

2015
Annual
Review

2015
Financial
Report

2015
Sustainability
Supplement

2015 Sustainability Supplement

Accelerating change



About this report

NN Group adopts a combined reporting strategy, which enables us to tailor our reporting for different stakeholder groups

The 2015 Annual Report provides an integrated review of the performance of our company. It is in accordance with applicable Dutch law and the International Financial Reporting Standards (IFRS), which were endorsed by the European Union, as well as with the Global Reporting Initiative's G4 guidelines (GRI). It aligns relevant information about our strategy, governance systems, performance and future prospects in a way that reflects the economic, environmental and social contexts in which we operate.

Three documents comprise our 2015 Annual Report

2015 Annual Review

2015 Annual Review

This is our top level communication aimed at all NN Group stakeholders. It is a concise, integrated review that provides information about our dynamic operating environment and key material trends, our strategy, how we create value, the financial and non-financial performance of our business and the statement of our CEO.

2015 Financial Report

2015 Financial Report

This report covers NN Group's financial developments and annual accounts, the report of our Supervisory Board and our approach to risk management, capital management and corporate governance. Target audiences are shareholders, rating agencies and other stakeholders interested in the financials and governance of NN Group.

2015 Sustainability Supplement

2015 Sustainability Supplement

This supplement provides additional information with regard to our strategy, objectives and achievements related to the social, ethical and environmental aspects of our businesses. It is especially aimed at shareholders, rating agencies and NGOs.



www.nn-group.com/annual-report

Annual Report contents

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Our approach

At NN Group, we aim to help people and businesses manage and protect their assets and income. We believe that our role as a company goes beyond delivering monetary returns for our shareholders. We aim to use our resources, expertise and reach to help society achieve long-term sustainable prosperity.



By understanding the global trends society is facing, and the impact that these developments might have on our customers and on our businesses, we can contribute to a healthy economy as well as a stable society. In doing so, we create value for NN Group and our stakeholders, and will contribute to improving lives for people today and generations to come.

More information on how we create value for our stakeholders, can be found in the Annual Review, pages 21–22. In developing our simplified model of how we create value we used the framework of the International Integrated Reporting Council (IIRC) that is based on, amongst others, financial, intellectual, human, and social and relational capital.

Purpose and values

NN Group's relationship with our stakeholders is based on our values: we care, we are clear, we commit. Throughout NN Group these values drive the behaviour that is needed to realise our company's purpose: to help people secure their financial futures.

The values are published under the title NN statement of Living our Values, which explains what NN Group stands for, both for internal and external stakeholders. In 2015, our focus was on creating awareness and encouraging behavioural change, embedding our values in regular processes and programmes, and on monitoring the effectiveness of the implementation.

For more information on our values, refer to the Annual Review, pages 9–10. For the full text of the statement visit our corporate website www.nn-group.com.

Focus areas

Our corporate citizenship strategy is built upon our company's purpose and values. In 2015, our Management Board reconfirmed our approach, including the focus on two main areas:

- Improving people's financial well-being
- Responsibly managing our assets

These areas are directly related to the nature of our core business, and are indicated by our stakeholders as important to our organisation (see table below). For information on our materiality assessment, refer to the Annual Review, page 13. The focus areas interrelate with the different pillars we use to communicate about our non-financial performance. By focusing on these areas, we feel NN Group can make the biggest impact.

This document is structured along the two focus areas of our strategic direction for corporate citizenship. It serves as a supplement to the Annual Review and provides more detailed information and data on all pillars of our approach.

Priority measures indicated by our stakeholders	Read our position
1. Offer transparent products and services	AR: pages 17–18, 24–27
2. Maintain a strong balance sheet	AR: pages 11, 15, 18, 23; FR: pages 119–141
3. Create products with social added value	AR: pages 24–26; SS: pages 7, 10
4. Promote responsible investment	AR: pages 21–22, 28–29; SS: pages 3–7, 9–11, 13
5. Offer guidance and financial education to customers	AR: pages 11–12, 18–20, 24–27; SS: pages 7–8
6. Stimulate employees to develop themselves	AR: pages 12, 21–22, 32–33
7. Reduce costs through efficient operations	AR: pages 11–12, 18–20, 27
8. Reduce environmental footprint	AR: page 34; SS: pages 4, 12, 15
9. Ensure fair remuneration	AR: pages 32–33; FR: pages 29–33
10. Support local communities	AR: pages 12, 21–22, 34–35; SS: pages 3–4, 7–8, 14

AR = 2015 Annual Review
 FR = 2015 Financial Report
 SS = 2015 Sustainability Supplement

Our objectives

Focus areas

We improve financial well-being by empowering people to:

- Make sound financial decisions
- Maximise their potential to create income and cover their risks, for now and later
- Build financial resilience so they can overcome adversity

We responsibly manage our assets by focusing on our efforts to:

- Integrate environmental, social and governance (ESG) factors into our investment processes
- Take responsibility as an active owner towards investee companies
- Apply restrictions based on our policy framework
- Offer specialised SRI funds and responsible investment solutions

Ambitions for 2020

Optimising customer experience by creating transparent, easy to understand products and services and supporting people to build and protect their assets and cover their risks

- Provide tools and knowledge to our customers to improve their financial decision-making
- Increase research into consumer financial behaviour and translate findings into product and service offerings
- Create products and services with social value added
- Be recognised as the 'You matter' company

Progress achieved in 2015

- 13 countries offer online guidance and education tools
- All our insurance countries use Net Promoter Score
- Research on feeling and being in control of one's financial future conducted in 14 European countries
- 7 countries provide products that offer social value added
- In 7 of our insurance countries a growing number of people recognise us as the 'You matter' company

Creating positive change in communities by supporting people in our markets to improve their financial well-being

- Roll out NN Future Matters programme in all our countries
- Gradually target 70% of total charitable giving towards NN Future Matters related areas*
- Engage at least 25% of total employees in NN Future Matters programme
- Continue company-wide effort to provide scholarships
- Reach out to at least 100,000 youngsters

- NN Future Matters programme rolled out in our main markets
- 58% of our total charitable donations (EUR 1.5m) towards NN Future Matters target areas**
- 73% of employees actively engaged in volunteering, an increase of 85% compared to 2014
- 7 NN Future Matters scholarships provided
- 9,069 youngsters reached through NN Future Matters programme

Investing responsibly by integrating environmental, social and governance (ESG) factors into our investment processes

- Further develop NN Responsible Investment Policy Framework
- Strengthen ESG integration across all asset classes
- Continue to grow sustainable assets under management and product offering
- Extend measurement of carbon footprint for our portfolios (new)

- Revised and published NN Defence policy
- Study conducted in partnership with the European Centre for Corporate Engagement on the materiality of ESG factors for equity securities
- EUR 4.5bn sustainable assets under management, an increase of 11.3% compared to 2014
- Formalised sustainability approach for NN's own real estate portfolio, including reporting on environmental performance

Empowering our people by fostering an open, safe, inclusive and stimulating working environment in a values-driven organisation

- Continue to strengthen employee engagement
- Stimulate our employees to develop and grow
- Continue to invest in the diversity of our organisation
- Further embed our values through global awareness programmes and integration in performance management

- 73% engagement score, an increase of 7 points compared to 2014
- EUR 13m spent on training and development
- 53/47 male/female ratio
- 'Living our Values' programme implemented Group-wide; at least 85% of our employees in the Netherlands signed the Financial Sector oath or promise

Managing our environmental footprint by reducing the use of natural resources, seeking green alternatives and ultimately compensating the remainder of our CO₂ footprint

- Reduce CO₂ emissions with 30% in 2020 compared to 2005 (Dutch operations)
- Increase purchase of renewable electricity
- Further strengthen engagement with suppliers

- 13% increase of CO₂ emissions (in kilotonnes) compared to 2014
- 61% of electricity purchased from renewable sources

* Through time and charitable donations.

