

Sustainability Accounting Standards Board (SASB) Insurance (FN-IN) Standard

Introduction

NN takes an integrated approach to reporting. The 2020 Annual Report consists of two parts: the Annual Review and the Financial Report. The Annual Review contains various elements from the International Integrated Reporting Council (IIRC) framework, such as the value creation model and a materiality matrix. This report strives to present relevant information about NN's strategy, governance, performance and future prospects in ways that are relevant to the economic, environmental and social contexts in which it operates.

The information and data in the Annual Review is prepared in accordance with the Standards (Core) of the Global Reporting Initiative (GRI). The GRI Index table shows the indicators that NN Group reports, and where to find the respective information in the Annual Review, the Financial Report and/or the NN Group website.

While NN does not apply the SASB guidelines in preparing its Annual Report, the table below provides an additional guide for investors, referencing the disclosure metrics under the SASB guidelines to NN's 2020 disclosures, where available and applicable.

| Accounting metric | Metric code | Disclosure reference |
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| Disclosure topic | | |
| Transparent Information & Fair Advice for Customers | Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers | FN-IN-270a.1 NN Group provides details of the main legal proceedings for the company, although monetary losses are not disclosed; please see: NN Group 2020 Financial Report - Consolidated annual accounts - Note 44, Legal proceedings |
| | Complaints-to-claims ratio | FN-IN-270a.2 NN Group does not disclose this specific metric, however the company does disclose claims and benefits paid. Complaints are registered and monitored internally at each business unit; please see: NN Group 2020 Annual Review - How we create value |
| | Customer retention rate | FN-IN-270a.3 NN Group does not disclose this specific metric, however the company targets, measures and discloses customer engagement based on several metrics, including Net Promoter Score and Brand consideration; please see: NN Group 2020 Annual Review - Our strategy; and NN Group 2020 Annual Review - Adding value for customers |
| | Description of approach to informing customers about products | FN-IN-270a.4 NN Group has a thorough Product Approval and Review process; please see: NN Group 2020 Annual Review - Our Code of Conduct and other policies - PARP process and golden rules; and NN Group 2020 Annual Review - Managing our risks |
| Incorporation of Environmental, Social, and Governance Factors in Investment Management | Total invested assets, by industry and asset class | FN-IN-410a.1 NN Group provides a breakdown of invested assets by type and class in various tables in the 2020 annual accounts; please see: NN Group 2020 Financial Report - Consolidated annual accounts - Note 51, Risk management |
| | Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies | FN-IN-410a.2 Extensive information is given on the integration of ESG factors into the investment process; please see: NN Group 2020 Annual Review - Creating a positive impact on society; and NN Investment Partners 2020 Responsible Investing Report - ESG integration |
| Policies Designed to Incentivize Responsible Behavior | Net premiums written related to energy efficiency and low carbon technology | FN-IN-410b.1 NN Group does not separately disclose net premiums related to energy efficiency and low carbon technology. However, the Annual Review includes a discussion of sustainable products and services offered; please see: NN Group 2020 Annual Review - Adding value for customers; and NN Group 2020 Annual Review - Our response to the Task Force on Climate-related Disclosures |
| | Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors | FN-IN-410b.2 Extensive information is provided on how NN Group helps customers address societal challenges and encourages sustainable actions; please see: NN Group 2020 Annual Review - Adding value for customers; and NN Group 2020 Annual Review - Stakeholder engagement and (inter)national commitments |
| Environmental Risk Exposure | Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes | FN-IN-450a.1 NN Group provides a description of the potential impact of weather-related natural catastrophes, although Probable Maximum Loss amounts are not given; please see: NN Group 2020 Annual Review - Our response to the Task Force on Climate-related Financial Disclosures |
| | Total amount of monetary losses attributable to insurance payouts from (1) modeled natural catastrophes and (2) non-modeled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance) | FN-IN-450a.2 NN Group provides a description of the potential impact of weather-related natural catastrophes, although monetary amounts are not given; please see: NN Group 2020 Annual Review - Our response to the Task Force on Climate-related Financial Disclosures |
| | Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of firm-level risks and capital adequacy | FN-IN-450a.3 NN Group gives a description of its risk policy framework and processes to address climate-related risks; please see: NN Group 2020 Annual Review - Our response to the Task Force for Climate-related Financial Disclosures; and NN Group 2020 Annual Review - Managing our risks; and NN Group 2020 Financial Report - Consolidated annual accounts - Note 51, Risk management |

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| Systemic Risk Management | Exposure to derivative instruments by category: (1) total potential exposure to noncentrally cleared derivatives, (2) total fair value of acceptable collateral posted with the Central Clearinghouse, and (3) total potential exposure to centrally cleared derivatives | FN-IN-550a.1 | While NN Group does not distinguish between centrally cleared and non-centrally cleared derivatives, it does provide information on derivatives, including outstanding fair values; please see: NN Group 2020 Financial Report - Consolidated annual accounts - Note 4, Financial assets at fair value through profit or loss (Non-trading derivatives), Note 20, Financial liabilities at fair value through profit or loss (Non-trading derivatives), and Note 37, Derivatives and hedge accounting For information on collateral amounts, please see: NN Group 2020 Financial Report - Consolidated annual accounts - Note 13, Other assets, and Note 21, Other liabilities |
| | Total fair value of securities lending collateral assets | FN-IN-550a.2 | Please see: NN Group 2020 Financial Report - consolidated annual accounts - Note 41, Transferred, but not derecognised financial assets |
| | Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities | FN-IN-550a.3 | While NN Bank is not a systemically important financial institution (SIFI), information on how it manages capital and liquidity-related risks is included in its annual report; please see: NN Bank 2020 Annual Report - Consolidated annual accounts - Note 39, Risk Management, and Note 40, Capital Management |
| | Activity metric | Metric code | Disclosure reference |
| | Number of policies in force, by segment: (1) property and casualty, (2) life, (3) assumed reinsurance | FN-IN-000.A | NN Group does not disclose the number of individual policies in force |