



Sustainability Bond Framework

March 2024



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1. About NN Group

1.1 NN Group

NN Group N.V. (“ NN Group” or “the Group”) is an international financial services company, active in 11 countries, with a strong presence in a number of European countries and Japan. With all its employees, the Group provides retirement services, pensions, insurance, banking and investments to approximately 19 million customers.

NN Group includes Nationale-Nederlanden, NN, ABN AMRO Insurance, Movir, AZL, BeFrank, OHRA and Woonnu. NN Group is listed on Euronext Amsterdam (NN).

NN Group helps people care for what matters most to them, offering retirement services, pensions, insurance, investments and banking products. The customers range from individuals and small and medium-sized companies to large corporates and institutional investors. NN Group operates through agents, intermediaries and banks, as well as directly with customers through websites and contact centers with the aim of delivering attractive products and services. For more than 175 years, our company has merged, grown and changed, but the core of who we are has remained unchanged. At NN, we put our resources, expertise and networks to use for the well-being of our customers, the advancement of our communities, the preservation of our planet, and the promotion of a stable, inclusive and sustainable economy. We do so guided by our values care, clear, commit, and our brand promise ‘You matter’.

1.2 Strategic commitments

At NN, we want to create long-term value for all our stakeholders. The world around us changes rapidly, and so do we, focusing on adapting and evolving as a company. We have therefore defined the following strategic commitments and targets:

- **Engaged customers** - We 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.

2. Sustainability approach

2.1 NN Group sustainability strategy

At NN Group, our purpose is to help people care for what matters most to them. We are committed to doing business in a way that is consistent with our values: care, clear, commit. Our ambition is to be an industry leader, known for customer engagement, talented people, and contribution to society. NN Group can make a real difference by supporting 19 million customers through the challenges of today and tomorrow and by contributing to the transition to a sustainable economy by investing our assets responsibly. Furthermore, in line with our ambition, we provide an inclusive and open working environment that allows employees to thrive, and we contribute to the communities in which we live and operate. We believe that we take good care of our customers, employees and society which allows us to deliver solid long-term returns for shareholders. This approach is embedded throughout the organisation and governance structure of NN Group, and reflected in the Group's partnerships, memberships and endorsements.

We aim to create long-term value, and we respect people and the world we live in. This includes our responsibility to respect human rights and the environment.

NN Group recognises its responsibility to contribute to a healthy environment for all generations. Therefore, we are committed to support the principles and standards that protect and promote the environment, as defined in the:

- OECD (Organisation for Economic Cooperation and Development) Guidelines for Multinational Enterprises
- United Nations Global Compact

Furthermore, we are committed to international general and sector-specific standards such as the:

- UN Environmental Programme Finance Initiative (UNEP FI)
- Principles for Responsible Investment (PRI)
- Principles for Sustainable Insurance (PSI)
- Task Force on Climate-Related Financial Disclosures (TCFD)

NN Group implements (upcoming) regulations such as the Sustainable Finance Disclosure Regulation (SFDR), and Corporate Sustainability Reporting Directive (CSRD).

Respect for human rights reflects the belief that all people are entitled to basic rights and freedoms, regardless of their nationality, gender, religion, race, or any other status. NN is committed to respect human rights as set out in the International Bill of Human Rights.. In addition, we adhere to the principles contained in the:

- ILO Declaration on Fundamental Principles and Rights at Work
- ILO Tripartite Declaration Concerning Multinational Corporations and Social Policy

Furthermore, we support the principles contained in the:

- UN Guiding Principles on Business and Human Rights
- Children's rights and Business Principles

Responsible Investment Framework Policy

At NN Group, we are committed to responsible investment practices that integrate environmental, social, and governance (ESG) factors into our investment processes and active ownership practices. Our Responsible Investment Framework policy outlines our vision and approach in this area, which is based on a preference for inclusion backed by engagement rather than exclusion, while also upholding restrictions. The policy sets out a comprehensive approach across five areas: application of norms-based responsible investment criteria, ESG integration in research and valuation, active ownership, restrictions, and our Paris Alignment Strategy.

NN Climate Action Plan

As an international financial institution, we analyse the effects of climate change on society. Therefore, we are committed to science-based principles to secure a low-carbon future that also meets the needs of generations to come. This is why we want to become a net-zero company by 2050.