** In 2015, we calculated financial (cash) donations only.

Governance

Governance

At NN Group, corporate citizenship, including our sustainability approach, is part of the portfolio of the Chief Change and Organisation (CCO) within the Management Board. Additionally, all members of the Management Board have a responsibility for integrating sustainability in their respective businesses and functions.

NN Group strives to structurally embed sustainability in our policies, processes and activities. To drive our strategy and the implementation of our processes, we have a dedicated team in place; the Corporate Citizenship team within the Corporate Communications & Affairs department. This team works closely together with the different businesses and functions to steer and advise on the implementation of the overall strategy.

Within NN IP, our asset management business, we have a specialised Responsible Investing team. Additionally, there are experts within specific departments, such as Risk management, Legal and Compliance, that include ESG related activities in their respective roles.

For more information about our Corporate Governance, refer to the Financial Report, pages 18–28, and our corporate website.

Simplified organisation chart



- 1 CEO Netherlands Insurance is responsible for NN Group's insurance and banking business in the Netherlands.
- 2 CEO International Insurance is responsible for NN Group's Insurance Europe, Japan Life, Japan Closed Block VA and NN Re businesses.
- 3 CEO NN Investment Partners is responsible for NN Group's asset management business.

International endorsements and memberships

After being part of ING Group for many years, in 2015 NN Group became a standalone member of various international organisations, such as the United Nations Environment Programme Finance Institutions and the UN Global Compact.

2015 was an important year for sustainable development, with amongst others the launch of the Sustainable Development Goals and the UN Conference on Climate Change (COP21) in Paris. Prior to COP21, we endorsed both the Climate Risk Statement of the Geneva Association and the Global Investors Statement on Climate Change. To demonstrate leadership, commitment and solidarity to the agreement reached, NN Group signed the Paris Pledge to Action in December 2015.

To underline our ambitions, NN Group and/or our respective businesses have endorsed various international standards and initiatives:

- United Nations Global Compact (UNGC)
- United Nations Environment Programme Finance Initiative (UNEPFI)
- Principles for Sustainable Insurance (PSI)
- Principles for Responsible Investment (PRI)
- Carbon Disclosure Project (CDP)

We are also a member of (inter)national organisations, including:

- International Corporate Governance Network (ICGN)
- European Fund and Asset Management Association (EFAMA)
- CRO Forum, Sustainability Working Group
- Eumedion
- MVO Nederland
- Dutch Association of Investors for Sustainable Investment (VBDO)
- Global Real Estate Sustainability Benchmark (GRESB)



For an overview of all endorsements and memberships visit our website www.nn-group.com/In-society.htm

Stakeholder engagement

To earn trust and support, NN Group maintains an open and continuous dialogue with various stakeholders about our products and services, our business performance, our role in society and other topics. We do this at all levels in the organisation, and both at group and business level.

NN Group considers customers, shareholders, employees, business partners and society at large (including regulators and societal organisations) as important stakeholders. We seek feedback from them on different topics in order to learn which issues are important to them. This input is used in both defining our strategy and our decision-making processes, and tells us how we can best align the interests of our businesses with the needs and expectations of our various stakeholder groups.

The instruments to conduct this dialogue include regular interactions and feedback sessions for customers on our products and services; roundtable sessions with policymakers, academics and peers; works council meetings with employee representatives and continued dialogue with our employees; frequent bilateral contact with regulatory and government authorities and societal organisations (including non-governmental organisations, labour unions and industry associations); briefing sessions and roadshows for journalists, analysts and investors.

In 2015, we were confronted with various developments, issues and challenges. These were brought to our attention by, or discussed with, different stakeholders. In the table below, we provide a snapshot of the key issues.

Stakeholder and topic	Our response and engagement
NGO – Fair Insurance Guide (NL) Investments in companies that make available weapons and military goods to controversial regimes and countries	Our response: NN Group has a defence policy in place that restricts investments in companies that demonstrably have activities in the trade of arms to countries that are sanctioned by a UN, EU or US arms embargo. Companies that develop, produce, maintain or trade 'controversial weapons' are also part of our exclusion list. The investments found by the Fair Insurance Guide are not restricted under our defence policy. We communicate transparently about our policy, and publish it on our website.
NGO – Reprieve (UK) Investments in a pharmaceutical company producing medicine to be used in lethal injections in the United States	Our response: We expressed our concerns towards the company for not taking measures to prevent the medicine to be used in lethal injections; amongst others referring to the reputational risk this may impose on the company. After earlier unsuccessful attempts to engage in a dialogue, we raised our concerns with the board of directors ahead of the company's AGM, as did several other institutional investors. Management responded to the investors' concerns by committing to implement adequate distribution controls.
NGO – Friends of the Earth (NL) Sustainability of real estate investments	Our engagement: In developing NN Group's responsible investment real estate guidelines, we engaged with Friends of the Earth, representing the Fair Insurance Guide, to exchange views and knowledge on embedding ESG factors in our investment process and decision-making. Whilst we share the goal to improve the sustainability of real estate, we are concerned about the overly detailed policy statements that are requested, which do not align with the way we integrate ESG factors in our portfolio.
Regulators – Dutch Central Bank (NL) The role and responsibilities of financial institutions regarding sustainability, responsible business and finance	Our engagement: Our Chief Change and Organisation, member of the Management Board, participated in a roundtable on these topics. ESG integration is at the core of our approach to responsible investment, as we believe it contributes to better informed investment decisions and the optimisation of the risk/return profile of our investment portfolio. It supports a gradual transition towards a sustainable economy and society, and fits in our current balancing of risks and interests of our stakeholders.
Investor association – Dutch Association of Investors for Sustainable Development (NL) Transparency on tax policy	Our engagement: In 2015, the Dutch Association of Investors for Sustainable Development (VBDO) published a new study ranking Dutch multinational companies on transparency on tax policy and disclosure. In our view, NN Group's performance on this topic required further attention. As a response, we worked on improving our transparency, amongst others by publishing our tax guidelines (see also Annual Review, pages 34–35). To understand societal expectations and to explain our tax strategy, we entered in a constructive dialogue with the VBDO.
Employees – Labour unions, Central Works Council (NL) Implementation of our values and Corporate Citizenship approach	Our engagement: Early 2015, we updated representatives of labour unions on our 'Living our Values' programme, and our corporate citizenship approach including the NN Future Matters programme and topics related to being a responsible employer. Furthermore, we discussed the NN 2014 Sustainability Report with our Central Works Council.

Improving financial well-being

This chapter describes our approach and performance related to our focus area 'Improving financial well-being'. It is a supplement to the chapters 'Creating value as an insurer and asset manager' and 'Creating value as a corporate citizen' in the Annual Review, and provides additional information on the following topics:

- Customer empowerment
- Financial inclusion
- Community investment

At NN Group, we aim to be a positive force in the lives of our customers by helping them secure their financial futures. We want to empower people to make sound financial decisions, maximise their potential to create income and cover their risks – now and later – and build financial resilience so they can overcome adversity. We do not only concentrate our efforts on our customers, as many more people can benefit from better financial knowledge and skills.

Customer empowerment

A key aspect of delivering a great customer experience is the ability to empower people to improve their financial decision-making. We feel this will help them achieve their financial ambitions, and protect and accumulate their wealth. Therefore, we invest in educating people about finance, raise their awareness through campaigns and provide them with tools to enhance their decision-making capabilities.

