

Climate Action Plan 2025

NN Group N.V.
The Hague, 2025



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Introduction

As the impacts of climate change intensify, our latest Climate Action Plan shows how we aim to play our part in creating a more sustainable future for all.

In the context of climate change, in 2024 we entered uncharted territory. According to the World Meteorological Organisation (WMO), last year the global average surface temperature exceeded 1.5 °C above pre-industrial levels for the first time, threatening the Paris Agreement's goal of keeping temperatures below this threshold. Furthermore, the UN Environment Programme (UNEP) reports that we are on course for a 2.6-3.1°C temperature increase over the course of this century. The physical effects of climate change are becoming more evident too; with wildfires, storms, droughts and floods posing an increasing threat to communities and ecosystems. According to the Intergovernmental Panel on Climate Change (IPCC), these impacts disproportionately affect the marginalised and most vulnerable. Against this backdrop, sentiment opposing the incorporation of sustainability considerations into investing has gained traction, particularly in the US, as evidenced by a number of high-profile withdrawals from global climate initiatives.

We hope that the resulting broader tendency towards caution in the light of legal and reputational challenges will not delay progress on tackling climate change and obstruct collaborative work in this area.

We acknowledge NN Group's role and responsibility to help establish a sustainable economy through our investments, insurance and banking activities, and through our own operations, while supporting our stakeholders, particularly those who most need our help. As impacts of climate change become ever more evident, the associated risks and challenges for our business increase. However, there are also opportunities for innovation; to create positive impact and help accelerate the transition to a low-carbon economy. We are committed to reducing our greenhouse gas (GHG) emissions, while investing in and insuring climate solutions, and collaborating with others to create momentum for change.

In this updated Climate Action Plan, we underscore our commitment to incorporate climate action into material aspects of our business. We evaluate the action we have taken and look ahead to the next steps we will take. Since our last update, we have made good progress on some of our targets, reference objectives and ambitions. By the end of 2024, we had invested EUR 12.8 billion in climate solutions and reduced the financed emissions (Scope 1 and 2) of our corporate investments portfolio by 31%, surpassing the targets set for 2030 and 2025, respectively. For insurance underwriting, we reported 11% lower GHG emissions in our commercial lines portfolio in 2024, compared to 2022, and are progressing towards the 2030 target. We have set additional targets, reference objectives, ambitions and actions for reducing GHG emissions for our investment and insurance underwriting portfolio and started engaging with suppliers related to own operations to reduce their carbon footprint. In this update, we also show how

we are broadening our focus to connect the dots between climate change and a broader range of nature-related issues while striving for a just transition for all.

We acknowledge that many challenges exist. These range from finding ways to better measure the impact we make and disclosing this, managing external dependencies in the form of legislation and regulations and our reliance on external actors, to navigating changes in the ESG space. We will nevertheless continue to strive for progress. Our objectives are ambitious, and although we are not yet where we want to be, this report underscores our determination to improve and details the action we plan to take. It also shows how we join forces to work with others as we believe this is the only way we can turn the tide and create a more sustainable and resilient future for all.



David Knibbe
Chief Executive Officer

‘We want to reaffirm our commitment to combatting climate change while being transparent about the progress we are making on our net-zero journey. There are challenges, but also opportunities. By joining forces with others and engaging stakeholders, we believe we can contribute to the transition to a low-carbon future.’

Taking action to achieve our climate goals

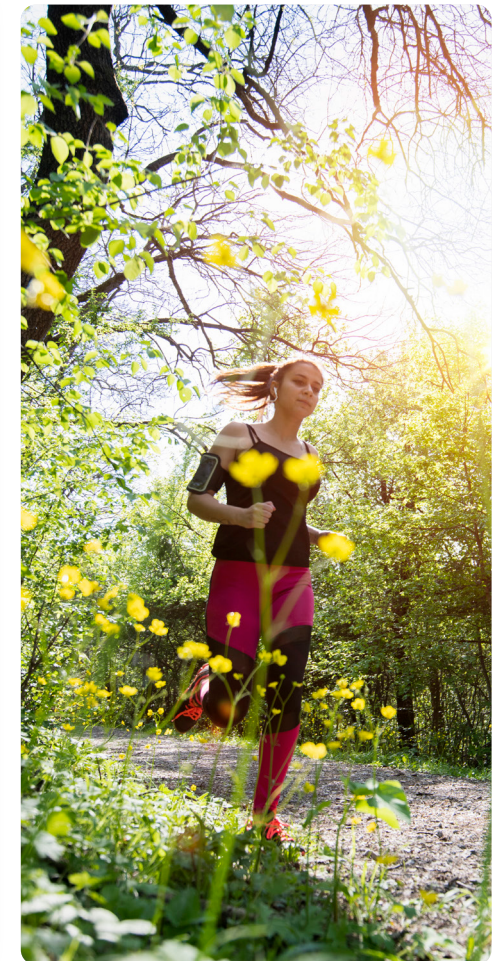
We are committed to science-based principles to support a low-carbon future that also meets the needs of generations to come. We aim to become a net-zero company by 2050 for our business activities, and net zero for our own operations by 2040. We also want to play our part in a transition that considers climate change mitigation, adaptation, biodiversity and a fair and just transition.

Decarbonisation in the real economy

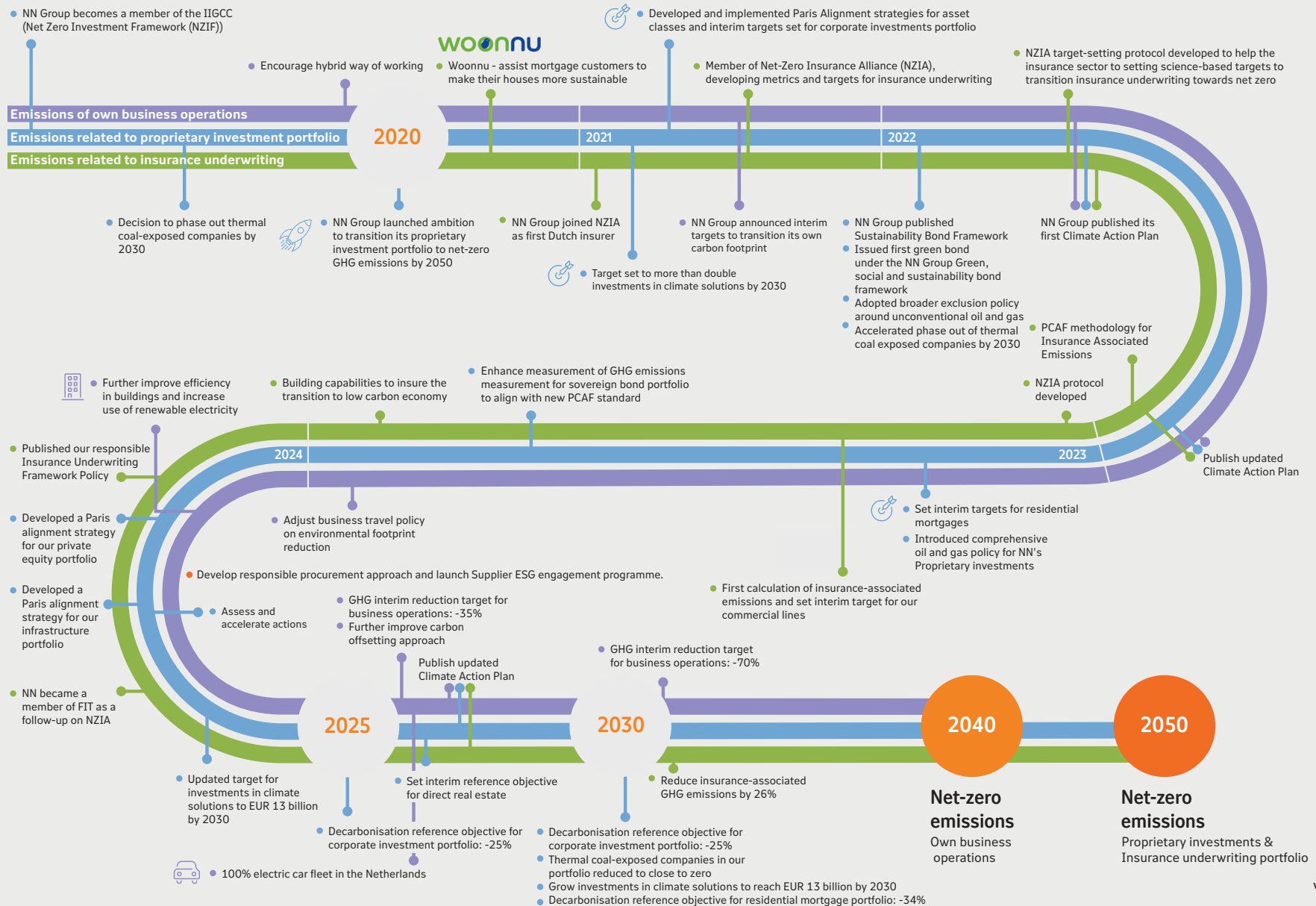
The real economy is the part of the economy that produces goods and services as opposed to the part of the economy that consists of financial services. It is also the place where actions lead to direct decarbonisation. Yet, the financial sector can influence behaviour in the real economy through its activities. This is why NN Group aims to contribute to the decarbonisation of the real economy by aligning financing strategies with sustainability goals and managing risks effectively. We can help foster a resilient, low-carbon future in our roles as investor and insurer.

We advocate for sustainable practices in our investment portfolio through active ownership, which includes voting and engagement. By urging companies to decarbonise, we strive to effect change in the real economy and work towards achieving net zero GHG emissions. Additionally, our climate solution investments also aim to positively impact the real economy.

We can promote net-zero goals by integrating climate risk into underwriting and incentivising sustainable practices, driving meaningful change. Engagement throughout our business is crucial to encourage decarbonisation on a range of levels, from our largest suppliers to our individual customers. In our dialogue and collaboration with diverse stakeholders, including government, businesses, communities and society as a whole we try to align goals to promote change in the real economy.



Our roadmap to net-zero greenhouse gas emissions



Our approach to sustainability matters that relate to our net-zero ambition includes:

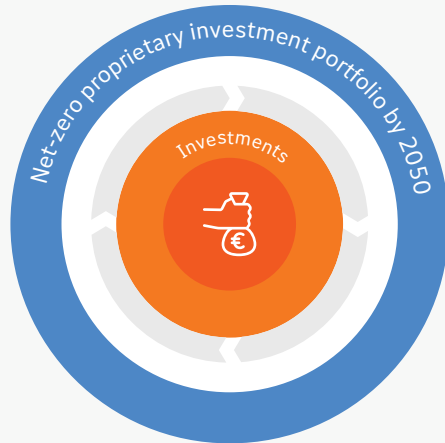
- Helping accelerate the transition to a low-carbon economy to limit the rise in average global temperatures to 1.5°C through our proprietary investments, insurance and banking activities. We aim to do this through, for example, engagement, capital allocation to, and insurance of, climate solutions, and by employing phase-out and/or restriction criteria as a last resort. In addition, we have started engaging with suppliers related to our own operations, with a view to reducing their carbon footprint
- Developing and offering products and services that address the environmental challenges that our customers face in the transition (by contributing to a low-carbon economy, or by helping insure our customers against climate-related impact).
- Effectively managing our direct environmental footprint by reducing our use of natural resources, seeking green alternatives and offsetting the remainder of our GHG emissions.

In this 2025 update we reaffirm our commitment to our net-zero ambition, the targets, reference objectives and ambitions set in previous years and share a number of updates and additions to our approach.

Please refer to the visual for an overview of NN Group's climate targets, reference objectives and ambitions.