NN is committed to playing its part in the climate transition. In fact, we aim to support our 19 million customers in their transition to a sustainable economy. Our approach is as follows:

- Help accelerate the transition to a low-carbon economy to limit the rise in average global temperature to 1.5°C
- Develop and offer products and services that address the environmental challenges our customers face

In addition, we recognise the necessity to consider how climate change will affect the value and risk profile of our investments, and the financial resilience of our insurance underwriting and banking business. Understanding and managing these risks and opportunities is therefore an important component of NN's approach to addressing climate change.

Commitments to (sector) agreements

- In 2019, NN Group signed the Financial Sector commitment to the Dutch Climate Agreement. The signatories agreed to report on the climate impact of their financings and investments, and have action plans ready by the end of 2022 that will contribute to a reduction in GHG emissions.
- In 2020, NN Group signed the Paris Aligned Investment Initiative (PAII) Net-Zero Asset Owner Commitment, with which we committed to the goal of net-zero GHG emissions by 2050 for our proprietary investment portfolio.
- In 2021, NN Group became a member of the Net-Zero Insurance Alliance (NZIA). We are committed to transitioning our underwriting portfolio to net-zero GHG emissions by 2050.
- In 2022, NN Group signed the Finance for Biodiversity Pledge committing to protect and restore biodiversity through finance activities and investments.

These commitments support us in developing metrics, targets, and action plans. In 2021, we reported our initial target disclosures to the PAII Net-Zero Asset Owner Commitment. NN measured insurance-associated emissions by using the PCAF Standard, enabling us to set initial net-zero targets for parts of our insurance underwriting portfolio. Our Climate Action Plan is in line with the Financial Sector Commitment to the Dutch Climate Agreement.

Addressing climate change mitigation for investments

NN Group believes that climate change is one of the major challenges of our time. To mitigate the worst effects, global greenhouse gas (GHG) emissions will need to reach net-zero around 2050 to limit global warming to 1.5°C and prevent the worst impacts of climate change.

NN Group worked together with other institutional investors to help develop the Institutional Investors Group on Climate Change (IIGCC) Net-Zero Investment Framework (NZIF). Using the NZIF as a guide, we developed asset class specific strategies to align our portfolio to the Paris Agreement's goals. We have developed strategies for corporate investments, sovereign bonds, and real estate, and we adopted a strategy for investments in climate solutions and updated our approaches for phase-out and exclusions. The key dimensions of our approach are:

1. Decarbonising by investing in better climate performers

Decarbonising our portfolio in line with trajectories consistent with the Paris Agreement's goals means not just considering a carbon footprint but taking a forward-looking view and assessing credible transition strategies. We integrate those findings in our investment selection and seek to invest in assets which have better climate strategies and/or green bonds.

2. Engage with issuers to guide them in their transition

Engagement is an important instrument in our approach, as we believe this is key to ensuring decarbonisation in the real economy. This means we develop clear climate change stewardship expectations with milestones and targets. For transitioning companies, we request to see improvement against transparent, measurable criteria. This is also in line with the PAII Asset Owner Commitment which NN Group signed in March 2021. NN Group collaborates with institutional investors in initiatives such as Climate Action 100+ to engage with companies, either directly or through external assets managers or engagement services providers.

3. Investing in climate solutions

To meet this objective, we have developed an internal framework for defining 'climate solutions investments'. As an initial step in classifying climate solutions investments, and in line with guidance from PAII, we focused on energy efficiency and renewable energy.

4. Selective divestment

While we prefer engagement over divestment, we draw the line if a company's activities and/or conduct are inconsistent with our norms-based RI criteria. When we see no potential to change a company's behaviour through engagement, we will not continue to back it as an investor within the contractual and legal possibilities. This could concern companies that engage in controversial environmental practices and where engagement has not led to any desired change. From an activity perspective, we have set clear restrictions on the most environmentally harmful fossil fuel activities, for example oil sands and shale oil and gas. In addition, for NN Group's proprietary investments, we have a phase-out strategy in place that covers both thermal coal mining and coal-fired power generation. In 2023, we also adopted policy criteria for conventional oil and gas companies.