In the Netherlands, we organised the 'Girls just wanna have funds' event in partnership with How 2 Spend It, where we challenged 150 women to think about their financial future. Via an online questionnaire, we raised awareness of pension planning among readers of Dutch magazines VIVA and Ouders van NU. Throughout 2015 we researched people's thoughts on feeling and being in control of one's financial future. This research was done in 14 countries where NN is present, in cooperation with the University of Tilburg. With the insights gained we are able to further improve our communications and product offer. For example in Luxembourg the research outcome shows a clear need for financial education in terms of retirement.

Financial inclusion

We reach out to people who may not have access to insurance and can benefit from additional support. We aim to provide an inclusive and positive experience for many different groups of people anticipating their specific needs.

Through our health insurance business we provide products and services aimed at people's individual situations, for example, critical illnesses.

In Poland, we have introduced a mobile app which encourages early detection of breast cancer as part of our cancer cover campaign. In Slovakia, we provide a package for children including coverage for life, critical illness, and permanent disability in case of an accident, hospitalisation and surgery. In the Czech Republic, the For You insurance product offers women insurance coverage in case of breast cancer. The product is offered with assistance services on a dedicated website, and supported with cancer prevention and healthy lifestyle advice. In Hungary, we provide modular protection and health insurance which offers financial support in the form of monetary benefits, but also advice and medical assistance services such as a 24/7 medical hotline and a second opinion.

For entrepreneurs, we launched a new individual disability insurance product via income insurer Movir in the Netherlands. In Spain, we introduced Contigo Autónomo, which has been especially designed to cover specific needs around health for entrepreneurs. NN Group participated in the establishment of the Netherlands Investment Institution (NLI). The NLI wants to increase long-term investment opportunities in the Netherlands by matching supply and demand. This allows entrepreneurs and SMEs to benefit from additional financing opportunities, whilst giving institutional investors the opportunity to invest directly in the Dutch economy. Furthermore, through a partnership of the Dutch Association of Insurers with microfinance organisation Qredits, we offer microfinance loans to both starting and experienced entrepreneurs who are not able to get a regular loan from a bank.

Financial inclusion also implies that we aim to help our customers improve their well-being when they are experiencing adversity. In the Netherlands, NN Bank has redefined its policies to help home owners in financial distress by enabling them to stay in their homes as long as possible. We provide grace periods, interest holidays, budget coaching and the use of early warnings to mortgage clients in financial distress. In Bulgaria, insurance customers in financial distress can suspend paying instalments for up to 12 months while keeping their policy in place.

Improving financial well-being – continued

Community investment

In addition to helping our customers improve their financial well-being, we support the broader society and especially people in our local communities to achieve this objective.

This ambition is reflected in our community investment programme 'Future Matters', launched in 2014 and now fully implemented in our main markets. This led to a substantial increase both in cash donations and employee volunteering in 2015. The goal is to gradually target our charitable giving more towards this common goal. In 2015, already 58% of our total charitable donations of EUR 1.5 million went to NN Future Matters and its related target areas. More details on our goals for 2020 and the progress we made, can be found in our objectives table on page 4 of this Sustainability Supplement.

NN Future Matters' goal to improve people's financial well-being in our markets is achieved through focusing our efforts on three complementary target areas: promoting financial empowerment, creating economic opportunities and alleviating financial distress.

Promoting financial empowerment

By giving people confidence to take care of their finances, NN Group wants to contribute to building a society that as a whole is more financially aware and capable. Responsible financial behaviour is developed at an early age, so many of our initiatives are focused on youngsters. During the 2015 Money Week in the Netherlands, NN employees gave in total 81 guest lectures in primary schools, teaching 1,863 children about money and risks.

Creating economic opportunities

By supporting youngsters in preparing for the future, NN Group believes we can add value in helping them to find better opportunities in the labour market. NN Group would like to help young people to find a job that suits them, and offers them the opportunity to obtain job experience within our company.

Our colleagues provide job training to youngsters who may lack specific skills or role models. This is in cooperation with JINC, a Dutch not-for-profit organisation focused on helping youngsters become better prepared for the labour market. With a donation given at our IPO, we supported JINC to start their work at schools in The Hague in 2015.

Another way of creating economic opportunities is by encouraging entrepreneurship. In 2015, the Social Innovation Relay took place as a flagship programme of the NN Group and Junior Achievement Europe partnership; Spain, Romania, Bulgaria and the Netherlands were the first NN countries to participate in the launch of the Social Innovation Relay. In Japan, NN Life started a partnership with the Social Entrepreneurship School – ETIC. Two young entrepreneurs grew their business by receiving mentoring and advice from various (NN) experts and senior social entrepreneurs.

Alleviating financial distress

NN Group wants to help people who are not getting by financially, and supports them in overcoming adversity.

To maximise our impact, we partner with several local charities that support families with children living in challenging financial circumstances.

For example in the Netherlands, we partner with the LINDA.foundation, a charity that helps families in financial distress. In 2015, we organised several initiatives, such as a flea market, a Christmas fair and volunteers have helped assemble packages with gift vouchers for the families concerned. Our customers are also involved in the LINDA.foundation through our special credit card that donates ten eurocents for each transaction to the LINDA.foundation.

As part of the promotion of the NN Rotterdam Marathon event, we partner with the JeugdSportfonds, a charity that helps children from families without the financial means to become members of a sports association of their choice.

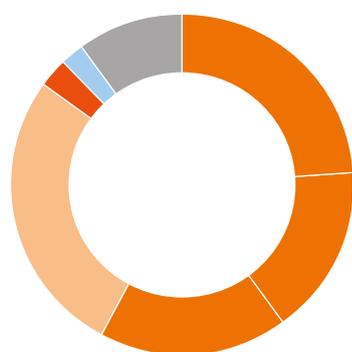
To celebrate the first anniversary of NN Future Matters, in 2015 we made extra donations that totalled EUR 100,000 to local charities in ten of the markets where we operate.

Other good causes

In addition to the global community investment target areas under the NN Future Matters umbrella, our businesses and foundations support a broad scope of other local initiatives, such as health and environmental care. With these activities, we connect with our employees, customers and business partners, and aim to address societal needs together.

NN Group has set up corporate foundations in several countries to enable employees to support causes close to their hearts that cover a wide variety of themes. For the amounts invested through these foundations, refer to page 14 of this Sustainability Supplement.

Charitable donations by theme*



* Includes cash donations to charitable causes, corporate foundations and partnerships.

** Cultural partnerships and sponsorships are not included. Refer to the In society section on www.nn-group.com for more information on how we support arts and culture.

Responsibly managing our assets

This chapter describes our approach and performance related to our focus area 'Responsibly managing our assets'. It is a supplement to the 'Creating value as an investor' chapter in the Annual Review and provides additional information on the following topics:

- Engagement topics 2015
- Sustainability of our real estate portfolio
- Specialised SRI funds and responsible investment solutions
- External assessments and benchmarks
- Governance, advice and implementation

NN Group is a long-term global institutional investor with a duty to act in the best interest of our policyholders, clients, shareholders and other stakeholders. To fulfil this duty, we acknowledge the importance of structurally integrating environmental, social and governance (ESG) factors into our investment and active ownership processes.

Engagement topics in 2015

The primary focus of our formal engagement efforts is on companies that act in breach of the UN Global Compact Principles and on companies for which we identify material ESG-related risks, based on in-house research and information from external research providers. We also participate in thematic engagements, in cases where a certain issue is of importance to an entire industry or wider range of companies. Finally, we engage with policymakers on sustainability topics and corporate governance issues that may impact the companies we are invested in or our position as a shareholder.