Targets, reference objectives and ambitions



- Grow our investments in climate solutions to reach EUR 13bn by 2030
- Reduce GHG emissions of our corporate investment portfolio by 25% by 2025; and 45% by 2030
 - Advancing our portfolio alignment for the corporate investment portfolio by aiming for a portfolio coverage target of 45% by 2025, and an engagement threshold of 75% by 2025
- Reduce GHG emissions of the mortgage portfolio to 18 kg CO₂e per square meter by 2030 (-34%)
- Decarbonisation reference objective for our direct real estate portfolio to reduce GHG intensity to 10.9 kg CO₂e per square meter by 2030
- Net-zero ambitions for our (non-listed) indirect real estate portfolio. By 2030, aim to have most of the funds (>75% based on Gross Asset Value (GAV)) committed to achieving net-zero GHG emissions by 2040 or sooner (Scope 1 and 2), and the remainder by 2050 or sooner
- Develop and implement asset class specific Paris alignment strategies
- Phase out of thermal coal-exposed companies by 2030 (to “close to zero” defined as between 0-5%)



- Reduction GHG emissions of own business operations by 35% by 2025 and 70% by 2030
- Compensate remainder of emissions by purchasing voluntary carbon credits
- Reduce GHG emissions from our operations compared to 2019, 2025 target: -35%
 - Scope 1 and 2 (market-based): 45% reduction
 - Scope 3 business air travel: 25% reduction
- Reduce GHG emissions from our operations compared to 2019, 2030 target: -70%
 - Scope 1 and 2 (market-based): 75% reduction
 - Scope 3 business air travel: 50% reduction



- Decarbonisation of our underwriting portfolio for commercial lines: reduction of 26% by 2030
- Strive to reduce the carbon intensity per car for our underwriting portfolio for private motors by 15% by 2030
- Sustainable repair rate of 70% of property damage in 2026 (Non-Life NL, retail insurance business in the Netherlands)
- NN Life & Pensions decarbonisation ambition for our Defined Contribution (DC) pension lifecycles: aim to achieve 50% lower carbon intensity compared to the benchmark for certain asset classes, in 2025
- Implement our Responsible Insurance Underwriting Framework policy



- Engage at least 35% of total NN Group supplier base (based on spend) by 2025

Commitments to support our net-zero ambitions

- Since 2017, NN Group has been a member of the Institutional Investors Group on Climate Change (IIGCC), an investor network that collaborates on the topic of climate change.
- In 2019, NN Group signed the financial sector commitment to the Dutch Climate Agreement. The signatories have agreed to report on the climate impact of their financing and investment activities, and to develop action plans by the end of 2022 aimed at reducing GHG emissions.
- In 2020, we signed the Paris Aligned Asset Owners (PAAO) Commitment, committing to the goal of net-zero GHG emissions by 2050 for our proprietary investment portfolio and using the Net Zero Investment Framework (NZIF) as a guide.
- In 2024, NN Group became a member of FIT (Forum for Insurance Transition to Net Zero). Building on the work of the Net-Zero Insurance Alliance (of which NN Group was a member from 2021), FIT members work together and with other key stakeholders to advance net-zero insurance thinking and practices.

These commitments support us in developing metrics, targets, reference objectives and action plans. Having a Climate Action Plan aligns our activities with the Financial Sector Commitment to the Dutch Climate Agreement. For our investments, we have annually reported on our targets and progress to the PAAO since 2021. For our insurance activities, we developed a first set of net-zero targets for specific insurance underwriting activities in 2023.

In addition to sector commitments, sector initiatives assist us in developing methodologies and undertaking other activities that support us in realising our net-zero ambition. For example, within the Paris Aligned Investment Initiative (PAII), we further developed the NZIF, which supports investors in aligning their investment portfolios with the goals of the Paris Agreement. And as a participating member of the Platform Carbon Accounting Financials (PCAF) we worked on developing methodologies to measure the carbon footprint of our financed and insurance-associated emissions.

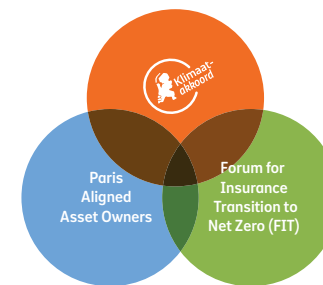
We also support initiatives, such as Climate Action 100+, which encourages the largest corporate GHG emitters to take necessary action on climate change.

Please refer to the NN Group website for a complete [overview](#).

Paris Climate Agreement 2015



These commitments give us an overview for developing metrics, targets and action plans



Dutch Klimaatakkoord

NN Group is signatory to the financial sector commitment to the Dutch Climate Agreement. We support the Dutch government in its ambition, and target to reduce GHG emissions. Therefore we are committed to measure the carbon footprint of our investments and financings, and publish actions plans.

Paris Aligned Asset Owners (PAAO)

NN Group is a signatory to the Paris Aligned Asset Owners commitment. We have committed ourselves to the goal of net-zero GHG emissions by 2050 for our proprietary investment portfolio.

Forum for Insurance Transition to Net Zero (FIT)

NN Group is a member of the Forum for Insurance Transition to Net Zero. FIT members work together and with other key stakeholders to advance net-zero insurance thinking and practices. NN Group is committed to transitioning its underwriting portfolio to net-zero GHG emissions by 2050.

NN's involvement in several sector initiatives



Governance

Sustainability is embedded in our governance



¹ NN Group introduced its Purpose Council in 2019, consisting of several Management Board members, heads of relevant staff departments and business representatives, which was chaired by the CPCSO and sponsored by the CEO. The Purpose Council supported the Management Board in steering, measuring and reporting on targets related to customers, people and society.

² In 2022 NN Group set up its Task Force Sustainability in Business (TFSB) and the Taskforce's Steering Committee for, in principle, a period of two years. With the additional dedicated resources, NN Group has accelerated our efforts and provided our BUs with guidance and support in implementation.

Pricing and underwriting

Pricing and underwriting, including sustainability aspects, are either a responsibility of the local management board, or a dedicated Product Risk Committee (PRC).

Executive Board compensation

Several strategic targets linked to the Executive Board's variable remuneration are related to sustainability, including the contribution to the transition to a low-carbon economy and the reduction of our direct environmental footprint. These climate-related targets set measurable reduction targets for a specific year.

Education and training

The Executive Board, Management Board, Supervisory Board and senior management attend knowledge sessions on our sustainability developments, the regulatory landscape, and our net-zero strategy from internal and external experts. We have introduced specific learning modules for specialists and a general sustainability training for all employees in 2023, further enhanced in 2024.

Sustainability governance is described in detail in our 2024 Annual Report, please refer to page 77 for more details, Sustainability risk management is also covered

in the report and the relevant section is on page 84.

‘Climate risks are inherently long-term, non-linear, non-stationary, and systemic, making them challenging to identify and measure.’

Sustainability risks

NN Group Risk began developing a structural Climate Risk Assessment (CRA) in 2022, which allows for a more holistic, structured approach to identifying and assessing potential balance sheet vulnerabilities to physical and transitional climate-related risks. In 2023, NN Group progressed further on mapping its portfolio to climate-related risks and produced its first Sustainability Statement disclosure as part of the 2024 Annual Report. This outlines the impacts, risks and opportunities (IROs) related to environmental, social and governance (ESG) matters that are material to the Group’s activities and operations for the financial year 2024.

Climate risks are inherently long-term, non-linear, non-stationary, and systemic, making them challenging to identify and measure. Regular re-evaluations of our sustainability risk are crucial if our risk management practices are to remain robust, adaptive and able to safeguard our long-term objectives and uphold our commitment to sustainable and responsible business operations. See ‘Anticipated financial effects’ on page 159 of the Annual Report 2024, for more details on our climate risk posture.



Building our net-zero roadmap

To reach our net-zero ambition, we have set specific targets, reference objectives and ambitions for our assets, liabilities, own operations and business partners (suppliers related to our own operations).

GHG accounting as the starting point

GHG accounting is the first step in defining a roadmap to net zero. It allows us to measure and understand our emissions, formulate strategies to achieve reductions, and subsequently monitor the progress we are making. We distinguish between GHG emissions associated with our assets (financed emissions), liabilities (insurance-associated emissions), our own operations (GHG emissions) and our business partners (emissions from purchased goods and services).

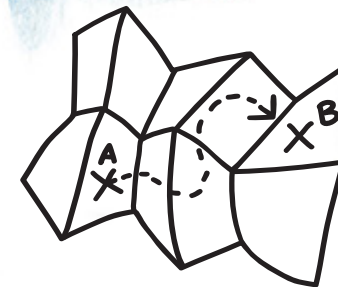
When calculating GHG emissions, we aim to be consistent with internationally recognised standards, such as the GHG Protocol and the PCAF's Global GHG Accounting and Reporting Standard for the Financial Industry. The PCAF standards are used for both our financed and insurance-associated emissions. As an active member of PCAF,

we help to advance industry standards, and the harmonisation of measuring and reporting financed and insurance-associated emissions.

In addition, we aim to improve our data on attributed GHG emissions and the methodologies used to calculate the GHG emissions on a regular basis by applying new scientific insights, regulatory requirements and/or industry standards. Data improvements and amendments to and refinements of methodologies may affect both our current carbon footprint analysis and future projections and pathways in years to come.

Building our roadmap from different perspectives

In the following sections, we provide an overview of the strategies we have developed for decarbonising our assets, liabilities, our own operations and our business partners (suppliers related to our own operations) emissions. To align with our activities and how we are organised, we have set out our strategies from three main perspectives:



Investments

Assets
Financed emissions

Net-zero emissions from proprietary assets
by **2050**

‘Proprietary assets’ and ‘Banking’
pages 15 and 33

Products and services

Liabilities
Insurance-associated
emissions

Net-zero emissions from insurance
underwriting by 2050

‘Insurance underwriting’
page 35

Own operations

GHG emissions

Net-zero emissions from own operations by
2040

‘Own operations’
page 43

Proprietary Assets

We are committed to investing responsibly and supporting sustainability goals that contribute to decarbonisation. We use our influence to guide companies in their transition, while also increasing our investments in climate solutions. By taking a comprehensive approach, we aim to transition our proprietary investment portfolio to net-zero GHG emissions by 2050.

Proprietary assets are those assets held for our own account – assets that are on the balance sheet and where we bear the investment risk. They comprise the general account investment portfolio of our insurance entities, the assets of NN Bank and the holding assets of NN Group. This Proprietary Assets section looks in further detail at our approach and actions for the insurance general account investment portfolio.

Insurance General Account investment portfolio

Decarbonising the investment portfolio of our insurance general account is important for achieving our net-zero ambitions, as the emissions related to our investments make up a significant portion of our total emissions. Since these emissions are indirect, reaching a net-zero future relies on the actions of our investees to commit to science-based targets aligned with the Paris Agreement's 1.5°C pathway.

Following the IIGCC Net Zero Investment Framework (NZIF), we have developed Paris alignment strategies tailored to each asset class, alongside a climate solutions investment strategy applicable across categories. More details on these strategies can be found further on in this section.

Key components of our net-zero approach

The size and breadth of investments in the insurance general account portfolio offers opportunities to influence and support the transition to a low-carbon economy. Below we outline the main components of our approach.

1. Decarbonise by investing in better climate performers

Decarbonising our portfolio in alignment with trajectories consistent with the Paris Agreement involves more than simply measuring its carbon footprint. It requires the adoption of a forward-looking perspective

and critically assessing and monitoring the transition strategies of our investments. We incorporate these findings into our investment selection process to support our aim to invest in assets associated with clear climate strategies, such as green bonds. There is an important distinction between real economy and portfolio decarbonisation. Simply reallocating investments from high-carbon to low-carbon industries can swiftly decarbonise an investment portfolio. However, certain carbon-intensive sectors, such as power generation, steel, and cement, will remain essential and require capital to make the transition. We believe that by investing in companies within these sectors that have ambitious and credible decarbonisation plans, and by supporting their transition efforts, it is possible to contribute to real-world decarbonisation while gradually decarbonising the investment portfolio over time.

2. Engage with issuers to guide them in their transition

Engagement is an important instrument in our approach and active ownership is a critical component of our Responsible Investment Framework policy, as we believe this is key for decarbonisation in the real economy. This entails exercising voting rights, engaging in meaningful dialogue, and advocating for policies that positively impact both our business and the environment. This also means we develop clear climate change stewardship expectations with milestones and targets and for transitioning companies, we request improvement against transparent and measurable criteria. In 2024, a framework for monitoring and tracking progress was implemented which gives clear steps on how we track and monitor progress and optimise the effect of our engagement. This is shown in the Active Ownership section later in this document.

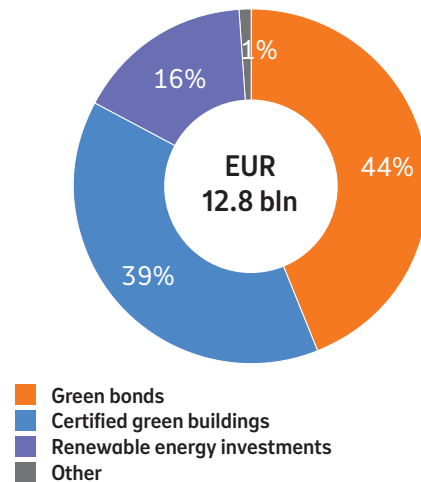
3. Invest in climate solutions

We define climate solutions as investments in economic activities that contribute to climate change mitigation or adaptation. In order to meet this objective, we have developed an internal framework to define and classify climate solutions investments. As an initial step and in line with guidance from the PAII, we focused on energy efficiency and renewable energy related to Sustainable Development Goal 7 (Affordable & Clean Energy). Our definitions are supported by external certifications, asset labels, and environmental standards where feasible. In 2023, we established a framework to better understand the positive environmental impact of our investments in climate solutions. For further details on our impact measurement methodology, please refer to the case study on page 18.

In 2021, we set an ambition to increase our investments in climate solutions by an additional EUR 6 billion by 2030, taking the total to around EUR 11 billion. By the end of 2024, total investments in climate solutions reached EUR 12.8 billion. The increase over the past three years is mainly due to a larger-than-expected volume of green bond investments, improvements to existing building stock making it more sustainable, and new renewable energy investments. Since 2021, we have also partnered with external asset managers to create and invest in climate-focused investment funds. We have evaluated the target and decided to update it to EUR 13 billion by 2030. The

revised target takes into account anticipated maturities of fixed income securities and changes in portfolio allocation.