5. Considering climate risks

We assess risks and opportunities by systematically incorporating ESG and climate factors into our investment decisions, policies, and strategies across all asset classes. NN Group conducts scenario analyses to help understand the level of risk and associated impacts on its assets caused by climate events. This is a particularly important consideration for the real assets in which we invest, such as real estate and infrastructure. To enable effective decision-making when it concerns our resiliency to climate-related risks, comparable climate data is necessary. This is something we actively source and incorporate into our processes. We are therefore supportive of the TCFD framework to support climate reporting globally.

6. Join forces to develop best practices

We are part of the PAII Net-Zero Asset Owner initiative, and will work with our peers to continue to drive best practice around measuring financed GHG emissions and Paris Alignment strategies. For example, through our continued involvement in the Partnership for Carbon Accounting Financials (PCAF) and the PAII.

7. Public policy advocacy

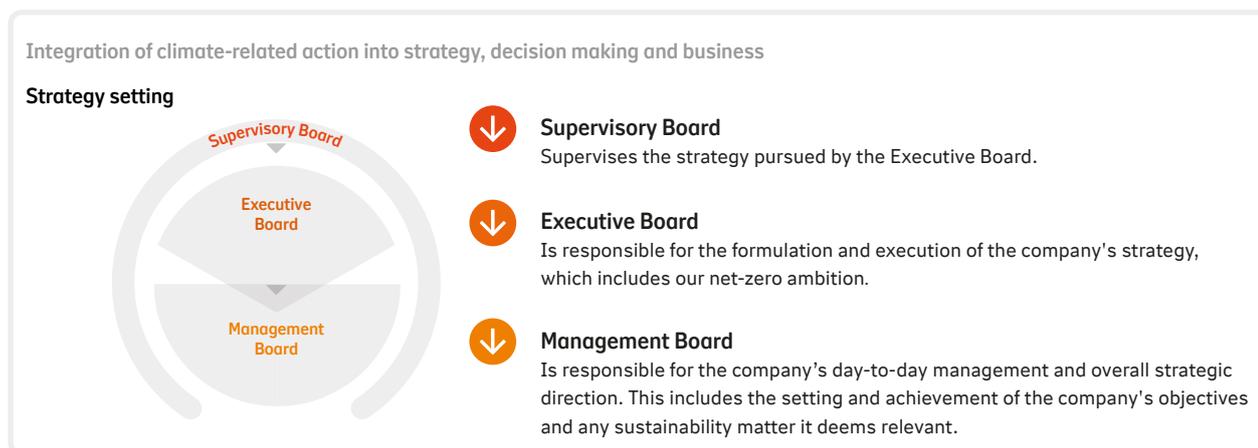
Government policies are key to achieving the goals of the Paris Agreement. As a financial institution, we can play a part in this process by expressing our support for ambitious policy action. We join other investors and businesses in supporting the need for stronger climate policies. For example, as a member of the World Economic Forum (WEF) Alliance of CEO Climate Leaders, NN has joined in supporting an open letter to world leaders at COP28. In this letter, published in October 2023, we are calling for policy actions that will help us accelerate and scale our efforts to decarbonise. Specifically, we urge policymakers to invest in renewable energy and power networks, adopt low-emission public procurement practices, boost carbon removal efforts, and simplify climate disclosure and measuring standards. These actions will help us to significantly reduce carbon emissions and mitigate the effects of climate change.

Sustainability Governance

To achieve our sustainability ambitions, we must have an organisational structure that ensures our sustainability strategy is sufficiently embedded. The Executive Board is responsible for the formulation and execution of the company's strategy, consistent with its position on long-term value creation.

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. By reporting the main points of discussion and recommendations to the Supervisory Board, an integrated approach with regard to sustainability matters at Supervisory Board level is safeguarded.

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.



Sustainability and climate change risk management

At NN Group, we conduct qualitative and quantitative analyses of the potential impacts of climate change. We do this as a separate exercise and/or as part of NN Group's annual Own Risk & Solvency Assessment (ORSA) to evaluate how risks in the longer term may impact our Solvency II balance sheet. We use the insights gained to inform our investment strategy and help us integrate climate change issues into our insurance underwriting and risk management practices.

By identifying the transitional and physical (sub)risks, our primary focus is strongly aligned with the recommendations of the Task Force on Climate related Financial Disclosures (TCFD):

- Transitional risk drivers: Technology, Policy, Legal, Market Sentiment and Reputational.
- Physical risk drivers: Acute (Tropical Cyclones, European Windstorm, River Flood, Hail, Precipitation and Wildfire) and Chronic (Sea Level Rise, Drought and Heat).

