

Our strategy – How we create value

How we create value

We aim to create long-term value for our stakeholders. This simplified version of our business model shows how we use the resources ('capitals') in our organisation to create value as a result of our activities or outputs.

Our key inputs

Financial capital

Including debt, equity, revenue and assets invested by clients

- Shareholders' equity **EUR 36.7bn**
- Gross premium income **EUR 13.8bn**
- Assets under Management **EUR 300bn**

Human capital

Employees' skills, time and resources

- Total number of employees **15,118**
- Amount spent on training and development **EUR 12.9m**

Intellectual capital

Internal processes, systems and controls

Manufactured capital

Company's products, offices and other physical assets

Natural capital

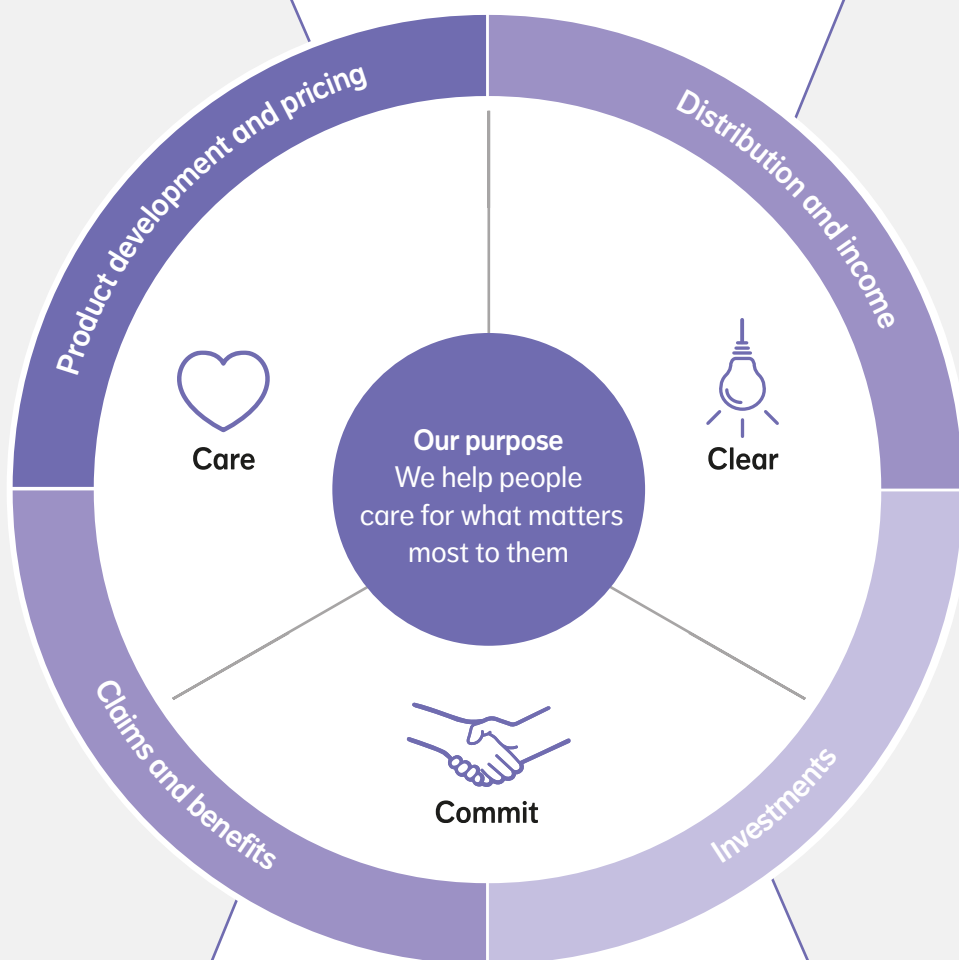
Use of natural resources

- Total energy used **33,000 MWh (of which 72% of the electricity used was renewable)**

Social and Relationship capital

Relations with customers and other stakeholders

- Customers **Around 18m**
- Business partners and suppliers
- Other key stakeholders, i.e. regulators



Our strategy – How we create value continued

Our value creation model is based on the framework developed by the International Integrated Reporting Council (IIRC). It is built around 'capitals' – stocks of value that may be either increased or decreased through a company's business activities or outputs. In the way we do business, we see customers as the starting point of everything we do. We develop and

appropriately price financial products and services which meet the needs of our customers through each phase of their lives. We aim to be where our customers want us to be, and distribute our products and services through many channels, including intermediaries, brokers, tied agents, banks and financial advisors, as well as directly online. We receive fees, premiums and

deposits from customers for the products and services provided. We invest this money prudently and responsibly. The returns earned on these investments are used to pay out pensions, claims, other benefits and interest. The remaining capital is deployed for investments in growth initiatives, managing debt and delivering capital returns to our shareholders.

The value we created in 2020

Outputs

Financial capital

Disciplined capital deployment

- Total dividend and interest payments to investors
EUR 783m
- Share buyback programme
EUR 250m
- Investments in acquisitions
EUR 568m
- Solvency II ratio
210%

Human capital

Wages and benefits

- Total wages, benefits and pension contributions
EUR 1.6bn

Inclusive and inspiring working environment

- % women in senior management positions
33%
- Employee engagement score
7.9

Intellectual capital

Availability of services

- % growth of digital retail clients
19%

Proper functioning of controls

- Incidents of fraud, conflicts of interest and unethical behaviour
66

Efficient operating model

- Total cost reductions (since 2016)
EUR 404m
- IT expenses
EUR 311m

Manufactured capital

High-performing products & services

- Brand consideration
21%
- Net Promoter Score
4 out of 11 Business Units scoring above market average

Encouraging innovation

- Number of innovation initiatives
33

Natural capital

Environmental impact from own operations

- Carbon emissions
13 kilotonnes CO₂ - 100% compensated by carbon credits

Environmental impact from investments

- Carbon footprint relating to proprietary investment portfolio
72 tCO₂e/EURm invested

Social and Relationship capital

Returns to customers

- Total claims and benefits paid
EUR 13.7bn

Responsible tax

- Total tax contribution
EUR 2.4m

Positive contribution to society

- % ESG-integrated strategies
74%
- Investments in sustainable and impact strategies
EUR 29.3bn
- Donations to charitable organisations
EUR 4.7m
- Young people reached through NN Future Matters
15,834

Outcome for our stakeholders

Customers

To our customers, we offer peace of mind; our products help protect them, their families, their health and their property. We also safeguard their personal data, provide mortgages and a stable source of income in retirement. Our aim is to offer quick, effective customer service and access to new, innovative financial products.

Employees

To employees, we provide wages and other benefits. We also contribute to their pensions. In addition, we offer skills training and opportunities for career development. We provide an inspiring and inclusive place to work. Our aim is to build an engaged workforce and nurture a culture aligned with our purpose, values and ambition.

Investors

To our investors, we are committed to deliver 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, and by efficiently managing our customers' assets and our own insurance portfolios.

Society

We contribute to the well-being of people and the planet. We take a long-term and a responsible approach to investments, working to minimise their impact on the environment. We also support the economy through taxes and payments to intermediaries and other business partners. Through donations and volunteering, we are actively involved in local communities.