Investments in climate solutions, year-end 2024



4. Selective divestment

While we prefer engagement over divestment, as exclusion removes our ability to influence ESG issues, we will divest if a company/issuer's activities or conduct do not align with our norms-based RI criteria. If engagement fails to change behaviour, within what we deem to be a reasonable time frame, we will divest the assets when feasible. This applies, for example, to companies with controversial environmental practices where engagement has failed to bring about the desired change.

NN Group has clear restrictions on the most environmentally harmful fossil fuel activities, with strict exclusion criteria for thermal coal mining, oil sands, shale oil and gas, and Arctic drilling. We have a phase-out strategy for thermal coal mining and coal-fired power generation, aiming to reduce our exposure and transition to more sustainable alternatives. Our oil and gas policy enforces strict criteria for new investments in the oil and gas supply chain to meet our high sustainability standards and align with our commitment to transitioning to a low-carbon economy.

5. Consider climate risks

To make our portfolios more resilient, it is important that we assess the financial implications of material climate-related risks. In order to do this, we incorporate ESG and climate factors into our investment decisions, policies, and strategies across asset classes to address the risks and opportunities. Furthermore, we have conducted studies considering climate change economic scenarios and net-zero considerations as part of our Strategic Asset Allocation (SAA) (see case study). NN Group also 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.

Case Study

Integrating climate considerations into Strategic Asset Allocation

In 2024, as part of the SAA, we conducted a climate economic sensitivity analysis for NN Life Netherlands. We worked with scenarios from the Network for Greening the Financial System (NGFS) which are used by Moody's Analytics to create climate risk-consistent macroeconomic forecasts. These forecasts helped us assess the potential impacts of climate change on various asset classes. Despite limitations, such as climate scenarios being based on much longer horizons than sets used for the SAA, we found the insights very valuable. A key takeaway from this additional analysis is that a climate scenario's impact on risk/return is bigger than the impact of asset allocation changes through time.

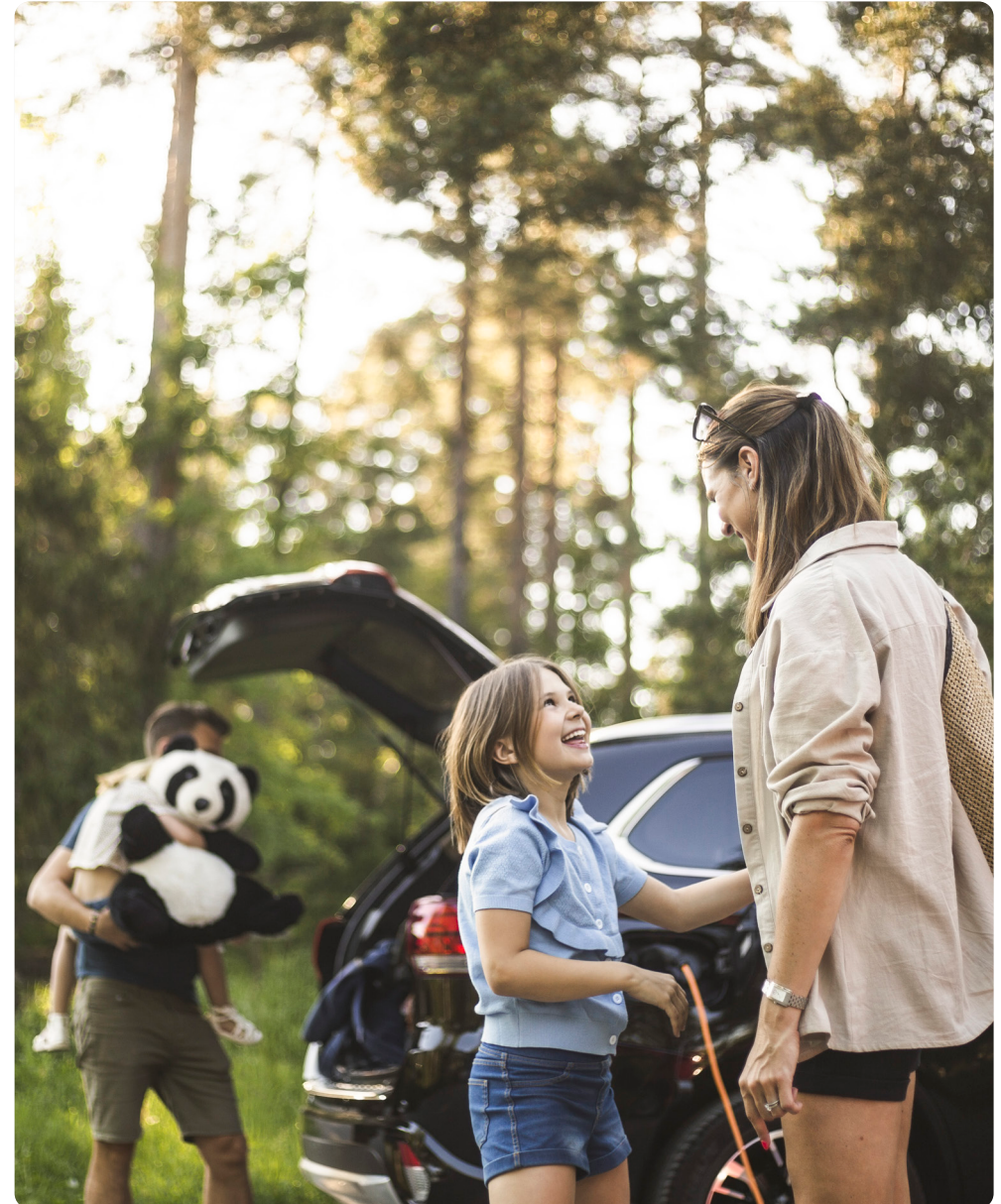
Additionally, we considered NN Group's targets on investments in climate solutions in our SAA. This study, performed by our Investment Office's SAA team in collaboration with the RI team, utilised our current definition of investments in climate solutions, and assessed different probabilities of buying and selling climate solutions across asset classes over the short term. Such analysis allows NN Group to get a better view on the strategic opportunities to align investment decisions with NN's climate solutions' target and market dynamics.

6. Join forces to develop best practices

As we believe we can achieve more if we pool our resources, we work with a broad range of stakeholders to drive best practice on measuring financed emissions and Paris alignment strategies. We engage in investor and asset owner working groups like the PAII and the PAAO. These initiatives operate through four investor networks, including the IIGCC, of which NN Group is a member. Additionally, we are involved in the PCAF. We also maintain a regular dialogue with our asset managers and ESG data service providers to monitor and discuss progress. A more extensive list of our memberships and collaborative activities can be found on the [NN Group website](#).

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. NN Group, as part of the WEF Alliance of CEO Climate Leaders, supported an open letter at COP29 in October 2024. The letter urged world leaders to implement urgent policies to meet the Paris Agreement goals, highlighting the importance of collaboration between governments and the private sector. It called for ambitious Nationally Determined Contributions, increased climate finance, removal of transition barriers, and support for breakthrough technologies. We also supported the 2024 Global Investor Statement, which stressed the need for conditions that encourage private sector investment and aid the transition to a net-zero economy.



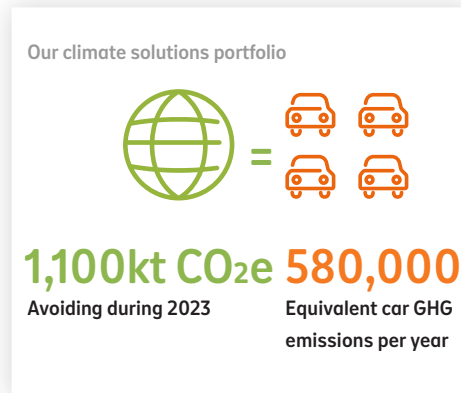
Case Study

Impact Reporting on Investments in Climate Solutions

In recent years, there has been increased focus on the role climate solutions investments can play in addressing climate change. This case study examines the impact of NN Group's investments in economic activities that aim to contribute to climate change mitigation or adaptation.

We have developed a **Climate Solutions Investments and Impact Measurement Framework** that defines different types of climate solutions investments into four categories (green bonds, renewable energy infrastructure, certified green buildings and other) and outlines our impact measurement methodology. We use estimated avoided GHG emissions as an indicator to measure the positive environmental impact of these investments. Please note that these figures, along with the other metrics presented in this case study, have not been subject to the audit process associated with the 2024 Annual Report.

In total, we estimate that the climate solutions portfolio avoided approximately 1,100 kt CO₂e over 2023 (reported for 57% of the portfolio, impact data usually reported with a year lag). This is equivalent to the estimated GHG emissions produced by approximately 580,000 cars registered across the EU in 2023 that have driven on average 50km per day over one year¹.



Whilst avoided emissions offer a consistent measure across climate solution investments, specific impact metrics for each investment type can provide more useful insights. As we continue to refine our impact reporting, we have set out a number of examples of useful metrics below.

Green Bonds

Our investments in green bonds follow our **Green, Social, and Sustainability Bonds Standard**, which is aligned with the International Capital Market Association's (ICMA) Green Bond Principles and complies with our Responsible Investment Framework Policy.

For our green bond portfolio, we track avoided emissions which are usually reported by issuers who allocate proceeds to projects in renewable energy, low-carbon transportation, green buildings and energy efficiency. For 2023, we estimated that the avoided emissions of our green

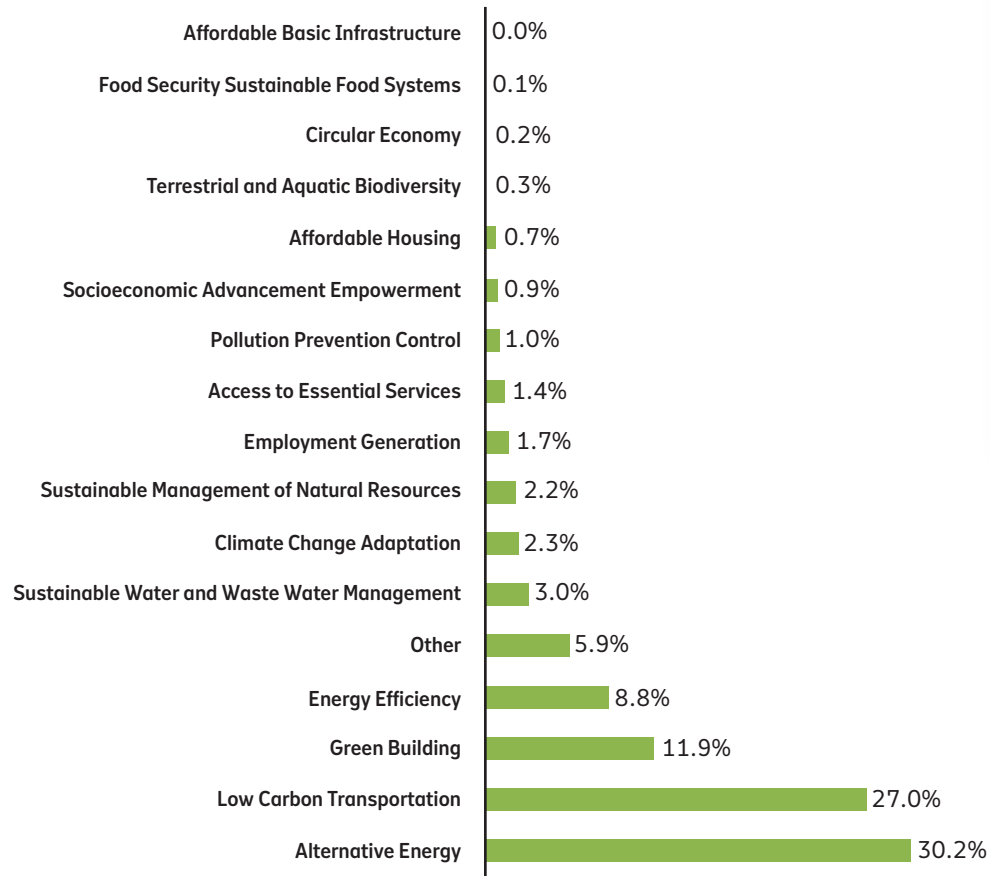
bond portfolio reached approximately 670 kt CO₂e. This figure is calculated for 57% of the portfolio, as some bonds have not yet reported their avoided emissions, while for other green bond categories this metric is not material (e.g., sustainable water and wastewater management).

Issuers can use proceeds of green bonds to allocate to a variety of projects as can be seen in the chart which also includes an overview of the use of proceeds for the sustainability and social bonds that we invest in. Additionally, issuers can use the proceeds to finance new or existing projects. For our green bond investment portfolio, proceeds are almost equally split between the two.