The impact of physical and transitional risks is highly uncertain and non-linear, and is assumed to impact us in the medium to long term. The likelihood these risks will occur is not reflected in historical data and there is a possibility of extreme values (occurring at very low frequency, for example once in a very long time period of a few hundreds of years). We are continually investigating and monitoring new developments around sophisticated forward-looking approaches and modelling, but in general our approach to sustainability risk assessment is:

1. Identify the major transitional and physical (sub-)risks.
2. Perform qualitative materiality assessments of identified physical and transitional risks.
3. Prioritise the transitional and physical risks through heatmaps and rating systems.
4. Use the findings to investigate the availability of, and/or develop, appropriate vulnerability factors.
5. Adjust (local) stress scenarios to quantify the potential impact of climate change on the balance sheet in the medium and long term.

In addition, in line with the expectations of the European Insurance and Occupational Pensions Authority (EIOPA), climate change-related risks in the asset and underwriting portfolios are assessed against at least two climate change scenarios of the Intergovernmental Panel on Climate Change (IPCC), and corresponding transition pathways of the Network for Greening the Financial System (NGFS), in both cases taking into account various temperature-increase time horizons.

The sustainability risk assessment and insights gained from it are further described in the NN Group Annual Review 2022¹.

ESG Ratings

NN Group's performance in the area of sustainability has been recognised by different specialised rating agencies, such as Morningstar Sustainalytics and MSCI. NN Group is also included in, amongst others, the Dow Jones Sustainability World Index and FTSE4Good.

2.2 Sustainable Development Goals

NN Group actively supports the United Nations Sustainable Development Goals (SDGs). As a responsible insurer, investor and employer, we make a particular contribution to the achievement of the following four SDGs: SDG 3 (Good health and well-being), SDG 8 (Decent work and economic growth), SDG 12 (Sustainable consumption and production) and SDG 13 (Climate action). The Group can contribute to these goals through both the core business activities and value chain. NN Group supports SDG 7 (Affordable and clean energy) with the ambition to accelerate the transition to a low-carbon economy through investments. With community investments, NN Group strives to build better and stronger communities and therewith contribute to SDG 1 (No poverty). The impact on SDG 5 (Gender equality) is related to the continuous efforts to enhance diversity and inclusion within the Group.

SDG Ambitions and targets

Healthy and Safe living



Contribute to the physical and mental health of colleagues, customers and the broader society
For 2023, we aim to contribute 1% of our operating result before tax to local communities.

With these resources, we aim to support the financial, physical and/ or mental well-being of one million people by 2025.

Continue to support customers with solutions that help them address societal challenges related to healthy and safe living

Sustainable planet



Increase our investments in climate solutions with an additional EUR 6 billion by 2030



Develop and offer products and services that address the environmental challenges our customers face (e.g. by developing new products and services that contribute to a low-carbon economy, or by helping to insure our customers against climate-related impact)

¹ NN Group Annual Report 2022



Help accelerate the transition to a low-carbon economy to limit the rise in average global temperature to 1.5°C (e.g. by using a range of levers such as engagement, capital allocation to climate solutions, and phase-out and/or exclusion policies)

Reduce GHG emissions of our own business operations by at least 35% by 2025, and 70% by 2030 (compared to 2019)

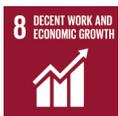
Inclusive Economy



For 2023, we aim to contribute 1% of our operating result before tax to local communities. With these resources, we aim to support the financial, physical and/or mental well-being of one million people by 2025



Together increase diversity, inclusion and equality in the teams; engage everyone, and encourage them to be who they are, share their voices and drive change > 40% women in senior management positions by 2025



Employee engagement ≥ 8.0 by 2025

For 2023, we aim to contribute 1% of our operating result before tax to local communities. With these resources, we aim to support the financial, physical and/or mental well-being of one million people by 2025

3 Rationale for issuing Green, Social or Sustainability Bonds

Under this Sustainability Bond Framework, NN Group may issue Green, Social or Sustainability Bonds (“Sustainable Finance Instruments”). NN Group believes that Sustainable Finance Instruments are an effective tool to channel financing to projects that have demonstrated clear environmental, climate or social benefits and contribute to the achievement of the UN Sustainable Development Goals (SDGs). By issuing Sustainable Finance Instruments, NN Group intends to align its funding strategy with its mission, sustainability strategy and objectives. In addition, NN Group aims to contribute to the development of the sustainable finance market and to the growth of sustainable and impact investing.