Environmental

As an active investor, we initiate dialogue with companies on environmental issues, including environmental damage and climate change. In the past year, for instance, we have addressed multiple issues, ranging from stranded asset risks and carbon pricing to spills, with oil and gas companies. We also continued our dialogue with companies that have substantial exposure to oil sands. Because these projects are more Greenhouse Gas (GHG) intensive than conventional projects, it is important that ambitious targets are set for GHG emission reductions. We also started an engagement with the utility sector focusing on ways that they can increase power generation from renewable energy sources and reduce their carbon footprint (see box on page 10 of this Sustainability Supplement).

NN Investment Partners (NN IP) signed the 'Investor Expectations on Corporate Climate Lobbying' statement. This public statement addresses corporate lobbying practices which may be inconsistent with the interest of long-term investors. It calls upon companies to improve their practice and transparency regarding processes for climate policy engagement and bring them in line with the universally accepted goal of limiting global temperature rises to two degrees Celsius.

NN IP has published a white paper on green bonds, that we believe contains strong proposals for making a positive and measurable impact on the environment. NN IP wants to contribute to the steps needed to develop the green bond market further. That is why we are a member of the Green Bond Principles and have voiced the opinion that more guidance and standardisation is needed for reporting on green bonds. NN IP also signed the Paris Green Bonds Statement, which calls on governments to develop policies that support the growth of the green bond market.

Social

We engaged with companies on social topics through collaborative initiatives coordinated by the Principles for Responsible Investment (PRI). As a member of the Bribery and Corruption working group, NN IP continued to lead in the dialogue with a large pharmaceutical company. The main focus of the working group is to enhance the transparency and disclosure of anti-corruption strategies, policies and management systems. This two-year engagement has concluded after successful dialogue with a range of companies across regions and sectors. The outcomes will be published in a joint PRI-UNGC publication to be released in the summer of 2016.

We also joined a new PRI working group on 'human rights in the extractive industry'. This engagement intends to improve disclosure on, and implementation of, the UN Guiding Principles on Business and Human Rights. The institutional investors that participate in this initiative have scheduled engagements with global extractive companies to get a better understanding of their commitment to human rights, how human rights-related risks are being assessed, and how the company engages with local communities. Many extractive companies have operations in sensitive areas, which makes it even more important to thoroughly embed respect for local communities and human rights in the business processes. NN IP leads the dialogue with a large company in the oil and gas industry and a company specialised in the production and trading of commodities.

Responsibly managing our assets – continued

Corporate governance

One of the key corporate governance issues that we regularly discuss with companies is the board nomination and election process. In 2015, NN IP joined a working group of the PRI that looked at best practices to optimise the director nomination process. The working group will actively approach a group of French and American companies where we identified points of improvement for the director nomination and election process.

NN IP actively contributed to a paper by the International Corporate Governance Network (ICGN) identifying concerns over recent legislation in Italy and France. These legislations seek to encourage the granting of double voting rights or loyalty dividends to promote long-term investment. Whilst the ICGN is supportive of promoting longer-term thinking and behaviours by investors, at the same time, it is concerned that such rights not only have the potential to hurt minority investors, but also the long-term performance of a company.

We also joined other international investors in early 2015 in voicing these concerns to the Italian, French and EU authorities. In the case of Italy, the investor voice was heard, and the government abandoned plans earlier this year. In France, legislation is a reality. Therefore, NN IP has sent letters to French companies with the request to introduce our preferred 'one share, one vote' principle in their statutes. Many of these companies responded positively and added the amendment of the statutes to their AGM agendas.

Integrated reporting helps investors apply relevant ESG factors efficiently and effectively. NN IP frequently discusses with companies the benefits of this way of reporting that combines financial and ESG information in a clear, consistent and uniform matter. In 2015, NN IP also took part in a pilot programme conducted by the International Integrated Reporting Council (IIRC), the world's leading proponent of integrated reporting. By sharing our views on company reports, we aim to further stimulate the journey towards integrated reporting.

Sustainability of our real estate portfolio

NN Group uses the GRESB Real Estate Assessment to evaluate the sustainability of our EUR 4.1 billion (proprietary) real estate portfolio. In October 2015, the results of the annual assessment were revealed; 96% of our portfolio was included in GRESB and our portfolio did well. On average, our (value-weighted) portfolio score was 66 on a scale of 100, while the benchmark average (282 entities) was 55. This represented a strong relative improvement to the benchmark compared to 2014 when our score was 50, similar to the benchmark.

We calculated separate scores for our direct and indirect portfolios (i.e. we invest in underlying European properties directly and indirectly via private real estate funds). Our portfolio of direct investments had a score of 63, meaning it achieved top quadrant performance in GRESB's scoring matrix (similar to a Green Star qualification used for funds).

The score of our indirect portfolio was 67, whilst 74% (or 14 out of 19) of our funds are Green Stars.

GRESB also tells us about the energy performance of our real estate portfolio. In the year under assessment (2014), our portfolio achieved a 6% like-for-like reduction in energy consumption. The associated reduction in greenhouse gas emissions was 5%, which is on aggregate the equivalent of 4,143 passenger vehicles off the road, based on data provided by 52% of participants.

Going forward, NN Group intends to extend the analysis of the carbon footprint of its investment portfolio to other asset categories too.

Support transition towards a low carbon world

At NN, we believe that engagement with companies is essential in the transition towards a low carbon world.

Over the next two years, NN Investment Partners will engage with companies in the power utility sector on their climate policies and CO₂ reduction targets. This sector is one of the largest contributors of CO₂ emissions to mainstream investment portfolios. At the same time, power utilities also have opportunities to adapt and prosper in a carbon constrained economy.

Our engagement, supported by provider GES, will target a selection of 20 large companies worldwide. We hold these companies' shares or bonds on behalf of our own assets and/or client assets. The engagement will focus on improving carbon risk management and addressing aspects related to governance, policymaker interaction, transparency, reduction targets and action plans, and climate change risks and mitigation strategies.

The overarching goal is to support these companies in achieving a carbon risk exposure reduction from a long-term perspective and improved competitiveness in a carbon constrained economy.

Impact investing study in the Netherlands

To explore the potential of impact investments for our clients as well as our own assets, NN Group was amongst the partners in the VBDO study 'Impact Investing, from niche to mainstream'. In this capacity, we contributed to several joint learning sessions. The central question of the study was how impact investing in the Dutch institutional investor market can professionalise and grow.

The outcome of the study was presented during the 'Investing with impact' event in February 2016, and the publication can be found on the website www.vbdo.nl.

Responsibly managing our assets – continued

Specialised SRI funds and responsible investment solutions

We are meeting the growing demand for products that generate solid financial returns and are good for society and the environment through specialised funds and mandates. Assets under management in these sustainable equity and fixed income products have grown with 11.3% to EUR 4,509 million by year-end 2015.

- NN Investment Partners' flagship Luxembourg and Dutch domiciled NN Sustainable Equity Funds have been offered since 2000. They make use of both best-in-class and exclusionary criteria.
- The NN (L) Euro Credit Sustainable fund started in December 2011. It applies exclusionary criteria based on controversial behaviour and also excludes tobacco companies. Since October 2014, we also offer the Euro Credit Sustainable (including Financials) fund.

NN IP offers clients the possibility to set up mandates according to their specific preferences with respect to best-in-class and exclusionary criteria. In addition, we provide investment advice to institutional investors who wish to adopt a responsible investment policy or evaluate and refine one that is already in place.

Within NN IP, Altis is responsible for the external fund manager selection for both institutional and retail clients. Altis is fully owned by NN IP but operates at arm's length, using its proprietary software platform to analyse external investment strategies on holdings level.

