN Group - Sustainability \(nn-group.com\)](https://nn-group.com)

[NN Group - Taking climate action \(nn-group.com\)](https://nn-group.com)

[NN Group - Responsible investment \(nn-group.com\)](https://nn-group.com)

## Download the annual report

[NN Group - Financial reports \(nn-group.com\)](https://nn-group.com)

## Transparency and reporting



# 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 2022. The Annual Accounts for 2022 are in progress and may be subject to adjustments from subsequent events.

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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**NN**