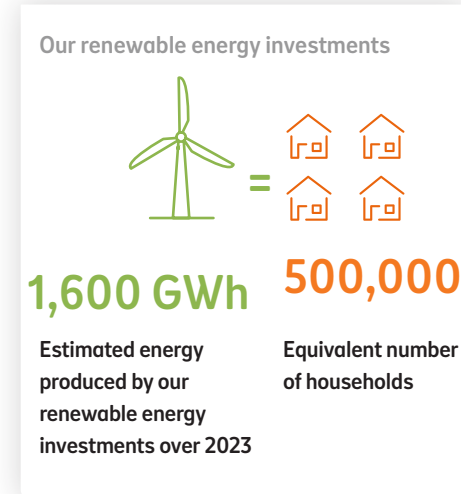
1. European Environment Agency - [Monitoring of CO₂ emissions from passenger cars](#)

Case Study

Use of proceeds breakdown of our green, social and sustainability bond portfolio



Renewable Energy - Infrastructure



We invest in infrastructure funds and projects (equity/debt) for the energy transition, including solar PV, wind (offshore/onshore), hydrogen, storage, and other renewable technologies. While our portfolio of renewable energy infrastructure projects is primarily located in Europe and our investments in emerging and frontier economies are relatively small, we recognise the need for transition in these countries too. We currently invest in renewable energy projects in a number of countries outside Europe, such as Brazil, Morocco and Burkina Faso.

Attributed to our investments, we estimate that our renewable energy investments produced approx. 1,600 GWh of electricity which is equivalent to the electricity consumption of more than 500,000 Dutch households in 2022².

Most of our investments are in operational renewable energy capacity, but we also understand the need to invest in additional renewable energy capacity to contribute to regional and national goals for renewable energy deployment, such as the EU's RePowerEU plan. In 2023, renewable energy infrastructure projects that we invest in were estimated to have had approximately 57 GW (non-attributed) of capacity in either the construction or development phase. For comparison, the total wind and solar capacity of the Netherlands in 2023 was around 31 GW³.

We invest in renewable technologies made through discretionary mandates or funds, often collaborating with asset managers to establish them. For instance, in the first quarter of 2024, we announced the launch of a EUR 350 million investment fund with Macquarie Asset Management. The strategy will target private debt investments primarily in Europe and the US, including solutions beyond traditional wind and solar

2. [Electricity consumption per dwelling | Electricity dwelling | ODYSSEE-MURE](#)
3. [StatLine - Hernieuwbare elektriciteit; productie en vermogen](#)

Case Study

generation, such as hydropower, green hydrogen, energy efficiency, energy storage, bioenergy and sustainable industrial production. The first investment will be financing a large-scale green steel project in Sweden, which aims to produce steel with up to 95% lower CO₂ emissions than steel production from coke-fired blast furnaces.

Real Estate

Our real estate investments focus on certified green buildings and properties that meet strict environmental standards. All real estate investments classified as climate solutions have an Energy Performance Certificate (EPC) of at least Class A or a high Green Building Certification (GBC) (BRE AAM/ HQE 'Excellent', LEED/DGNB 'Gold').

By investing in energy efficient properties, we want to contribute to emission reductions in the building sector, which represented 34% of energy-related emissions in the EU in 2022⁴. We estimate that properties in our real estate climate solutions portfolio use approximately 30% (100 GWh – non-attributed) less energy than properties with average energy consumption in their respective countries and sectors.

The real estate case study on page 30 gives an example of how retrofit plans can be identified to help achieve a Net Zero Energy Building (NZEB) status.

Other

Within the Other category, we invest in assets that fall outside the categories outlined above, such as unlisted entities. Examples include impact private equity funds focused on climate impact KPIs or broader ESG funds that have substantial exposure to clean and renewable energy projects.

Through this category, we invest in companies that support a variety of climate- and environment-related topics. These range from the restoration of aquatic ecosystems and other biologically sensitive habitats, electric vehicle charging, energy efficiency solutions in real estate, reduction of food waste, recycling and water pumps.



4. [Greenhouse gas emissions from energy use in buildings in Europe | European Environment Agency's home page](#)

Asset-class specific strategies

We recognise that a one-size-fits-all approach may not be effective in achieving our goals. Therefore, we have specific Paris alignment strategies for our main asset classes, guided by the NZIF.

In June 2024, the NZIF 2.0 was released, providing comprehensive net-zero investor guidance updated with input from three years of practical experience involving over 200 investors, including NN Group. This version offers guidance across more asset classes to support adoption and aggregation. To align with the NZIF 2.0, we made several adjustments:

- Initiated updates to our Paris alignment strategy for sovereign bonds and adopted new Paris alignment strategies for private equity and infrastructure investments
- Established a decarbonisation objective for our direct real estate portfolio
- Adopted the term portfolio decarbonisation reference objectives rather than targets to emphasise our focus on ‘financing reduced emissions’ rather than ‘reducing financed emissions’ (explained further in the Corporate Investments section below).

We are continuing to enhance our strategy. In 2025, we plan to complete the revision of our sovereign bond strategy. Additionally, we will establish new portfolio coverage and engagement thresholds for our corporate investments for 2030 and begin collecting climate performance data for our private market portfolios.

Corporate investments

For our corporate investment portfolio, which is predominantly made up of corporate bond investments but also contains listed equity and loans, we have implemented a strategy focused on real economy decarbonisation to align our investments with our climate goals. Created in collaboration with our primary external asset manager, the strategy employs Paris alignment categorisations that classify companies based on their current or potential alignment with net-zero pathways. This methodology continues to evolve with guidance from frameworks such as the NZIF.

For new investments, we adopt a best-in-class policy that favours companies better positioned for a low-carbon transition. For existing assets, we prioritise stewardship and engagement to encourage companies to align with a net-zero trajectory and thus drive real-world impact.

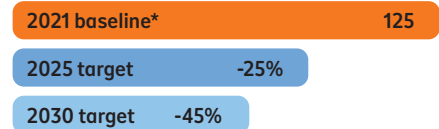
Objectives and targets are central to our strategy for aligning our corporate investments portfolio. In 2021, we established our decarbonisation objectives for 2025 and 2030 using multiple methodologies, including the carbon budget approach recommended by the IIGCC. We also compared the portfolio’s carbon intensity to the industry average and peers where possible. Our interim reference objective aims to be ambitious and consistent with striving for a 50% global reduction in GHG emissions by 2030.

In alignment with NZIF 2.0, we now refer to decarbonisation reference ‘objectives’ rather than ‘targets.’ This is to emphasise its use for translating net-zero goals into measurable objectives, monitoring portfolio emissions, and assessing net-zero strategies’ effectiveness. We do not intend to use these objectives as a tool for achieving year-on-year reductions in financed emissions, as portfolio actions aimed at achieving this may not result in a reduction of emissions in the real economy.

Goals for NN Group’s corporate investment portfolio

Portfolio decarbonisation reference objectives

Reduce the financial emissions (CO₂e per EUR million)



*Based on underlying emissions data from 2019

Asset alignment target

Using a range of criteria to assess holdings, increase the share of assets that is considered at least ‘aligning’ towards net-zero.



Engagement threshold

Increase the proportion of financed emissions that are either ‘aligned’ or under engagement and stewardship actions.



To effectively steer our strategy, we employ a portfolio coverage target that aims to increase the proportion of corporate assets considered to be at least aligning towards net zero. Portfolio managers are asked to use a Paris alignment categorisation methodology in their decision-making and invest new assets according to a best-in-class approach. This means choosing an investment in companies that are better positioned in their journey to transition, or in green bonds, when other investment factors are equal. The target also promotes engagement with companies to enhance their science-based targets, develop robust transition plans, and make relevant disclosures. Additionally, we have an engagement threshold to support impactful collective and direct engagement with investee companies, supporting their transition in line with 1.5°C scenario requirements.

Active Ownership (Voting and Engagement)

As an asset owner, NN Group delegates a substantial portion of its engagement activities to external asset managers and engagement service provider Morningstar Sustainalytics. Additionally, we participate in the Carbon Disclosure Project (CDP) Non-Disclosure Campaign to encourage companies to disclose information on climate change, water, and deforestation risks.

Our primary external asset manager aligns its engagement goals with our Paris alignment strategy by prioritising companies based on their significance to our portfolio and carbon footprint. In our monitoring of the strategy's implementation and engagement progress, we focus on the top 25 holdings in terms of emissions within our portfolio (these are predominantly corporate bonds but also some loans and equity holdings). For investee companies that do not align with a net-zero pathway and are not covered by individual or collective engagement, we explore establishing these as engagement priorities with our external asset manager and engagement service provider. Although our external asset manager withdrew from collaborative initiatives such as Climate Action 100+ towards the end of 2024, it continues to engage on climate with our investee companies on an individual basis.

In 2024, NN Group introduced an enhanced active ownership framework consisting of four components: External Partner Due Diligence, Coverage, Progress, and Outcomes. This framework supports alignment with industry standards and best practices, establishes thematic engagement goals, tracks engagement progress through five milestones, and evaluates outcomes against external benchmarks. We regularly review progress on both engagement milestones and the climate performance of the top 25 emitters. These findings are shared and discussed with our external asset manager in quarterly ESG meetings

and/or ad-hoc thematic deep dive meetings. Challenges encountered include the absence of standardised objectives and timeframes, limited transparency in escalation strategies, and balancing resource requirements. Through ongoing collaboration with our external partners, we strive to address these challenges and further refine our process. We give a more detailed overview of our engagement and voting activities in our [Active Ownership Report](#) on the NN Group website.

Progress on our Net-Zero Strategy

Progress on the net-zero strategy for the corporate investment portfolio by the end of 2024.

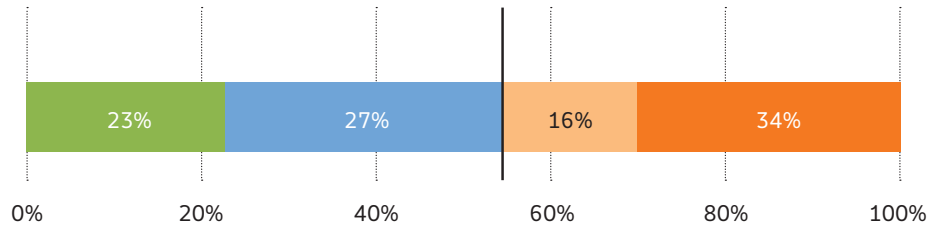
- The carbon intensity dropped from 125 (2021) to 86 tonnes CO₂e per EUR million invested, reflecting a 31% reduction. This improvement exceeds the 2025 year-end portfolio decarbonisation reference objective of -25%, although factors like enterprise value volatility may affect future levels.
- Portfolio coverage for assets meeting at least 'aligning' criteria reached 50%, surpassing our 2025 target of 45%. However, compared to 2023, fewer assets were classified as 'aligned' due to more sectors being labeled as 'high impact', resulting in tougher alignment rules in accordance with updated NZIF guidelines.

- The engagement threshold increased to 77% in 2024 from 70% in 2023, exceeding our year-end 2025 target of 75%. In our engagement monitoring process, we focus on the top 25 holdings in terms of financed emissions and prioritise companies not yet 'aligned' with a net-zero pathway that have not been previously targeted for engagement.

For further analysis of our Paris alignment strategy over the past three years, refer to the case study on page 23. The Annex includes detailed information about our categorisation criteria and data sources.

Corporate investment portfolio

Portfolio coverage target (y/e 2024) based on assets



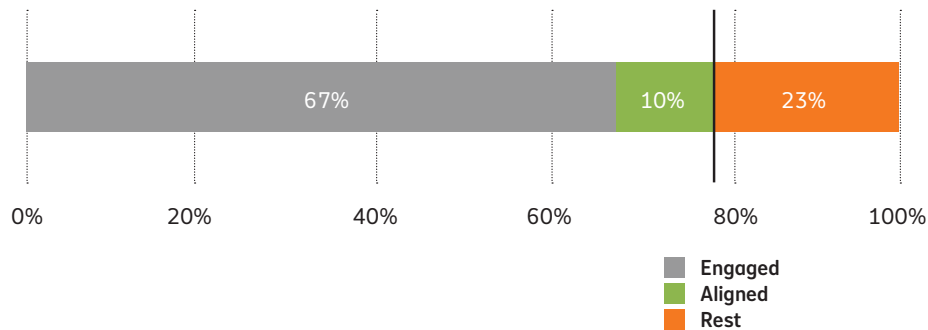
Proportion of assets meeting at least “aligning” criteria

End of 2024: 55% (2023: 54%)

- Achieving net zero
- Aligned
- Aligning
- Committed to aligning
- Not aligned or insufficient data

Note: At present, we have not identified companies in our portfolio that are achieving net zero

Engagement threshold (y/e 2024) based on financed emissions



Proportion of financed emissions in sectors that either already meet net-zero

“aligned” criteria or that will be subject to direct or collective engagement actions

End of 2024: 77% (2023: 70%)

Case Study

Insights from three years of implementing our Paris alignment strategy

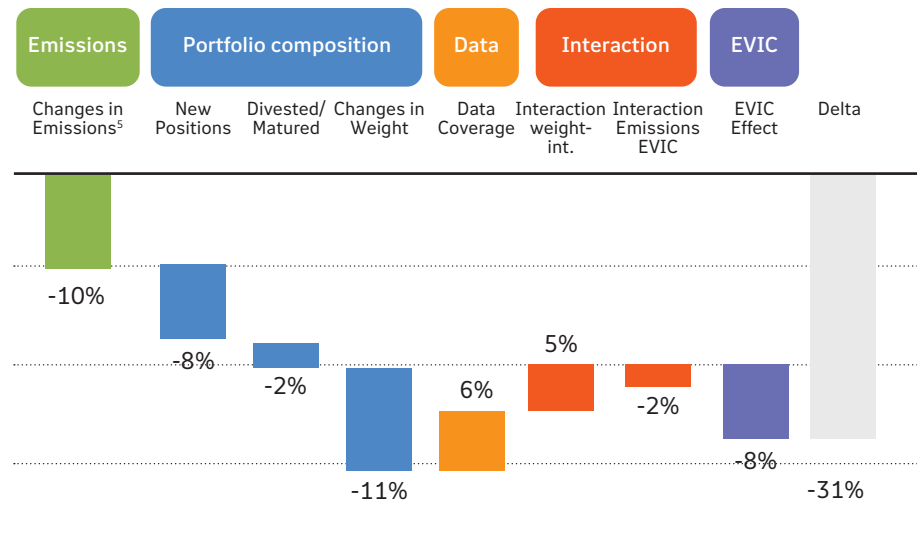
This case study explores the insights gained from three years of implementing our Paris alignment strategy for the corporate investments’ portfolio, in the context of our ambition for our proprietary investments to be net zero by 2050.