Responsible investment is embedded into its manager selection and monitoring process, through a dedicated ESG scorecard. This scorecard covers a variety of subjects, ranging from the active ownership efforts of a manager to their environmental and social policies. Clients can also use holdings-based analysis, which shows how the individual holdings of a portfolio scores on ESG factors.

External assessments and benchmarks

The Sustainable Equity funds have been awarded recognised ESG labels from independent research institutions in various countries. They demonstrate the quality of the incorporation of ESG considerations throughout the investment process.

- Our NN (L) Invest Sustainable Equity fund (for the third consecutive year) and the NN (L) Invest Europe Sustainable Equity Fund (for the second consecutive year) received the French 'Novethic SRI Label'
- Both funds have also been granted the Luxflag ESG Sustainable Label in Luxembourg and the FNG label in Germany

NN IP has signed up to the UN Principles for Responsible Investment (PRI) in 2008. Its latest assessment of our responsible investment approach once again shows that we have above-average scores on overall ESG integration, promoting responsible investing and taking into account ESG aspects in external manager selection. For ESG integration in equities, NN IP has received the highest possible score.

The Dutch Association for Sustainable Investment, VBDO, published its '2015 Benchmark Responsible Investment by Insurance Companies'. This benchmark investigates the responsible investment activities of insurers by looking at governance, policies, implementation and transparency. Thirty Dutch insurance companies participated in the benchmark and, out of these, NN Group ranked fifth, compared to the seventh position in 2014. Our absolute score slightly declined, reflecting new questions added, however we improved our 'implementation' score, which is weighted most heavily in the benchmark.

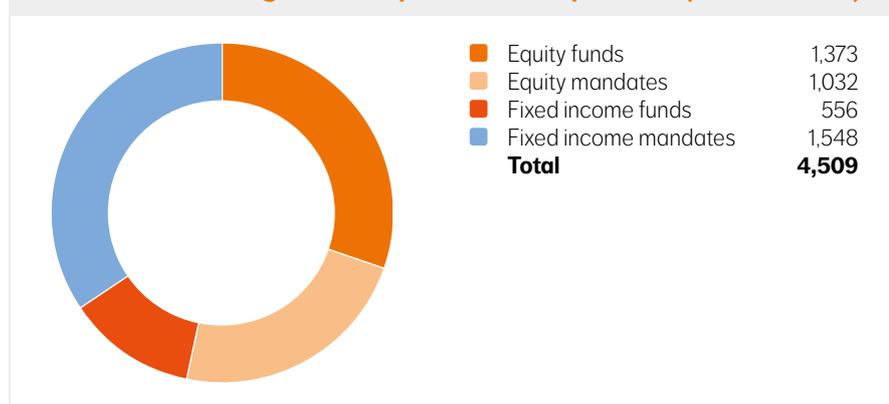
Governance, advice and implementation

Within NN Group, the Management Board holds ultimate accountability for the ESG aspects of our businesses. Besides the Management Board, several committees with board member leadership play an important role in our internal decision-making processes.

NN Group has a Responsible Investment Working Committee. It steers the implementation of the RI Policy Framework from the perspective of an asset owner, and monitors ESG aspects for all proprietary assets. Our NN Group Chief Investment Officer chairs this committee, combining responsibility for the insurance business with the areas of expertise of NN Investment Partners and involved NN staff functions.

NN Investment Partners has an ESG Board, chaired by its Chief Investment Officer. It consists of senior managers and ESG specialists. The ESG Board gives advice to NN Investment Partners' executive team about its positioning on responsible investments. The ESG Board has a mandatory advisory role on NN Group responsible investment-related policies and restricted list(s). It also steers the implementation of the framework in the investment processes of NN IP.

Assets under Management in specialised SRI products (in EUR million)



Managing our environmental footprint

This section is a supplement to the 'Creating value as a corporate citizen' chapter in the Annual Review and provides additional information on our approach and performance to minimise our direct environmental footprint.

In 2015, we continued to effectively manage our direct footprint by efficient use of natural resources, identifying and implementing green alternatives and ultimately compensating for the remainder of our carbon footprint. Our sustainability initiatives continue to focus on energy and business travel efficiency and paper use reduction. We also encourage the recycling of materials inside our office buildings.

Energy and business travel efficiency

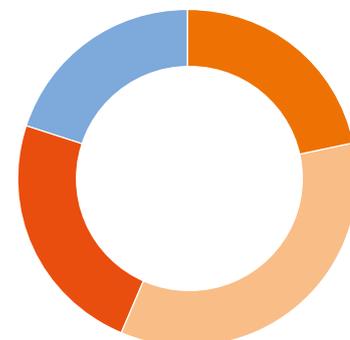
NN Group's facility management teams are continuously working to improve the energy efficiency of our buildings, especially in countries where renewable energy is difficult to purchase. Furthermore, we implemented a better system to monitor energy consumption.

Many of the buildings in which NN Group's business units are housed, have maintained our green labels, such as BREAAAM or LEED. Together with our local partners, we are aiming for all NN Group local head office buildings to have a green label by 2020.

In 2015, NN Group renewed our partnership agreements on business travel with the aim of further monitoring and optimising the frequency and intensity of air travel. Besides generating financial benefits, this renewed partnership aims to have a positive influence on our environmental footprint.

NN Group encouraged our staff to drive cleaner by introducing more electric cars in the NN car pool, and installing additional charging stations at our offices in the Netherlands. This approach aims to decrease our CO₂ emissions in the coming years.

Energy consumption



Electricity	22%
Renewable electricity	35%
Natural gas	24%
District heating	20%
Fuel oil	0%

Carbon neutrality in 2015

We continue to offset the remainder of our CO₂ emissions through the purchase of Voluntary Carbon Units (VCUs), Gold standard. As a result, we achieved 100% carbon neutrality over 2015.

The carbon credits that we acquired come from a windmill park in Manisa, Turkey. The park exists of 23 modern wind turbines with a total capacity of 57.5 MW. The park provides renewable electricity to around 20,000 households. The project ensures that less greenhouse gas emissions will be emitted as fossil fuels are replaced by wind energy. A contribution to the reduction of climate change is made, in combination with other social, economic and environmental benefits of the project.

Performance data

Financial indicators (in EUR million)

	2015	2014	Change	2013
Operating result ongoing business	1,435	1,086	32%	905
Net result (after attribution minority interest)	1,565	588	166%	322
Net operating ROE	10.8%	8.6%		8.9%
IGD Solvency I ratio ¹	320%	300%		
Solvency II ratio ¹	239%			
Value of new business	202	178	13.1%	
Assets under Management (end of period, in EUR billion) ²	187	195	-4.2%	174
Dividend proposal (per ordinary share, in EUR)	1.51	0.57		n.a.
NN Group share price (COB 31 December 2015, in EUR)	32.55	24.85		n.a.