4. NN Group Sustainability Bond Framework

The Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines, as published by the International Capital Market Association (ICMA), are a set of voluntary guidelines that recommend transparency and disclosure and promote integrity in the development of the sustainable finance market by clarifying the approach for issuing such bonds. The NN Group Sustainability Bond Framework follows the Green Bond Principles (GBP)², Social Bond Principles (SBP)³ and Sustainability Bond Guidelines (SBG)⁴, which provide guidance in the form of five core components:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

For any Sustainable Finance Instruments issued by NN Group, these five core components will be applied subject to and in accordance with this Sustainability Bond Framework, as amended from time to time.

Future changes to the GBP, SBP or SBG may be implemented in future versions of the NN Group Sustainability Bond Framework. Any future version of this Framework will either maintain or improve the current levels of transparency and reporting disclosures, including the corresponding External Review.

2 The latest version of the [ICMA Green Bond Principles](#) (GBP) as of the publication date of this Green Bond Framework is GBP 2021, with 2022 Appendix. In June 2022, Appendix 1 of the GBP was updated to make a distinction between “Standard Green Use of Proceeds Bonds” (unsecured debt obligation) and “Secured Green Bonds” and to provide further guidance on Green Covered Bonds, securitisations, asset-backed commercial paper, secured notes and other secured structures. Additional Q&As related to Secured Green Bonds, updated in June 2023, complement Appendix 1

3 [ICMA Social Bond Principles 2023](#)

4 [ICMA Sustainability Bond guidelines 2021](#)

5. Use of Proceeds

NN Group will allocate an amount equal to the net proceeds of any Green Bond issuance to Eligible Green Assets, any Social Bond issuance to Eligible Social Assets and any Sustainability Bond issuance to a combination of Eligible Green Assets and Eligible Social Assets.

The proceeds will be used to finance and/or re-finance, in whole or in part, new or existing assets falling within the Eligible Categories below.

NN Group has also taken into account the EU Taxonomy⁵, with the intention to implement them, on a best effort basis.

GBP category	Eligible category description	UN SDGs	EU Taxonomy ⁶
Green Buildings	Residential Green Buildings: <ul style="list-style-type: none"> Building built before 31 December 2020 with at least an Energy Performance Certificate (EPC) class A Buildings built before 31 December 2020 belonging to the top 15% of the Dutch building stock based on Primary Energy Demand (PED)⁷ Buildings built after 31 December 2020 with a Primary Energy Demand at least 10% lower than the threshold for Nearly Zero-Energy Buildings (“NZEB”) in the Dutch market 		Substantial contribution to Climate Change Mitigation Art. 10 (1.b): 7.1.1 Construction of new buildings ⁸ 7.7 Acquisition and ownership of buildings
	<ul style="list-style-type: none"> Buildings that have been renovated, resulting in a reduction of Primary Energy Demand of at least 30% Buildings that have been renovated meeting the criteria for major renovation⁹ 	 	7.2 Renovation of existing buildings
	Commercial Green Buildings: <ul style="list-style-type: none"> Building built before 31 December 2020 with at least an Energy Performance Certificate (EPC) class A Buildings built before 31 December 2020 belonging to the top 15% of the national building stock based on Primary Energy Demand (PED)⁷ Buildings built after 31 December 2020 with a Primary Energy Demand at least 10% lower than the threshold for Nearly Zero-Energy Buildings (“NZEB”) 		7.7 Acquisition and ownership of buildings
	LEED “Gold“, BREEAM “Excellent“, DGNB “Gold“, HQE “Excellent” or higher level of certification		Not applicable

⁵ https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf

⁶ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending regulation (EU) 2019/2088. See [here](#).

⁷ NN Group may engage external consultants to define the top 15% and NZEB-10% in the context of the national building stock in the countries where any eligible green building assets are located. In countries where there is no definition of NZEB or there is no practical solution to implement NZEB, NN Group may choose to rely on the top 15% approach

⁸ EU taxonomy criteria 7.1.2 (Testing for airtightness and thermal integrity, the “blower door test” and “infrared camera inspections”), and 7.1.3. (Global warming potential (GWP) calculations: the CO2 footprint of the building, including the materials used in construction, during the entire life cycle of the building (embodied carbon) are not applied. We assume these are carried out under the Dutch building code by construction companies, and borrowers cannot provide such data to the bank.