To measure the effectiveness of our strategy and progress made, we established decarbonisation reference objectives to reduce Scope 1 and 2 financed emissions (tCO₂e/EUR million). At year-end 2024, we had achieved a 31% reduction in our portfolio financed emissions compared to the baseline year of 2021 (based on underlying investee emissions of 2019 due to time lag), surpassing the 25% interim decarbonisation reference objective that we set out to reach by the end of 2025. To understand the drivers of these reductions in our portfolio financed emissions, we developed an attribution analysis as recommended by the IIGCC.

Our attribution analysis, illustrated in the figure on the next page, indicates that changes in portfolio carbon intensity are not solely influenced by real-world emissions changes, but also changes in the overall portfolio composition and the EVIC (Enterprise Value including Cash) of individual companies which are affected by movements in market capitalisation, for example. Focusing on the emission changes, the figure shows that companies’ emissions from our existing holdings were reduced by 10%, with potential further reductions through ‘new positions’ and the ‘interaction’ categories where effects overlap.

Case Study

Financed emissions intensity attribution analysis for NN Group corporate investment portfolio (31 December 2021 – 31 December 2024)



5. Changes in investee emissions. Note that the New positions and Interaction categories may also include changes in investee emissions which could not be separated from other effects.

Although real-world emissions have started to become visible in our portfolio's financed emission intensity, investee companies will need to accelerate their decarbonisation efforts to meet the Paris goals. In our Paris alignment strategy, we categorise the companies in our portfolio according to their alignment or potential to align to a net-zero pathway. For new investments, we use a best-in-class policy to allocate to companies that are better positioned in their journey to transition to a low-carbon future. For existing assets, we focus on stewardship and engagement to drive alignment, as we believe this has the best chance of realising real-world impact.



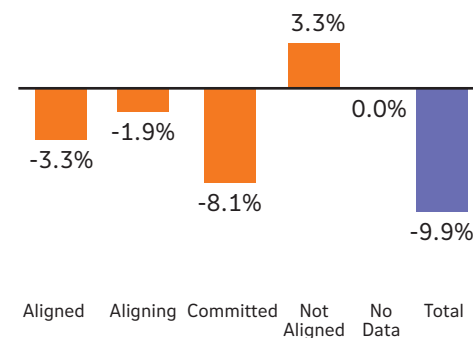
Case Study

We analysed the effectiveness of our strategy by evaluating the subset of portfolio holdings that contributed to the 10% net-zero emissions reduction (shown in the green bar in the chart on the previous page) in our attribution study in two ways.



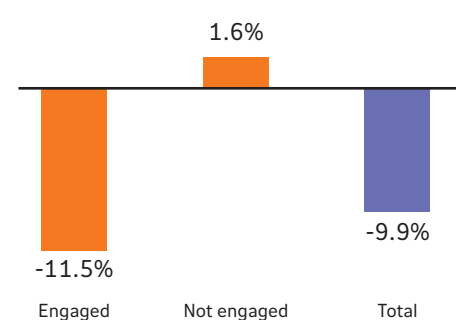
Firstly, we categorised them under our Paris alignment strategy. Companies ‘committed to align’ with Paris goals had the greatest emissions reductions, more so than those ‘aligning’ or ‘aligned’. A possible explanation for this is that the ‘committed to align’ group comprises more carbon-intensive companies, where any reduction in emissions will have a relatively material impact on our financed emissions. These companies often face challenges to improve their alignment status due to the hard-to-abate nature of the industry, and lack of credible emissions targets and timely transition plans. Not aligned companies actually showed an increase in GHG emissions over the period.

Breakdown of subset of companies demonstrating GHG emission reduction by Paris alignment category (year-end 2021 - year-end 2024)



Secondly, we categorised companies that have demonstrated real-world decarbonisation as either ‘Engaged’ or ‘Not Engaged’. The ‘Engaged’ category includes both companies directly engaged by our asset manager or engagement service provider, and those engaged by other institutional investors in Climate Action 100+. Companies classified as ‘Not Engaged’ are not covered by CA100+ or our own engagements. We have observed a positive contribution from the ‘Engaged’ category, which exhibits higher levels of decarbonisation.

Breakdown of subset of companies demonstrating GHG emission reduction by engaged/not engaged status (year-end 2021 - year-end 2024)



While this analysis may not provide a definitive statistical foundation, it offers valuable insights into our Paris alignment strategy for the corporate investment portfolio. Paris alignment and engagement are key to achieving our decarbonisation goals. In the coming years, we will continue to improve these analyses to better understand how effective our strategy is and make any necessary adjustments.

Case Study

Monitoring our fossil fuel exposures

This case study assesses our proprietary investment portfolio's progress and strategies regarding the coal phase-out and oil and gas policies. In 2024, we integrated fossil fuel exposure monitoring into our internal ESG dashboard for better tracking.

Thermal coal

NN Group has a coal-phase out policy in place for its proprietary investments that covers both thermal coal mining and power generation. The policy aims to reduce the portfolio companies' involvement in thermal coal activities to 'close to zero' by 2030 (defined as between 0 and 5% of their revenues or generation capacity).

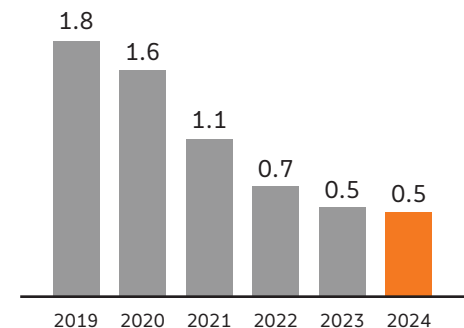
Since the implementation of the coal phase-out policy in 2019, our portfolio's exposure to companies involved with coal has significantly decreased, from EUR 1.8 billion to around EUR 454 million by year-end 2024. This reduction has been caused by several factors:

- Bonds reaching maturity were not reinvested in companies with exposure to coal
- Companies actively reduced their coal exposure through their coal exit strategies
- Selective divestments where progress towards a credible coal exit was deemed inadequate

We are monitoring remaining positions, with a few extending beyond 2030. This process involves regularly reviewing progress on coal exit strategies and alignment with Paris goals, and where possible, engaging with companies to improve transparency and accountability in their transition plans.

Exposure to companies with >5% thermal coal investments

EUR billion



Approximately 23% of our remaining EUR 454 million in investments is allocated to three companies that we classify as 'transition leaders'. Because these companies have committed to science-based targets and have established credible plans for exiting coal they have been exempted from our restrictions for new investments. Two of them ceased operations at their last coal-fired power plants in 2024, while the third company intends to exit coal by 2027 and aims to achieve 100% renewable installed capacity by 2040. It is our policy to refrain from making any new investments in companies exposed to thermal coal, while continuing to support companies with credible plans to transition away from coal by 2030. In some cases, we may also still impose restrictions on companies with coal activities that have dropped below our 5% materiality threshold if those activities remain significant in absolute terms.

Oil and Gas

NN Group launched a comprehensive oil and gas policy in May 2023, aimed at directing investments towards best-in-class companies committed to lowering their emissions to net zero by 2050. Recognising the urgent need to transition away from fossil fuels, our policy supports

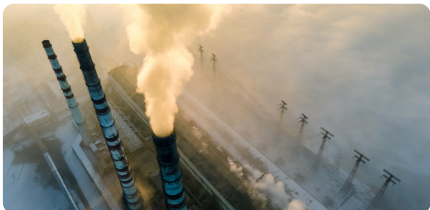
companies that are proactive in diversifying and developing decarbonisation strategies.

For existing companies in our portfolio, we remain focused on engagement and encouraging their transition efforts. New investments must meet our Paris alignment criteria. Companies with over 30% revenue from oil and gas upstream, midstream and/or downstream activities, must be at least "aligning" under our Paris alignment categorisation. Companies involved in unconventional oil and gas activities, such as Arctic oil or oil sands, are excluded if they exceed specific revenue thresholds.

We have developed an internal dashboard to monitor our exposure to the oil and gas sector, covering upstream, midstream, and downstream as well as companies offering supporting products and services. At year-end 2024, our total exposure was approximately 1 to 2% of our total general account assets, primarily in corporate bonds. The majority of these bonds are set to mature within the next seven years. As explained above, we have linked reinvestment conditions to improvements in Paris alignment status. This means that, although we are not directly managing the portfolio with an explicit phase-out

strategy similar to that for coal, the portfolio will effectively phase out its oil and gas exposure if no improvement is observed.

In 2024, we observed some energy companies retracing their climate commitments and actions due to concerns about energy security, the economic viability of low-carbon solutions and weakening regulatory incentives. Engagement with these companies has also become increasingly challenging as our exposure declines as a result of maturing bonds and the restrictions imposed by our oil and gas policy. We had in-depth discussions with our external asset manager and collaborating investors to understand any shift in risk materiality such as stranded assets from overinvestment, diversified transition pathways for the sectors and systemic barriers for decarbonisation. We will assess our engagement strategy for the corporate portfolio in 2025 to identify the best approach for NN Group to continue to encourage progress within the sector.



Sovereign Bonds

The UN Emissions Gap Report 2024 highlights that countries have made insufficient progress in reducing emissions and meeting their net-zero pledges. This next year will be crucial, as countries prepare to submit updated Nationally Determined Contributions (NDCs) and 2035 targets. Both developed and developing countries need to accelerate their climate actions to keep global warming below 1.5°C.

Our Paris alignment strategy to decarbonise our sovereign portfolio involves selecting bonds with better climate performance over time. Additionally, we aim to support increased investments in climate solutions. Recognising the role of eligible sovereign green bonds, we seek to incentivise growth in this market.

Since 2021, we have implemented this strategy using our NN Country Climate Score, which evaluates countries in our investable universe using Germanwatch's Climate Change Performance Index (CCPI), which assesses both past emission reductions and future climate goals. We assign higher scores to sovereign green bonds in our proprietary methodology to stimulate investments in climate solutions. Our goal has been to maintain or enhance the NN Country Climate Score compared to the previous year. In 2024, the portfolio-weighted score increased modestly from 2023 levels, primarily due to a higher

allocation to sovereign green bonds and certain market movements. Going forward, we will monitor our sovereign portfolios' progress using the new methodology outlined below.

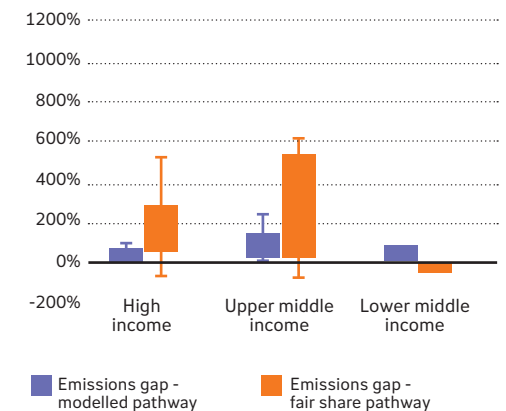
Updating our approach to assess alignment

In 2024, we reviewed a new sovereign Paris alignment assessment framework developed by our external asset manager in the light of the updated guidance of the NZIF 2.0. The NZIF 2.0 recommends assessing countries' climate performance based on a Paris alignment assessment categorisation that is more aligned with our corporate investment strategy. During this review, we considered key aspects such as the incorporation of a fair-share principle⁶, tracking both past and forward-looking performance, and broader climate considerations such as a just transition.