Customer-related indicators (in EUR million)

	2015	2014	Change	2013
Total claims and benefits paid	14,225	11,982	19%	12,653
New sales life insurance (APE)	1,295	1,315	-2%	1,227
Gross premium income	9,205	9,340	-1%	9,530
Customer satisfaction and loyalty				
Insurance business units using NPS	100%	85%		85%
Insurance business units scoring on/above market average	95%	70%		n.a.
Countries offering tools improving financial decision-making (#)	13	13		12

Responsible investment indicators (in EUR million)

	2015	2014	Change	2013
Sustainable Assets under Management (end of period)	4,509	4,052	11.3%	3,442
as part of total Assets under Management	2.4%	2.2%		2.0%
SRI funds				
NN Duurzaam Aandelen Fonds	682	539	26.5%	201
NN (L) Invest Europe Sustainable Equity Fund	148	128	15.4%	41
NN (L) Invest Sustainable Equity Fund	544	268	103.0%	178
NN (L) Renta Fund Euro Credit Sustainable	471	457	3.0%	479
NN (L) Renta Fund Euro Credit Sustainable (including financials)	85	31	175.4%	
Subtotal	1,930	1,423	35.6%	899
Mandates				
Sustainable Fixed Income Mandates	1,548	1,706	-9.3%	1,768
European Sustainable Equity Mandates	333	286	16.5%	240
Global Sustainable Equity Mandates	699	637	9.7%	535
Subtotal	2,580	2,629	-1.9%	2,543
Shareholders meetings voted at (#)	2,013	1,699	18.5%	1,315
Agenda items on which voted (#)	26,580	20,005	32.9%	15,426

1 The solvency ratios are not final until filed with the regulators. Solvency II ratio is based on the partial internal model.

2 Assets under Management include the mortgage portfolio managed on behalf of NN Life and NN Non-life since 2Q14. The comparative figures have been restated accordingly.

Performance data – continued

Human capital indicators

	2015	2014	Change	2013
Workforce (end of year)¹				
Total full-time equivalents (FTEs)	11,643	11,890	-2.1%	n.a.
Total number of employees (headcount)	12,105	12,420	-2.6%	14,666
Netherlands Life	2,183	2,222	-1.8%	5,595
Netherlands Non-life	901	918	-1.9%	
Insurance Europe	4,228	4,242	-0.3%	4,401
Japan	697	706	-1.3%	787
Asset Management	1,191	1,188	0.3%	1,516
Korea (2013 only)				1,030
Other ¹	2,905	3,144	-7.6%	1,337
Part-time employees	16.1%	17.2%		26.7%
Temporary employees	5.8%	5.2%		3.9%
Male/female ratio (%)	52.7/47.3	53.5/46.5		51.5/48.5
Male/female ratio Top 50 (%)	82/18	80/20		75/25
Well-being and engagement				
Sick leave ²	2.8%	2.6%		2.8%
Engagement score	73%	66%		67%
Participation in engagement survey	84%	62%		82%
Employee participation				
Employees covered by a collective labour agreement (CLA)	71%	71%		n.a.
Complaints				
Grievances on labour practices ²	5	7	-28.6%	12
Talent development				
Total spending on training and education (in EUR million)	13.0	13.6	-4.4%	14.0
Spending/average FTE (in EUR)	1,094	1,047	4.5%	954
Employees with completed standard performance process (2014/2015)	87%	90%		n.a.
Employee compensation				
Total employee wages and benefits (in EUR million) ³	1,159	1,100	5.4%	1,111

Community investment indicators

	2015	2014	Change	2013
Total donations to charitable organisations (x EUR 1,000) ⁴	1,500	1,072	39.9%	1,172
Of which donations from corporate foundations (country/name):				
Hungary/NN Foundation for Children's Health	33	26	26.9%	n.a.
Spain/Aprocor	37	35	5.7%	n.a.
Romania/Foundation for Life	137	142	-3.5%	n.a.
The Netherlands/Together for Society	293	264	11.1%	n.a.
Total hours of volunteering work	7,433	4,018	85.0%	3,350
Total number of employees participating in volunteering work	881	533	65.3%	430
Total number of youngsters reached through NN Future Matters programme ⁵	9,069	-		-

1 The data on our workforce differ from the total number of FTE stated in the Annual Review. This is due to a difference in our finance and human resources systems, where only the latter provides the details as stated above. The percentage part-time employees for 2014 was amended according to new sources. This amend also impacted the 2014 number of employees (headcount) for Insurance Europe, Other and Total.

2 Data only available for the Netherlands (representing >50% of total number of employees).

3 Excluding pension costs. For more details on the composition of employee wages and benefits, refer to Note 27 of the Consolidated annual accounts.

4 Includes cash donations to charitable causes, corporate foundations and partnerships.

5 Numbers reached only include Social Innovation Relay and main Dutch programmes.

n.a. = not available

Performance data – continued

Environmental indicators

	2015	2015/CO ₂	2014	2014/CO ₂	Change	2013	2013/CO ₂
Total CO ₂ emissions (kilotonne)	21	21	18	18	13%	29	29
CO ₂ emissions/FTE (kilotonne)	1.8		1.6		14%	2.5	
Business travel – air travel (km x 1 million)	25	6	23	4	8%	25	4
Business travel – car travel (km x 1 million)	13	3	12	2	13%	53	10
Total energy consumption (MWH x 1,000) ¹	55	12	65	12	-15%	75	15
Electricity	12	6	11	6	16%	15	8
Renewable electricity	19		24		-22%	27	
Natural gas	13	3	18	4	-28%	18	4
Fuel oil							
District heating	11	3	12	2	-8%	15	3
Total paper use (kg)	872,996		803,444				
Sustainable paper (i.e. FSC) (kg)	730,277		527,624				
Total waste (kg)	573,875		906,965				
Recycled waste (kg)	152,053		131,691				

Sustainability ratings

	2015	2014	Change	2013
Sustainalytics rating (position/# insurance companies)	13/149 (Outperformer)	11/93 (Outperformer)		n.a.
Oekom rating	C (Prime)	n.a.		n.a.
Carbon Disclosure Project	95C	n.a.		n.a.

¹ The 2014 environment data are adjusted according to new sources. As the amend concerns renewable electricity, it had no impact on the total 2014 CO₂ emissions.

About this Sustainability Supplement

Our approach to reporting

We take a holistic approach to corporate reporting. Our Annual Report consists of three components: Annual Review, Financial Report and (this) Sustainability Supplement.

In this year's Annual Report, we made a next step towards more integrated reporting. Therefore, elements such as our materiality matrix and a description of how our business model creates values for our stakeholders, are included in the Annual Review. The Sustainability Supplement contains additional information regarding our focus areas: Improving financial well-being, and Responsibly managing our assets. Furthermore, it contains additional performance data regarding responsible investment, human capital, community investment and environmental footprint.

We believe that this reporting strategy enables us to tailor our reporting for different stakeholders, many of whom require a different depth of information.

The online versions of the components of our report contain a number of links between the Sustainability Supplement and the other documents, more specifically the Annual Review and the Financial Report. Links to sources on the NN Group website are also included.

Reporting profile

This is NN Group's second Sustainability Report, after having been part of ING Group for many years. We report annually, on a calendar year basis (1 January – 31 December).

Reporting process

Relevant topics were selected for the 2015 Annual Report, more specifically the Annual Review and the Sustainability Supplement, through a materiality assessment using internal and external research and other sources. In addition, a survey was held amongst external and internal stakeholders. For more information, refer to the Annual Review, page 13.

Information in this report is based on extensive reporting from our countries, businesses and functions. All information is reviewed by NN Group's Disclosure Committee and is subject to approval of our Executive Board and Supervisory Board before publication.

We aim to provide transparency and enhance the reliability of the reported content for our stakeholders. Therefore, the content has also been reviewed for limited assurance by our external auditor, Ernst & Young Accountants LLP. We provide evidence to our external auditor to support the statements we make in this report. Refer to their assurance report on page 17 of this Sustainability Supplement.

Boundary and scope of the reported data

We define 'boundary' as the range of entities over which NN Group has management control. The scope for community investment and environmental data is all businesses with more than 100 FTE. The aforementioned applies to all material items as depicted in the materiality matrix in the Annual Review, unless otherwise stated.