⁹ As set in the applicable national and regional building regulations for ‘major renovation’ implementing Directive 2010/31/EU. The energy performance of the building or the renovated part that is upgraded meets cost-optimal minimum energy performance requirements in accordance with the respective directive.

Renewable Energy	<p>The construction, development, acquisition, maintenance, and operation of renewable energy projects, including:</p> <ul style="list-style-type: none"> • Electricity generation facilities that produce electricity from wind power • Electricity generation facilities that produce electricity using solar photovoltaic (PV) technology • Construction or operation of electricity generation facilities that produce electricity using concentrated solar power (CSP) technology 		<p>Substantial contribution to Climate Change Mitigation (1.a):</p> <p>4.1. Electricity generation using solar photovoltaic technology</p> <p>4.2. Electricity generation using concentrated solar power (CSP) technology</p> <p>4.3. Electricity generation from wind power</p>
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SBP category	Eligible category description	UN SDGs
Affordable Housing	<p>Investments/financing for the construction, refurbishment, maintenance and operation of social housing infrastructure, meeting the statutory definition and relevant eligibility criteria as set out in the applicable local regulation.</p>	

Allocations will be made as specified above. For the avoidance of doubt, allocations will not be made to assets directly linked to:

- Fossil-fuel energy
- Nuclear energy
- Gambling
- Tobacco
- Alcohol
- Weapons

6. Process for Project Evaluation and Selection

Eligible Assets financed and/or refinanced through the Sustainable Finance Instruments proceeds are evaluated and selected by the Green, Social and Sustainability Bond Committee (“The Committee”) based on compliance with the Eligibility Criteria. The Committee is composed of representatives from Investment Office, Corporate Citizenship, Finance, Corporate Treasury, Group Legal and Risk Management. When identifying Eligible Assets and their non-financial impacts, NN Group may draw on the support of external consultants and their data sources.

The Committee is responsible for the allocation of the proceeds, any future updates to the Framework, including expansions to the list of Eligible Categories and new market developments on a best effort basis, and oversee its implementation. The Committee will have a formal meeting to review and approve the Eligible Asset Portfolio on at least an annual basis. The Committee will draw on relevant expertise from other departments and subject matter experts within the Group as necessary.

NN Group, on a best effort basis, intends that all selected Eligible Assets comply with official national and international standards and local laws and regulations on a best effort basis. It is part of the transaction approval process of NN Group to determine whether all activities comply with internal environmental and social standards.

NN Group is aware of the fact the EU Taxonomy and the EU Green Bond Standard require that Eligible Green Assets should not only contribute to at least one of the EU Environmental Objectives, but should also not significantly harm (DNSH) any other EU Environmental Objective. NN Group’s due-diligence processes support the mitigation of environmental and social risks potentially associated with the Eligible Green Assets through their basis in supporting compliance with national and international legislation.

7. Management of Proceeds

The Sustainable Finance Instruments proceeds will be managed by The Committee in a portfolio approach, and an amount equivalent to the proceeds from the Sustainable Finance Instruments will be allocated to an Eligible Asset Portfolio, selected in accordance with the use of proceeds criteria and evaluation and selection process presented above.

NN Group will strive, over time, to achieve a level of allocation for the Eligible Asset Portfolio which, after adjustments for intervening circumstances matches or exceeds the balance of net proceeds from its outstanding Sustainable Finance Instruments. Additional Eligible Assets will be added to NN Group's Eligible Asset Portfolio to the extent required to ensure that the net proceeds from outstanding Sustainable Finance Instruments will be allocated to Eligible Assets. NN Group will aim to achieve full allocation for all Sustainable Finance Instruments within 36 months of the issuance date.

Pending full allocation, any unallocated Sustainable Finance Instruments proceeds will be utilized, managed or held by NN Group on a temporary basis, at its own discretion, in cash, cash equivalents, and/ or for any other treasury business.

8. Reporting

The reporting basis for all NN Group Sustainable Finance Instruments is the Eligible Asset Portfolio and an aggregated reporting will be prepared for all of NN Sustainable Finance Instruments.