One of the key aspects of evaluating a country's alignment is its 'fair share' contribution to the global effort in reducing GHG emissions. Using ASCOR (Assessing Sovereign Climate-related Opportunities and Risks) data where available, we reviewed the difference in emissions gaps between 1.5°C modelled and fair-share pathways for our portfolio. Fair-share pathways reduced emissions gaps for less than one third of our emerging market holdings. Given that the alignment of emerging markets is generally significantly lower than developed markets, we might have expected this to have more

impact. In the case of developed markets, the emissions gap increased. Taking other non-emission-driven alignment criteria into account, we concluded that applying fair-share pathways is unlikely to materially change the alignment status and overall steering for our portfolio, probably because of our dominant exposure to developed markets. An alternative approach to applying the fair-share principle could be to define emerging market-specific alignment criteria beyond emissions performance, such as a net-zero timeline later than 2050. We will continue exploring options to better embed the fair-share principle in our strategy.

Emissions Gap by Worldbank Lending Group

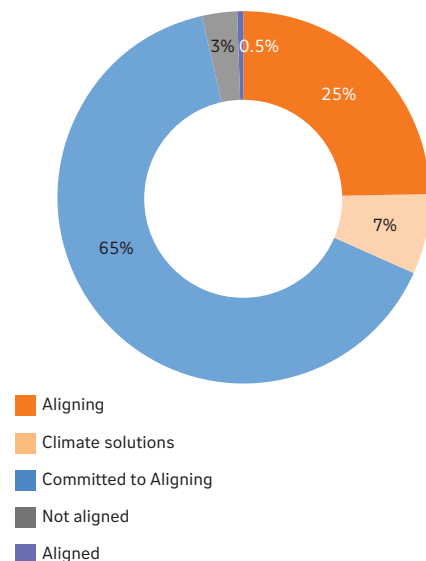


6. Fair share considerations represent the recognition that the ultimate global goal to achieve net zero GHG emissions by 2050 will require different sectors, industries, and regions to decarbonise at different rates. This is related to the common but differentiated responsibilities and respective capabilities principle used within international climate negotiations. (Source: NZIF 2.0)

The initial results of NN's sovereign bond portfolio, as assessed against the Paris alignment framework (see figure), indicate that the majority of the portfolio consists of countries classified under the 'committed to aligning' category⁷. The limited number of 'aligned' countries, static nature and time lag of the assessment results make it challenging to steer the investment allocation towards these countries without creating long-term concentration risks. We will seek to further engage with our external asset manager to refine the approach to make it more informative for setting suitable alignment goals. Some topics in the context of country alignment assessment, such as capital allocation and transition finance are still quite new. Further discussion within the industry and engagement with governments could help investors better interpret and assess country performance on these aspects.

Initial assessment of NN sovereign portfolio alignment by financed emissions (Scope 1 including LULUCF⁸)

(For illustrative purposes)



Taking these findings into consideration, we see the advantages of the sovereign Paris alignment assessment framework compared to the NN Country Climate Score. It has better data coverage and is more compatible with the alignment framework that we use for other asset classes. In 2025, we will use this alignment framework to monitor the transition of our portfolio and further explore ways to refine our approach.

We have not set alignment goals for our sovereign bond portfolio yet due to several challenges. While we use PCAF's product-based approach to measure and disclose GHG emissions of sovereign bonds, data delays, uncertainties in terms of completeness⁹, and gaps in consumption-based emissions make it difficult to get a complete picture. Our buy-and-hold strategy also limits changes in portfolio composition. Additionally, local laws or liability matching may require our insurance units to hold domestic issuance.

Learning from the experience of Paris alignment objectives for our corporate investments, we plan to test various options, such as attribution analysis, to identify possibilities for meaningful goals and levers within these constraints. This is work in progress.

Engaging with sovereigns

Similar to our broader responsible investment approach, engagement is one of the key levers to steer decarbonisation in our sovereign portfolio. Our sovereign engagement effort is mainly carried out by our external asset manager. Previously, the sovereign bond engagement focused on providing feedback on sustainable, social and green bond frameworks. In 2024, our external asset manager expanded their approach to include more climate-specific questions on ambition, climate risks and opportunities, and decarbonisation strategies. Despite the programme being

in its early stages, we noted some positive responses from governments and opportunities to accelerate engagement with state-owned enterprises. We will work with our manager to further clarify objectives and how to take the interconnectedness of climate and nature into account in these engagements.

As an asset owner, we are exploring engagement opportunities through collaborative initiatives and policy engagement working groups that can supplement the activities conducted by our asset manager. For instance, through supporting advocacy efforts, such as the Global Investor Statement to Governments on Climate Crisis, which calls for Paris-aligned policies that will accelerate private sector action and large-scale investment for a fair and just transition.

Residential mortgages

Residential mortgages form an important asset class within the insurance general account investment portfolio. Most of these mortgages are originated by NN Group's own banking operations. The insurance general account also holds residential mortgages on the balance sheet from external mortgage originators. At year-end 2024, approximately EUR 50 billion were originated and/or serviced by NN Bank, and approximately EUR 5 billion by external mortgage providers. More on this can be found in the Annex 'Mortgage assets on our balance sheet'.

7. The broad misalignment in countries' climate goals and performance resonates with other external research such as that of ASCOR, CAT, Climate Analytics' 1.5°C National Pathway Explorer, and CCPI.

8. LULUCF stands for land use, land-use change, and forestry.

9. For instance, a UN report suggests that GHG emissions might be underreported by 30% due to less rigorous reporting by non-Annex I countries, unclear emissions attribution from activities like aircraft and shipping, and underestimation of super-emitting events.

NN Group is working towards incorporating net-zero considerations into our investment process for the mortgage portfolio in a number of ways.

ESG integration in portfolio management

For both the NN Bank and the externally originated mortgage book, we monitor and evaluate relevant ESG aspects periodically and engage with the originators to make progress on sustainability. Here we also focus on the need for more data-based insight into ESG factors. Since 2019, we have annually measured the carbon footprint of the NN Bank originated and/or serviced mortgage portfolio. NN Group, along with NN Bank, participates in PCAF to enhance and standardise carbon measurement for mortgage portfolios, while also seeking actual consumption data.

Engagement with mortgage lenders to encourage net-zero strategies and targets

For NN Bank originated and/or serviced mortgages, we set decarbonisation reference objectives on an aggregated basis for mortgages in the insurance general account and mortgages that NN Bank holds on its own balance sheet. Read more on our approach and actions in the Banking section of this document.

For mortgages from external originators in our insurance general account investment portfolio, NN Group lacks a direct customer relationship like we have with NN Bank. This makes setting a decarbonisation reference objective on these mortgages challenging. However, we engage with external originators to monitor their ambitions and check if those are aligned with ours. We also focus on data and transparency to better understand the portfolio and its climate impact. In 2024, carbon footprint data was collected for EUR 2 billion of the EUR 5 billion portfolio consisting of mortgages from external mortgage originators.

Real Estate

NN Group invests in real estate through both direct ownership of buildings and indirect investments via non-listed real estate funds. The portfolio spans various sectors and regions across Europe. We have defined specific net-zero commitments, strategies, objectives, and targets for both our directly managed and indirect real estate portfolios.

Directly managed assets

NN Group has set a 2030 decarbonisation reference objective for our directly managed assets, supported by actionable plans developed over the past year. Our asset manager, CBRE, carried out detailed net-zero audits using the Carbon Risk Real Estate Monitor (CRREM) to map out each

building's pathways and establish improvement plans. These plans outline all retrofit recommendations from the audits, with a comprehensive breakdown of total investment required. Retrofitting involves making updates and modifications to an existing building often with the aim of improving its energy efficiency and sustainability. We prioritised energy efficiency and electrification before focusing on external green energy procurement. The plans, therefore, include measures for energy efficiency, electrification, and on-site green energy production.

Although retrofit investments were calculated, the actual investment will depend on the tendering of each specific project. The feasibility of each retrofit is assessed in terms of timing and investment, considering factors such as lease expiry profiles and the lifespan of current installations. Furthermore, more economical solutions are sought where possible, with careful evaluation of maintenance classifications, potential tenant cost recovery, and the overall asset value contribution. The proposed retrofits have been incorporated in business plans across our portfolio as of January 2025.

To ensure progress in reducing emissions, we have set a decarbonisation reference objective to reduce GHG intensity to 10.9 kg CO₂e per square meter by 2030. This goal aligns with the 1.5°C pathway suggested by the CRREM model.

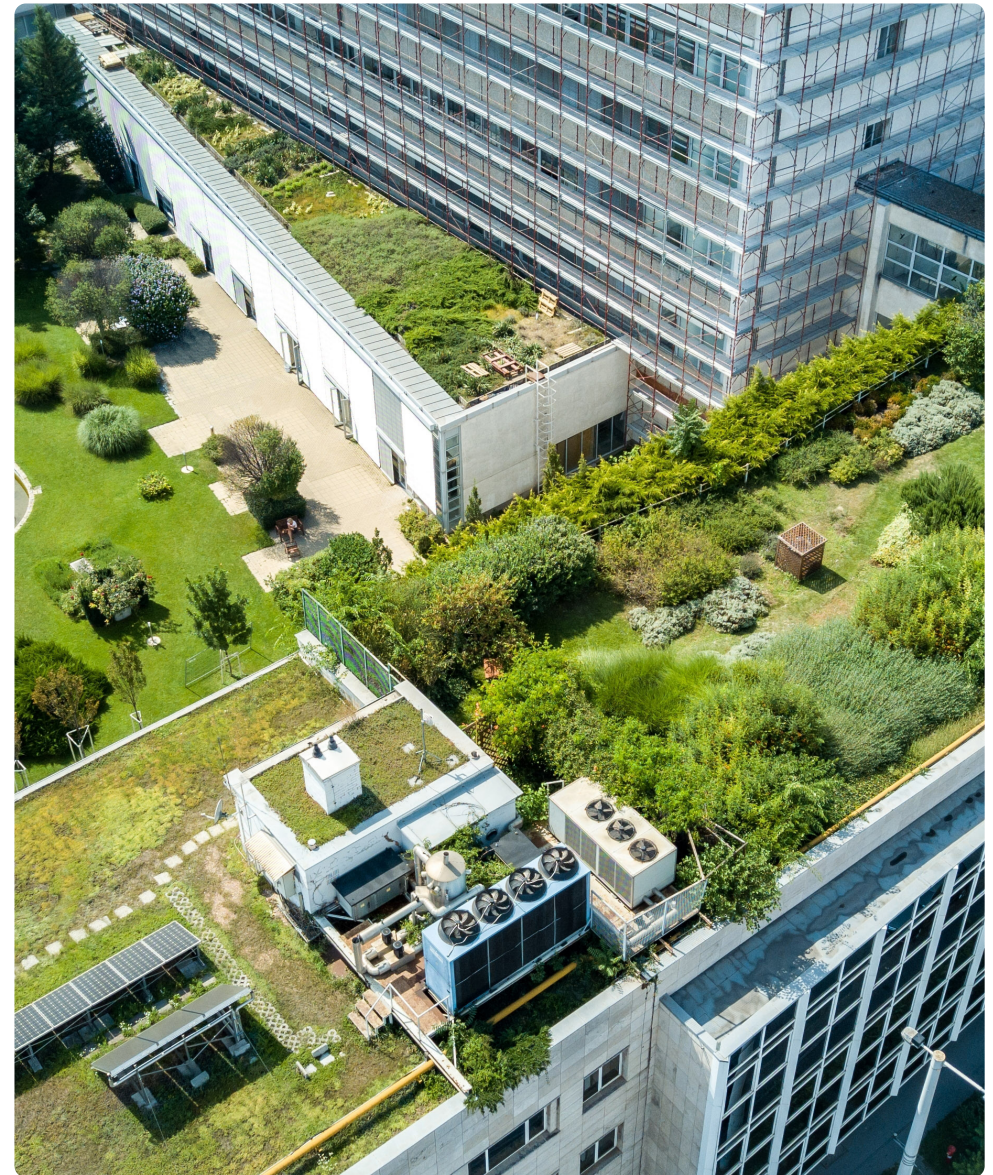
The objective includes emissions from Scopes 1, 2, and part of Scope 3 (tenant operational emissions), adopting a 'whole building approach'. Achieving this goal will require us to collaborate with our tenants.

Case Study

Using net-zero audits to design a retrofit plan

A net-zero audit for a building in our real estate portfolio identified 11 improvement measures needed to convert a building in Germany into a Net Zero Energy Building (NZEB). Our manager CBRE, reviewed these measures. They assessed the building's strategic importance due to its prime location and potential for higher returns if upgraded to the latest standards. It was decided that all the suggested measures were important and should be implemented over the next 10 years to achieve NZEB status. The team evaluated the existing equipment lifecycle and tenant lease expiry dates to determine the best timing for each installation, which differed from the auditor's proposed timeline. For example, instead of the landlord paying for the installation of solar panels, a more cost-effective solution was a roof rental concept. Similarly, it was found that converting to intelligent thermostats would be cheaper than the audit initially recommended.