NN Group used an online system, Credit360, for gathering the information and data for community investment and environmental footprint. We have tried to limit any uncertainties in the reported data through our internal validation process, which includes validation of data in Credit360. We have sourced the HR data directly from the HR data analytics department. The financial data reported in this supplement has been fully sourced and aligned with NN Group's 2015 Financial Report.

In the reporting year 2015, no significant changes occurred regarding our definitions and reported data. Also, no acquisitions or disinvestments occur, therefore no changes occurred regarding our reporting approach.

Reporting guidelines

The NN Group Sustainability Supplement and related content in the Annual Review are in accordance with the G4 guidelines (Core) from the Global Reporting Initiative (GRI). It aims to make information available in a manner that is understandable and accessible to stakeholders using the report and reflects different aspects of the organisation's performance to enable a reasoned assessment of overall performance.

The GRI Index table states the indicators NN Group is reporting on, including where to find the respective information, either in this Sustainability Supplement, the Annual Review, Financial Report and/or the NN Group website. The index table can be found on www.nn-group.com/annual-report.

Going forward

Going forward, NN Group will continue to tailor our reporting to service different stakeholder groups. This includes further integration of financial and non-financial information and indicators to provide stakeholders with a complete picture of our company's performance.

Assurance report of the independent auditor

To: the Stakeholders and the Supervisory Board of NN Group N.V.

We have reviewed the sustainability information in the chapters 'At a glance', 'About NN Group' (excluding the paragraph 'Our brand'), 'Strategy and value creation' (excluding the paragraphs 'Our operating environment' and 'Active Risk management'), 'Delivering on our strategy', 'Facts and figures' and the 'Sustainability Supplement' (except the paragraphs 'Progress report Principles for Sustainable Insurance' and 'Progress report UN Global Compact') of the Annual Report for the year 2015 (hereafter: the Report) of NN Group N.V., Amsterdam (hereafter: NN Group). The Report comprises a description of the policy, the activities, events and performance of NN Group relating to sustainable development during the reporting year 2015.

Limitations in our scope

The Report contains prospective information, such as ambitions, strategy, targets, expectations and projections. Inherent to this information is that actual future results may be different from the prospective information and therefore may be uncertain. We do not provide any assurance on the assumptions and feasibility of this prospective information.

The GRI Index 2015 as published on www.nn-group.com is an integral part of the Report and is within our engagement scope. Other references in the Report (to www.nn-group.com, external websites and other documents) are outside the scope of our assurance engagement.

Responsibilities of the Executive Board for the Report

The Executive Board of NN Group is responsible for the preparation of the Report in accordance with the 'Sustainability Reporting Guidelines' G4 (option Core) of the Global Reporting Initiative (GRI) and the reporting criteria developed by NN Group as disclosed in the chapter 'About this Sustainability Supplement' of the Report, including the identification of the stakeholders and the determination of material issues. The disclosures made by management with respect to the scope of the Report are included in the chapter 'About this Sustainability Supplement' of the Report.

Furthermore the Executive Board is responsible for such internal control as it determines is necessary to enable the preparation of the Report that is free from material misstatement, whether due to fraud or error.

Our responsibility for the review of the Report

Our responsibility is to express a conclusion on the Report based on our review. We conducted our review in accordance with Dutch law, including the Dutch Standard 3810N 'Assurance engagements relating to sustainability reports'. This Standard is based on the International Standard on Assurance Engagements (ISAE) 3000 'Assurance engagements other than audits or reviews of historical financial information'. This requires that we comply with ethical requirements and that we plan and perform the review to obtain limited assurance about whether the Report is free from material misstatement.

A review is focused on obtaining limited assurance. The procedures performed in obtaining limited assurance are aimed at the plausibility of information which does not require exhaustive gathering of evidence as in engagements focused on reasonable assurance. The performed procedures consisted primarily of making inquiries of management and others within the entity, as appropriate, applying analytical procedures and evaluating the evidence obtained. Consequently a review engagement provides less assurance than an audit.

Procedures performed

Our main procedures included the following:

- Performing an external environment analysis and obtaining an understanding of the sector, relevant social issues, relevant laws and regulations and the characteristics of the organisation
- Evaluating the acceptability of the reporting policies and their consistent application, such as assessment of the outcomes of the stakeholder dialogue and the reasonableness of accounting estimates made by management
- Evaluating the in accordance option with the 'Sustainability Reporting Guidelines' G4 (option Core) of GRI

- Evaluating the design and implementation of the systems and processes for data gathering and processing of information as presented in the Report
- Interviewing management (or relevant staff) at corporate and business division level responsible for the sustainability strategy and policies
- Interviewing relevant staff responsible for providing the information in the Report, carrying out internal control procedures on the data and the consolidation of the data in the Report
- Evaluating internal and external documentation, in addition to interviews, to determine whether the information in the Report is reliable
- Analytical review of the data and trend explanations submitted for consolidation at group level

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our procedures performed, and with due consideration of the limitations described in the paragraph 'Limitations in our scope', nothing has come to our attention that causes us to conclude that the sustainability information in the Report, in all material respects, does not provide a reliable and appropriate presentation of the policy of NN Group for sustainable development, or of the activities, events and performance of the organisation relating to sustainable development during 2015, in accordance with the 'Sustainability Reporting Guidelines' G4 (option Core) of the Global Reporting Initiative (GRI) and the reporting criteria developed by NN Group as disclosed in the chapter 'About this Sustainability Supplement' of the Report.

Amsterdam, 22 March 2016

Ernst & Young Accountants LLP

Signed by drs. R.J. Bleijs RA

Principles for Sustainable Insurance



Progress report

Progress report 2015

In June 2012, we became a founding signatory of the UN Principles for Sustainable Insurance. We report on our progress in implementing the principles in our business operations throughout the NN Group Annual Report.

The overview below provides a selection of examples from this progress, including references to the relevant pages in the report.

(AR = Annual Review;
SS = Sustainability Supplement)

	Goals	Progress 2015
We will embed in our decision-making environmental, social and governance issues, relevant to our business	Offer insight, tools and programmes to improve consumers' financial decision-making	We developed online and offline platforms for knowledge sharing and supporting people in securing their financial futures (AR: pages 24-7; SS: pages 4, 7-8).
	Maintain an up-to-date Environmental and Social Risk (ESR) policy framework	We introduced an overarching Responsible Investment Policy Framework for NN Group, setting out our vision and approach on integrating ESG factors into our investment process (AR: pages 28-29; SS: pages 14-18).
	Develop a set of ambitions, goals and performance indicators for our insurance and asset management business	Our strategic approach to corporate citizenship has been approved by the Management Board, including focus areas and ambitions 2020 (SS: pages 3-4).
We will work together with clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions	Aim to increase our sustainable assets allocated	Our sustainable assets under management increased by 11.3% to EUR 4.5 billion, compared to 2014 (AR: pages 28-29; SS: pages 9-11, 13).
	Manage our direct footprint and review our procurement process in order to create more sustainable practices	The total extrapolated amount of carbon emissions from our business operations increased by 13% compared to 2014. NN Group strengthened the embedding of sustainability in the procurement policy and process (AR: page 34; SS: pages 12, 15).
We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues	Engage with stakeholders on general developments or more specific issues	We entered into dialogue with various stakeholders on different topics (SS: page 6). We also published reports on sustainability topics (www.nn-group.com ; www.nnip.com).
	Promote responsible insurance and asset management amongst key stakeholders	We are an active member of various (inter) national networks (SS: page 5). We aim to contribute to positive change as we support investee companies to seek improvement in ESG practices (AR: pages 28-29; SS: pages 9-11).
	Strive to create positive change in communities and increase employee participation in our community investments initiatives	Total funds raised in 2015 for charitable organisations was EUR 1.5 million. Roll out of NN Future Matters to our main markets (AR: page 35; SS: 7-8, 14).
We will demonstrate accountability and transparency in regularly disclosing publicly on our progress in implementing the principles	Ensure public disclosure of our sustainability objectives, and the progress we make, in our annual reporting	NN Group published our 2015 Annual Report, including an Annual Review, Financial Report and this Sustainability Supplement. This table serves as a cross-reference to the relevant sections in this report and our website.