NN Group will make and keep readily available reporting on the allocation of an amount at least equivalent to the net proceeds to the Eligible Asset Portfolio from the issuance of the applicable Sustainable Finance Instruments, to be published annually, at least until full allocation of the net proceeds. Reporting will be available on NN Group's website.¹⁰

NN Group will also make and keep readily available reporting on the positive impact associated with the Eligible Asset Portfolio, and will align, on a best effort basis, the reporting with the portfolio approach described in "Handbook - Harmonized Framework for Impact Reporting (June 2023)"¹¹.

Allocation Reporting

To the extent possible, NN Group will provide:

- The total amount of proceeds allocated to Eligible Assets
- The number of Eligible Assets
- The balance of unallocated proceeds
- The amount or the percentage of new financing and refinancing
- The geographical distribution of Eligible Assets (at country level)
- EU taxonomy alignment percentage (where feasible)

Impact Reporting

Where feasible, NN Group will report on the environmental and social impacts of the Eligible Asset Portfolio funded with the Sustainable Finance Instruments proceeds, or refer to existing sustainability and CSR reporting. NN Group impact reporting may provide:

- A description of the Eligible Green Assets
- The breakdown of Eligible Green Assets by nature of what is being financed (Financial assets)
- Metrics regarding the Eligible Asset Portfolio environmental and social impacts as described below:
 - Green Buildings
 - Estimated annual energy consumption and energy saving in KWh/m²/y
 - Estimated annual avoided/reduced emissions in tons of CO₂ equivalent
 - Renewable Energy
 - Installed capacity in MW
 - Estimated annual avoided emissions in tons of CO₂ equivalent
 - Affordable Housing
 - Number of dwellings
 - Number of beneficiaries

¹⁰ <https://www.nn-group.com/investors/nn-group-debt-credit-ratings/sustainable-bonds.htm>

¹¹ [Handbook-Harmonised-framework-for-impact-reporting-June-2023-220623.pdf \(icmagroup.org\)](#)

9. External review

Second party opinion

This NN Group Sustainability Bond Framework has been reviewed by Morningstar Sustainalytics which has issued a Second Party Opinion. The Second Party Opinion as well as the Sustainability Bond Framework will be made available on the Group's website. A section of the SPO is dedicated to assessing this Sustainability Bond Framework's level of alignment with the EU Taxonomy Climate Delegated Act.

Verification

NN Group will request, annually and until full allocation, an assurance report on the allocation of Sustainable Finance Instruments proceeds to the Eligible Asset Portfolio, provided by its external auditor or another qualified party. Such external review will be made available to investors on NN Group's website.

Disclaimer

This NN Group Sustainability Bond Framework is intended to provide non-exhaustive, general information. This NN Group Sustainability Bond Framework may contain or incorporate by reference public information not separately reviewed, approved or endorsed by NN Group and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by NN Group as to the fairness, accuracy, reasonableness or completeness of such information.

This NN Group Sustainability Bond Framework may contain statements about future events and expectations that are forward looking statements. None of the future projections, expectations, estimates or prospects in this NN Group Sustainability Bond Framework should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the NN Group Sustainability Bond Framework.

This NN Group Sustainability Bond Framework represents current NN Group policy and intent, is subject to change and is not intended to, nor can it be relied on, to create legal relations, rights or obligations. NN Group has and undertakes no obligation to update, modify or amend this NN Group Sustainability Bond Framework, the statements contained herein to reflect actual changes in assumptions or changes in factors affecting these statements or to otherwise notify any addressee if any information, opinion, projection, forecast or estimate set forth herein changes or subsequently becomes inaccurate.

This NN Group Sustainability Bond Framework is not intended to be and should not be construed as providing legal or financial advice. It does not constitute an offer or invitation to sell or any solicitation of any offer to subscribe for or purchase or a recommendation regarding any securities, nothing contained herein shall form the basis of any contract or commitment whatsoever and it has not been approved by any security regulatory authority. Any decision to purchase or otherwise to invest in any green, social or sustainability bonds issued under the Sustainability Bond Framework (the "Sustainable Finance Instruments") should be made solely on the basis of the information to be contained in any offering document provided in connection with the offering of such Sustainable Finance Instruments. Prospective investors are required to make their own independent investment decisions.