The completion of these improvement measures is expected to enhance the energy efficiency and environmental performance of the asset. By the end of 2026, with a projected reduction in energy intensity and a corresponding decrease in GHG emissions intensity, the asset will progress towards becoming a sustainable model within the portfolio. Moreover, the potential connection to district heating could offer additional environmental benefits, reducing reliance on individual heat pumps and decreasing overall GHG emissions. Any remaining GHG emissions could be further reduced through external green energy procurement, such as power purchase agreements (PPAs). The decision to exclude external green energy procurement from the audits and initial business supports landlords in prioritising energy efficiency, which is a key element in achieving NZEB status.



Indirect real estate portfolio

For our indirect real estate portfolio, our main lever is to engage with the managers of the funds in which we invest to encourage their ambition to achieve net-zero emissions. By 2030, we aim for most of our funds (over 75% based on Gross Asset Value) to commit to achieving net-zero GHG emissions by 2040 or sooner (for Scope 1 and 2 emissions), with the remainder committing to achieve this by 2050 or sooner. To enhance insight into our portfolio's alignment with net-zero goals, our asset manager is conducting a detailed analysis of each fund's commitments and progress. We are working together to develop a Paris alignment categorisation framework for our investments in 2025 and will provide more details in future progress updates.

Adaptation measures to address physical climate risks

We conducted a comprehensive analysis to evaluate our real estate portfolio's potential exposure to physical climate risks. Our real estate asset manager CBRE used a third-party data vendor physical climate risk tool to evaluate six hazards pertinent to real estate over two timeframes (short-term: 2030, long-term: 2050). The analysis also assessed these hazards using two IPCC adopted representative concentration pathways (RCP 4.5 is an intermediate scenario while RCP 8.5 is a worst-case scenario). The hazards assessed included heat stress, water stress, flood, hurricanes and typhoons, wildfire, and sea level rises.

The analysis provided a standardised score (0-100) for each asset's risk, comparing it to the investible universe across locations. This analysis aligns with our approach to assessing climate risks for our mortgage portfolio, focusing on the most material risks, particularly flood risks in the Netherlands. However, it does not account for resilience factors such as insurance coverage, governmental support, or future adaptation plans. Read more in our 2024 Annual Report page 163.

Private Equity

In 2024, NN Group developed a Paris alignment strategy for our private equity portfolio. The strategy aims to increase portfolio alignment through monitoring the asset alignment progress, engaging with asset managers, and increasing climate solutions investments. To implement our strategy, we have started incorporating our Paris alignment criteria into asset management agreements. We plan to fulfil the actions recommended in the NZIF over the coming years as we renew our commitments with managers. Going forward, NN Group will focus on collecting financed emissions data and alignment information from our external private equity managers. Once we have a better understanding of the data we have collected, we will look into setting an asset alignment target for our private equity portfolio.

Infrastructure

In 2024, we similarly developed a Paris alignment strategy for our infrastructure portfolio. This portfolio encompasses global investments in both equity and debt. Investments are made indirectly through either infrastructure equity and debt funds or discretionary mandates. NN Group already implements many of the NZIF recommendations. Our infrastructure strategy prioritises investments in climate solutions which we classify as 'aligned' or 'achieving net zero' due to their contribution to climate change mitigation/adaptation. We will start collecting data on financed emissions and alignment allowing us to determine whether we can set asset alignment and engagement targets for the remainder of our infrastructure investments. The NZIF recommends focusing on material sectors like carbon-based energy and transport when engaging with asset managers on Paris alignment topics. We expect limited exposure to new investments in these sectors due to our existing policy approach, for example, for oil and gas, and our focus on climate solutions in the portfolio.



Banking

NN Bank remains committed to reducing the carbon intensity of its residential mortgage portfolio. We engage with customers to reduce their carbon footprint and make their houses more sustainable. We also develop financial products and solutions to support this.

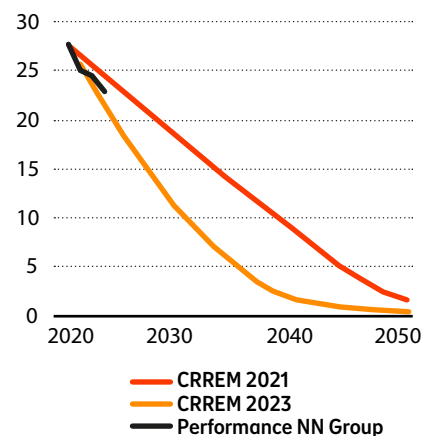
NN Bank is a Dutch retail bank serving approximately 1.2 million retail customers in the Netherlands. As a fully owned subsidiary of NN Group, NN Bank offers mortgages, savings, investment and bancassurance products. Additionally, we provide mortgage origination, administration, and management services to other NN Group entities and institutional investors.

Decarbonisation objectives for our residential mortgages

As a mortgage provider, NN Bank focuses on residential mortgages as part of our climate strategy. Our aim is to steer our mortgage portfolio towards net zero by 2050, and in July 2023, we set an intermediate reference objective to reduce emissions by 34% to 18.0 kg CO₂e/m² in 2030 (base year 2021), following the Carbon Risk Real Estate Monitor (CRREM 2021). We now use the term reference objective instead of target in line with our investment portfolio approach.

Based on the 2024 year-end result, the mortgage portfolio carbon footprint for NN Group is 22.9 kg CO₂e/m². This is a reduction of 17% compared to 2021 and in line with our 2030 objective. Currently 31% of NN's mortgage portfolio is label A or higher according to the Netherlands Enterprise Agency (provisional and definitive labels of dwellings).

CRREM Convergence Pathways 1.5°C NN Group Emission intensity in KgCO₂/m²



The latest update of the Carbon Risk Real Estate Monitor (CRREM 2023) indicates that a reduction of emission intensity to 11.2 kg CO₂e/m² by 2030 (-59%) is required, according to the 1.5-degree pathway for the real estate sector in the Netherlands and the available CBS emission figures. Based on PCAF data, this is approximately equal to an average energy label of A+++ or higher for the entire mortgage portfolio by 2030.

In order to achieve our already established decarbonisation reference objective, several systemic challenges, outlined in the following paragraph, must be addressed. Given our significant reliance on these external factors and limited capacity to influence the decarbonisation trajectory, we do not consider the reference objective as suggested by the latest CRREM pathway feasible in current conditions.

Therefore, we remain committed to reducing emission intensity by 34% to 18 kg CO₂e/m² in 2030 (base year 2021). Naturally, if insights change, we will update our objectives accordingly.

External factors and ability to influence

Achieving decarbonisation in the residential real estate sector is a complex challenge that depends on external factors beyond NN Bank's control. Most importantly, the houses our mortgage loans finance are not owned by NN Bank meaning progress is heavily dependent on customers' willingness and financial ability to make their homes more sustainable. We have additionally defined three other external factors that strongly influence progress on our decarbonisation reference objective:

1. Government policies

Decarbonising the residential real estate sector relies to a large extent on the government's ability to achieve the goals of the Dutch Climate Commitment. Challenges include greening the electricity grid and transitioning homes from natural gas. Clear and consistent policies and regulations are critical to promote sustainable building practices, energy-efficient appliances, and renewable energy. Currently there is a gap between the carbon footprint of the Dutch real-estate market and the reduction that is required by the latest CRREM pathway, as reported in studies from the Dutch Plan-bureau voor de Leefomgeving (Klimaat en Energieverkenning 2024). This report indicates that there is only a 20% chance that the real-estate sector will meet the Dutch national 2030 target.

2. Economic and social factors

Economic and social considerations, including the availability and cost of renewable energy, energy-efficient technologies, and the technical workforce's capacity to implement change, also impact the transition to a low-carbon economy. These challenges are reflected in external studies such as one carried out by the Economisch Instituut voor de Bouw (2024). A just and equitable transition, where the benefits and burdens of the transition are fairly distributed among all members of society, is also vital, particularly given the current conditions in the Dutch housing market.

3. Data accuracy

Since there is no publicly available emissions data for individual dwellings and energy labels may not always accurately reflect GHG emissions, collecting and analysing accurate data on energy use and carbon emissions is challenging but essential if we are to develop effective decarbonisation strategies and track progress. Additional challenges arise from the fact that our actions must comply with data protection regulations (GDPR). These prescribe clear guidelines for data collection and use to protect individuals' privacy.

Actions to reduce GHG emissions

To achieve our decarbonisation reference objective of 34% by 2030 for our mortgage portfolio, we implement measures to help customers make their homes more sustainable.

Engagement with customers

NN Bank actively aims to collaborate with customers to reduce their carbon footprints. In 2024 NN Bank engaged customers through intermediaries and direct communication. Customers were encouraged to visit NN's online sustainability platform which offers insights, tools and actionable steps to help people reduce their carbon footprint. Based on these efforts, we will continue with our engagement activities.

Developing and improving propositions and services

NN Bank encourages customers to improve their energy label, adding value to their homes and enhancing comfort. Customers can finance improvements themselves, or we offer financial solutions to help. For instance, NN Bank has introduced the Energy Savings Budget, which complements existing energy savings features, allowing additional loans of up to 6% of a home's value after implementing energy saving measures. Policies and acceptance criteria for new loans are increasingly aligned with sustainable housing objectives. New constructions are prioritised in the context of financial discounts for customers, as they typically meet higher energy efficiency standards, for example, by having an A+++ energy label.

Leveraging NN Bank's Green Bond Framework

NN Bank issues green bonds under its Green Bond Framework to align its funding strategy with sustainability goals. The framework takes into account the EU Taxonomy and is structured in accordance with the ICMA Green Bond Principles and the Loan Market Association (LMA) Green Loan Principles. By focusing on green buildings, NN Bank raises sustainable financing that adheres to regulatory criteria and market best practices. The Green Bond Framework reflects NN Bank's commitment to sustainability and contributes to the Dutch Climate Agreement and the development of sustainable markets.

Proceeds from these green bond fund assets that mitigate climate change by reducing emissions help to steer the total mortgage portfolio towards our net-zero ambition. NN Bank provides separate reports on its green bond portfolio, assets, and climate impact, which are available on [NN Group's corporate website](#).

Contributing to sector-specific initiatives and partnerships

To strengthen our customer propositions, NN Bank participates in various initiatives that share knowledge promoting healthy and sustainable living. Collaborations with industry peers in organisations such as the Energy Efficient Mortgages Netherlands Hub (EEM NL Hub) and PCAF enable NN Bank to develop harmonised standards and frameworks for energy-efficient mortgages and carbon footprint measurement.

Insurance underwriting

We have set net-zero targets for insurance associated emissions for our commercial lines and a carbon intensity reduction ambition for our private motor business. Encouraging customers and other stakeholders to adopt more sustainable practices is a key part of our approach. We also strive to insure climate solutions that address climate change adaptation and mitigation.

The insurance industry has an important role to play in addressing challenges relating to climate change. From a risk perspective, insurance companies could help build more climate-resilient communities, for example by providing customers with coverage for climate-related risks, such as flood, precipitation, storm damage, or wildfires. Insurers can also help support the transition to a low-carbon economy by incentivising and encouraging customers to adopt low-carbon technologies and practices.

By supporting the transition to a low-carbon economy, NN Group aims to contribute to a more sustainable future for all. This is why it is our ambition to have a net-zero underwriting portfolio by 2050.

Our approach is threefold:

1. Decarbonisation of our underwriting portfolio by reducing insurance-associated GHG emissions.
2. Engagement in the value chain to accelerate action.
3. Insuring climate solutions.

Decarbonisation of our underwriting portfolio

Reducing insurance-associated emissions in our current portfolio is an important step in realising a net-zero insurance underwriting portfolio by 2050. We are undertaking several reduction initiatives for specific business lines. Read further details in the NN Non-life section below.

Engagement to accelerate action

We believe an effective way to contribute to achieving net zero for insurance is through engagement activities in our value chain. We aim to use our influence in interactions with customers or other stakeholders such as advisors or authorised agents. In these dialogues, we use the influence we have as an insurer to try to promote positive change by encouraging companies and customers to adopt more sustainable practices and contribute to a more sustainable economy. In the case of certain sectors and/or activities that have a negative impact on the environment, we can apply exclusions rather than engagement. However, we believe this may not be the most effective approach to achieving sustainable outcomes for activities that still play an important role in the global economy, so we only choose exclusion as a last resort.

Collaborating to meet our objectives

NN Group recognises the importance of achieving a net-zero insurance underwriting portfolio and believes that this can be accomplished through collective efforts. As such, we prioritise knowledge sharing with other key players in the international (re)insurance market to transition towards a net-zero economy.

In 2024, we became a member of the Forum for Insurance Transition to Net Zero (FIT) to collaborate with other members and stakeholders to advance net-zero insurance practices. The FIT's first report, "Closing the Gap," published in November 2024, assesses key features of insurers' underwriting portfolios and evaluates relevant sustainability risks and opportunities. It highlights the multiple roles of the insurance industry as risk managers, risk carriers, and investors in supporting a just transition to a resilient net-zero economy. The report also emphasizes the need to address interconnected, climate-related sustainability issues such as protecting nature and biodiversity and preventing pollution through a circular economy.