United Nations Global Compact

Progress report

UN Global Compact	NN Group commitment	Performance
<p>Principle 1 Business should support and respect the protection of internationally proclaimed human rights</p>	<p>The NN statement of Living our Values includes the commitment to respect human rights.</p> <p>Human rights are an integral part of NN Group's Responsible Investment Policy Framework and ING's ESR Framework and apply to all sectors that we conduct business with.</p> <p>We ask our suppliers to agree to comply with the UNGC principles that promote human rights, fair labour practices, environmental protection, and anti-corruption.</p> <p>NN Group is a member of various international networks and initiatives</p>	<p>NN statement of Living our Values</p> <p>NN Group Responsible Investment Policy Framework</p> <p>ING's Environmental Social Risk Framework</p> <p>Sustainable Procurement Policy</p> <p>NN Group memberships</p>
<p>Principle 2 Business should ensure that they are not complicit in human rights abuses</p>	<p>The NN statement of Living our Values includes the commitment to respect human rights.</p> <p>Human rights are an integral part of NN Group's Responsible Investment Policy Framework and ING's ESR Framework and apply to all sectors that we conduct business with.</p> <p>We ask our suppliers to agree to comply with the UNGC principles that promote human rights, fair labour practices, environmental protection, and anti-corruption.</p> <p>NN Group is a member of various international networks and initiatives</p>	<p>NN statement of Living our Values</p> <p>NN Group Responsible Investment Policy Framework</p> <p>ING's Environmental Social Risk Framework</p> <p>Sustainable Procurement Policy</p> <p>NN Group memberships</p>
<p>Principle 3/ILO Conventions 87 and 98 Business should uphold the freedom of association and the effective recognition of the right to collective bargaining</p>	<p>The NN statement of Living our Values includes the commitment to respect human rights, advocate equal opportunities and encourage diversity of thinking.</p> <p>At NN Group, we uphold the freedom of association for all our employees and recognise the right to collective bargaining.</p> <p>We ask our suppliers to agree to comply with the UNGC principles that promote human rights, fair labour practices, environmental protection and anti-corruption.</p>	<p>NN statement of Living our Values</p> <p>NN Group Responsible Investment Policy Framework</p> <p>HR Policies</p> <p>Sustainable Procurement Policy</p>
<p>Principle 4/ILO Conventions 29 and 105 Business should support the elimination of all forms of forced and compulsory labour</p>	<p>The NN statement of Living our Values includes the commitment to respect human rights.</p> <p>Human rights are an integral part of NN Group's Responsible Investment Policy Framework and ING's ESR Framework and apply to all economic sectors that we conduct business with.</p> <p>We ask our suppliers to agree to comply with the UNGC principles that promote human rights, fair labour practices, environmental protection and anti-corruption.</p>	<p>NN statement of Living our Values</p> <p>NN Group Responsible Investment Policy Framework</p> <p>ING's Environmental Social Risk Framework</p> <p>Sustainable Procurement Policy</p>
<p>Principle 5/ILO Conventions 138 and 182 Business should support the effective abolition of child labour</p>	<p>The NN statement of Living our Values includes the commitment to respect human rights.</p> <p>We ask our suppliers to agree to comply with the UNGC principles that promote human rights, fair labour practices, environmental protection and anti-corruption.</p>	<p>NN statement of Living our Values</p> <p>NN Group Responsible Investment Policy Framework</p> <p>ING's Environmental Social Risk Framework</p> <p>Sustainable Procurement Policy</p>

United Nations Global Compact – continued

UN Global Compact	NN Group commitment	Performance
<p>Principle 6/ILO Conventions 100 and 111 Business should support the elimination of discrimination in respect of employment and occupation</p>	<p>The NN statement of Living our Values includes the commitment to respect human rights.</p> <p>At NN Group, we believe it is right for the composition of our workforce to reflect that of society and for our people to bring a diversity of talents, beliefs and perceptions to their work.</p>	<p>NN statement of Living our Values NN Group Diversity and Inclusion policy</p>
<p>Principle 7 Business should support a precautionary approach to environmental challenges</p>	<p>The NN statement of Living our Values includes the commitment to respect each other and the world we live in.</p> <p>NN Group's Responsible Investment Policy Framework and ING's ESR Framework aims to mitigate environmental and social risk of our business activities.</p> <p>NN Group's Procurement policy includes environmental aspects.</p> <p>NN Group's environmental approach aims to minimise the environmental impact of our own operations.</p>	<p>NN statement of Living our Values NN Group Responsible Investment Policy Framework ING's Environmental Social Risk Framework Sustainable Procurement Policy Managing our environmental footprint</p>
<p>Principle 8 Business should undertake initiatives to promote greater environmental responsibility</p>	<p>The NN statement of Living our Values includes the commitment to respect each other and the world we live in.</p> <p>NN Group's Responsible Investment Policy Framework and ING's ESR Framework aims to mitigate environmental and social risk of our business activities.</p> <p>NN Group's Procurement policy includes environmental issues, this is to ensure environmental sustainability.</p>	<p>NN statement of Living our Values NN Group Responsible Investment Policy Framework ING's Environmental Social Risk Framework Sustainable Procurement</p>
<p>Principle 9 Business should encourage the development and diffusion of environmentally friendly technologies</p>	<p>Growth in the sustainable assets under management that represent business conducted with sustainability criteria.</p>	<p>Responsible investment Sustainable assets under management 2015</p>
<p>Principle 10 Business should work against corruption in all its forms, including extortion and bribery</p>	<p>The NN statement of Living our Values includes the commitment to act with integrity.</p> <p>NN Group has zero tolerance towards bribery and corruption and has clear policies on this.</p> <p>NN Group implements a corporate policy on Financial Economic Crime (FEC).</p>	<p>NN statement of Living our Values Governance and Compliance</p>

Contact and legal information

This report is available as a pdf file on www.nn-group.com/annual-report

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For further information on NN Group's sustainability strategy, policies and performance, visit www.nn-group.com/in-society.htm

We welcome input from our stakeholders. If you would like to provide us with feedback, please feel free to contact us via Sustainability@nn-group.com

Disclaimer

NN Group's 2015 Annual Report consists of three documents: the 2015 Annual Review, the 2015 Financial Report and the 2015 Sustainability Supplement.

Certain of the statements in this 2015 Annual Report are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation: (1) changes in general economic conditions, in particular economic conditions in NN Group's core markets, (2) changes in performance of financial markets, including developing markets, (3) consequences of a potential (partial) break-up of the euro, (4) the implementation of the EC Restructuring Plan, (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, (14) changes in the policies 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 us 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 and (19) the other risks and uncertainties detailed in the Risk Factors section contained in recent public disclosures made by NN Group and/or related to NN Group.

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NN Group's 2015 Sustainability Supplement provides additional information with regards to our strategy, objectives and achievements related to the social, ethical and environmental aspects of our businesses. It is especially aimed at shareholders, rating agencies and NGOs. Nothing in this document is intended to extend or amend NN Group's existing obligations to our clients, shareholders or other stakeholders. All NN Group policies, procedures, guidelines, statements or anything similar that have been mentioned in the Sustainability Supplement are intended for internal guidance purposes only and are not intended to be relied upon by any third party.

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