No representation is made as to the suitability of any Sustainable Finance Instruments to fulfil environmental and sustainability criteria required by prospective investors. Each potential purchaser of Sustainable Finance Instruments should determine for itself the relevance of the information contained or referred to in this NN Group Sustainability Bond Framework or the relevant Sustainable Finance Instruments documentation for such Sustainable Finance Instruments regarding the use of proceeds and its purchase of Sustainable Finance Instruments be based upon such investigation as it deems necessary.

NN Group has set out its intended policy and actions in this NN Group Sustainability Bond Framework in respect of use of proceeds, project evaluation and selection, management of proceeds and reporting, in connection with the NN Group Sustainable Finance Instruments. However, it will not be an event of default or breach of contractual obligations under the terms and conditions of any such Sustainable Finance Instruments if NN Group fails to adhere to this NN Group Sustainability Bond Framework, whether by failing to fund or complete eligible assets or by failing to ensure that proceeds do not contribute directly or indirectly to the financing of the excluded activities as specified in this NN Group Sustainability Bond Framework, or by failing (due to a lack of reliable information and/or data or otherwise) to provide investors with reports on uses of proceeds and environmental impacts as anticipated by this NN Group Sustainability Bond Framework, or otherwise. In addition, it should be noted that all of the expected benefits of the eligible assets as described in this NN Group Sustainability Bond Framework may not be achieved. Factors including (but not limited to) market, political and economic conditions, changes in government policy (whether with a continuity of the government or on a change in the composition of the government), changes in laws, rules or regulations, the lack of available eligible assets being initiated, failure to complete or implement projects and other challenges, could limit the ability to achieve some or all of the expected benefits of these initiatives, including the funding and completion of eligible assets. Each environmentally focused potential investor should be aware that eligible assets may not deliver the expected benefits as anticipated and may result in adverse impacts.

NN Group's exposure to ESG risks and related management arrangements established to mitigate those risks has been assessed by several ratings agencies through environmental, social and governance ratings and/or scores ("ESG Ratings"). ESG Ratings may vary amongst ESG Ratings agencies as the methodologies used to determine ESG Ratings may differ. NN Group's ESG Ratings are not necessarily indicative of its current or future operating or financial performance, or any future ability to service Sustainable Finance Instruments and are only current as of the dates on which they were initially issued. Prospective investors must determine for themselves the relevance of any such ESG Ratings information in making an investment decision. Furthermore, ESG Ratings shall not be deemed to be a recommendation by NN Group or any other person to buy, sell or hold Sustainable Finance Instruments. Currently, the providers of such ESG Ratings are not subject to any regulatory or other similar oversight in respect of their determination and award of ESG Ratings. For more information regarding the evaluation methodologies used to determine ESG Ratings, please refer to the relevant ratings agency's website (which website does not form part of, nor is incorporated by reference in, this NN Group Sustainability Bond Framework).

NN Group has appointed Morningstar Sustainability to provide a second party opinion (the "SPO") in relation to the NN Group Sustainability Bond Framework. Morningstar Sustainability, a globally recognized provider of ESG research, ratings and data, evaluated the NN Group Sustainability Bond Framework and the alignment thereof with relevant industry standards and provided views on the robustness and credibility of the NN Group Sustainability Bond Framework. The SPO aims to provide transparency to investors that seek to understand and act upon potential exposure to climate risks and impacts of the Sustainable Finance Instruments. The SPO is only an opinion and not a statement of fact. No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of the SPO which may be made available in connection with any issue of any relevant Sustainable Finance Instruments and in particular with any Eligible Green Assets and/or Eligible Social Assets to fulfil any environmental, sustainability, social and/or other criteria. The SPO is not, nor should be deemed to be, a recommendation by NN Group, any arranger, any dealer or any other person to buy, sell or hold the Sustainable Finance Instruments. The SPO is only current as at the date that opinion is issued. Prospective investors must determine for themselves the relevance of the SPO and/or the information contained therein and/or the provider of the SPO for the purpose of any investment in the Sustainable Finance Instruments. Prospective investors should be aware that the SPO will not be incorporated into, and will not form part of, the NN Group Sustainability Bond Framework. Currently, the provider of such opinions is not subject to any specific regulatory or other regime or oversight. Furthermore, any prospective investors will have no recourse against the provider of the SPO. A negative change to, or a withdrawal of, the SPO of the NN Group Sustainability Bond Framework may affect the value of the Sustainable Finance Instruments and may have consequences for certain investors with portfolio mandates to invest in the Sustainable Finance Instruments.

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