Furthermore, we continue to participate in the PCAF working group for insurance-associated emissions to further develop methodologies that calculate emissions for various insurance business lines. This work is crucial in guiding our net-zero target setting and ensuring that we are making progress towards achieving our goal. Overall, NN Group is committed to working collaboratively with other key players in the industry to achieve a net-zero insurance underwriting portfolio and contribute to a more sustainable future.



Insuring climate solutions

Climate change presents risks and opportunities for our insurance business and for our customers. Resilience and adaptation are essential in climate change approaches, and we also seek to leverage opportunities for insuring environmental risks. Helping our customers to take preventive measures to become more climate resilient in the future is a key part of our approach. We offer a range of products that help customers adapt to and mitigate climate change, such as coverage against severe weather events. We have also adapted existing features in our insurance offerings to address the climate-related needs of our customers.

Climate Action in Responsible Insurance Underwriting

NN Group published its **Responsible Insurance Underwriting (RIU) Framework Policy** in 2024¹⁰. It gives direction for integrating sustainability matters into our insurance underwriting activities, including how we address climate change mitigation across insurance underwriting and product development.

In our RIU Framework Policy, we have defined areas and sectors that we consider to be sustainability sensitive. For example, the policy defines the environment as a sensitive area in underwriting. This means

that we might extend our due diligence activities for specific underwriting activities when we foresee potential higher environmental related negative impact on society. If our assessment reveals that a prospective customer is non-aligned in this area, we will decide whether we can accept the customer under engagement or, as a matter of last resort, restrict them from our insurance underwriting activities.

In addition, we have defined specific sustainability sensitive sectors, where we consider there to be a high risk of negative impact, especially in relation to achieving our net-zero ambitions in 2050 and limiting global warming. The RIU policy, therefore, restricts providing insurance services to companies that derive their revenues from thermal coal mining or unconventional oil and gas (shale gas, shale oil, oil shale, Arctic oil and oil sands). However, if products or services are intended for the benefit of employees, such as pension products and workers compensation, a case-by-case evaluation might lead us to waiver this restriction. Yet, acceptance in this case will always lead to an engagement process with the customer in order to encourage the transition to a sustainable economy.

NN Non-life

Netherlands Non-life offers a wide range of non-life insurance products in the Dutch market to businesses (commercial lines) and individuals, including motor, fire, liability, transport, travel, health, and disability and accident insurance.

We aim to accomplish net-zero insurance underwriting by 2050 while enabling and influencing change in the real economy. We have defined actions which can largely be divided into the three categories outlined above.

1. Decarbonisation of our underwriting portfolio

Reducing insurance-associated emissions (IAEs) is an important step in realising a net-zero insurance underwriting portfolio by 2050. We are undertaking several reduction initiatives. Based on our insurance-associated emissions, calculated in 2023 and aligned with the PCAF methodology, we set first targets for NN Non-Life commercial lines in 2023.

1. As part of the RIU Policy, we have strengthened our coal policy for insurance underwriting. As indicated above, by restricting insurance services to companies that derive their revenues from thermal coal mining or

10. NN business units in scope of the RIU Policy Framework are permitted to utilise a one-year timeframe after publication of the RIU Policy in order to define implementation processes that align their business activities with described processes. The RIU committee may establish and guide on processes that operationalise general RIU Policy principles into implementation steps.

unconventional oil and gas, we aim to support the transition to a low-carbon economy

2. In line with the PCAF Standard, we have introduced interim net-zero targets for our Non-Life portfolio in the Netherlands. By measuring and monitoring the insurance-associated emissions of our property and casualty (P&C) commercial lines in scope of the PCAF methodology and private motor portfolios, and by performing sector analyses on decarbonisation pathways for those sectors, we were able to set interim targets for P&C commercial lines and we strive to reach an average reduction per vehicle, for private motor.

Targets and ambition

To set well-founded reduction targets, we first calculated our IAE. As the current PCAF Standard covers methods for specific commercial lines and private motor, we focused on these segments when setting intermediate reduction targets. For products that are currently not covered by the PCAF Standard, we are not yet able to measure the IAE or set intermediate targets. We will consider including additional targets when, for example, the scope of the PCAF methodology broadens, or if FIT provides additional guidance and clarity.

Accomplishing net-zero insurance underwriting by 2050 remains our overall ambition:

- **Commercial lines** (in scope of PCAF Standard) – to reduce insurance-associated GHG emissions by at least 26% by 2030, compared to 2022. This reduction target has been set for Scope 1 and 2 emissions from relevant insured clients.
- **Private Motor** – we strive to reduce insurance-associated GHG emissions by 15% in carbon intensity per car by 2030, in the Netherlands compared to 2022.

The sector's decarbonisation pathways, used to set the intermediate reduction targets, were built on current and planned Dutch government measures included in the Dutch Klimaatnota. In deciding on the target for commercial lines, we took into account the Dutch Klimaatnota measures (based on the ESR¹¹ sectors) and the KEV (Klimaat en Energie Verkenning) scenarios leading to decarbonisation pathways. We also considered assumptions on future inflation and economic growth as well as data quality limitations relating to the calculated IAE. Each year, Netherlands Non-life assesses whether the actual IAE reduction of commercial lines and private motor is proceeding in a way that is in line with our ambitions. We base this on annual portfolio

changes, and updates to Dutch climate and energy policy and forecasts, in accordance with the annual KEV report. Netherlands Non-life strives to achieve its ambition and targets by managing the underwriting portfolio strategically and actively. When necessary and feasible, we will take additional measures to meet the intermediate targets.

Guiding commercial lines to net zero

We have set an intermediate carbon reduction target for our commercial lines portfolio in scope of the PCAF Standard on IAE at a minimum emission reduction of 26% in 2030 compared to 2022.

In deciding on this target, we took the Dutch policy measures (based on the ESR sectors) and the KEV decarbonisation pathway scenarios for our commercial lines into account. The Dutch Klimaatnota 2024 pathway for ESR sectors targets a 36% reduction between 2022 and 2030. This is slightly more ambitious than the 1.5 °C scenario. Additionally, we took into account future inflation, economic growth assumptions, and data quality limitations of the calculated IAE. Overall, this is why we assume that an overall reduction target of 26% GHG emissions by 2030 (versus baseline year 2022) for our commercial lines in scope of the PCAF Standard on IAE, is feasible.

By the end of 2024 compared to 2023, the IAE for commercial lines increased compared with the baseline, leading to a 11% reduction against the base year of 2022, mainly due to portfolio developments and improvements in data collection and accuracy on sectoral coding. It should be noted that the 11% reduction figure does not include improvements in sector emission averages, as no recent update of the PCAF database was available. The reduction in IAE per year-end 2024 is likely to improve once a new version of the PCAF database becomes available.

Although the KEV 2024 pathway deviates from the Dutch Klimaatnota 2024 pathway, we think it likely that sector emission averages will fall further between now and 2030. The emission reduction target for commercial lines therefore seems feasible, assuming that:

- government measures support the expected outcomes.
- improvements in data quality and accuracy of sectoral coding do not significantly deviate from our best effort estimates, as we currently rely heavily on sector averages and expect data quality to improve year by year.

11. The Effort Sharing Regulation (ESR) establishes binding annual greenhouse gas emission targets for Member States from 2021 to 2030. These national targets concern emissions from the following sectors: domestic transport (excluding aviation), buildings, agriculture, small industry, and waste. These sectors account for almost 60% of emissions in the EU.

Guiding private motor portfolios to net zero

We acknowledge the importance of reducing carbon emissions across our private motor portfolio and are committed to net zero by 2050. However, we realise that achieving substantial progress in emission intensity reduction by 2030 will be challenging, for several reasons. For example, for private motor vehicles, a 20% reduction in emissions between 2022 and 2030 is expected for the entire Dutch market – for both new and used vehicles.

By 2030, the reduction in GHG emissions for second-hand passenger cars is expected to have fallen by between 16% and 19% from 2022 levels. Given that a significant portion of NN Group's private motor portfolio comprises second-hand vehicles, we anticipate a delay in carbon reduction for our portfolio until new EVs are made available. Second-hand passenger cars serve a significant number of Dutch households; many cannot afford new cars or are not catered for through company lease fleets.

We are largely dependent on external factors, such as the pricing of EVs (and other vehicles not driven by internal combustion engines), continuous and accelerated support from governments, improved infrastructure, and the pace of EV development and manufacture and other technological developments. While we are committed to decreasing carbon emissions

where we can, excluding clients (by, for example, not insuring fuel-powered motors or using prohibitive pricing) is not a sustainable solution.

As we disclosed in our 2024 mobility trend report, we aim for a 15% reduction in carbon intensity per car by 2030 in the Netherlands, from 2022. To help us achieve this we will leverage knowledge on net-zero mobility and actively promote more sustainable ways of driving and less frequent driving by exploring 'pay as you drive' and 'pay how you drive' products and services.

Compared to base year 2022, carbon intensity per vehicle rose by 3% in 2023 according to CBS figures on emissions and average annual mileage (as CBS 2024 figures are not yet available). This rise is largely due to an increase in driving in the Netherlands, which was higher than we had predicted, and an increase in the number of older cars in our portfolio. It is important to note that the figure of 3% is based on CBS 2023 figures on emissions and average annual mileage, and also that the actual mileage driven in our private motor portfolio may deviate from the CBS figures. Although our ambition to reduce the carbon emission intensity per vehicle by 15% by 2030 will be challenging, we are committed to striving to achieve it.

Sustainable repair

NN Group recognises that repair, rather than replacement, can significantly reduce environmental impact, conserve resources and support a circular economy. This is why we are committed to advancing sustainable repair practices in the insurance industry and regard this as a way to contribute to reducing GHG emissions.

NN Non-life's Sustainable Repair Policy defines the scope and objectives of sustainable repair, as well as identifying the related material impacts, risk and opportunities. By 2026, if not sooner, we aim to have 70% of our repairs to retail property homebuilding in the Netherlands (including repairs to permanent fixtures and fittings in these buildings) carried out by our sustainable repair network. This applies to the NN Non-life's retail insurance business, which consists of NN, OHRA, SNS Insurance and ING Insurance. NN International, ABN AMRO Verzekeringen and the retail portfolio of the business line P&C Intermediary are out of scope. At the end of 2024, this sustainable damage repair percentage was 66% for the business in scope.

We have defined key actions to achieve these objectives. We intend to translate the 2026 70% target for the retail insurance business into other sustainable measurements, such as CO₂ avoidance, and metrics related to the different stages of the circular economy as soon as we have

access to relevant data and calculation methods. The policy scope encompasses the further development of a sustainable repair network in the Netherlands, representing a strategic step towards a circular economy. It not only supports the reduction of waste through the repair and reuse of products but also promotes the use of renewable resources and sustainable practices.

We focus on two main areas: increasing steering towards sustainable repair and upgrading the quality of the circular techniques of the repair network. One action we undertook was engaging the Impact Institute to conduct a life-cycle assessment for countertops and kitchen cabinets, comparing repair with replacement. We also identified three main actions for NN Non-life P&C to help it reach its ambition:

Focusing on spot repair

Spot repair involves repair where the damage occurs, be it to a vehicle or property; we regard it as a key activity, contributing to CO₂ avoidance. In those cases where spot repair is an option, we always discuss the option with the customer. If they choose cash settlement over spot repair, the amount of the settlement will match the cost of spot repair.

Making sustainable recovery the norm

We believe that making sustainable recovery the norm is key to reaching our ambition, which is why we introduced our sustainable recovery network. This network is accessible to all business lines and used most actively across our retail portfolio. We are investing in internal and external communication to make both colleagues and customers aware of this network and to encourage them to use it. As the claims process becomes ever more digital, sustainable repair is becoming the standard in our Straight Through Processing (STP) claim handling.

Electronics recovery

We collaborate with companies that repair (mobile) electronics to avoid replacement where possible. These partners are part of our sustainable repair network. Our guiding principle is that if damage to a mobile electronic device cannot be repaired, the client is offered a refurbished device. If the client does not want this, they can opt for a cash settlement.

2. Engagement to accelerate action

We emphasise the importance of using engagement activities within our value chain to drive sustainability in insurance. By leveraging our influence in interactions with stakeholders, we aim to promote positive change and encourage the

adoption of sustainable practices. While exclusions are considered for environmentally harmful sectors, we prioritise engagement as the preferred approach for achieving sustainable outcomes. This commitment extends to our efforts in engaging with commercial lines and promoting sustainable driving to support our net-zero goal.

Engagement in the value chain for commercial lines.

As most of the business for our commercial lines is run in cooperation with intermediaries or authorised agents, engaging with them to steer the reduction pathways of our commercial line portfolios can be a key driver of change. This is why we have defined actions on engaging with our intermediaries (starting with the top 50) to support them in engaging with clients with the highest IAE to help them towards a more sustainable future. We provide ongoing education and keep intermediary advisors informed through our portals, events and online newsletters. As data collection continues to improve and we gain better insights, our next step will be to further explore how we can help those clients with the highest impact in our portfolio with their transition. These activities will be part of our strategic portfolio management.

Engagement to promote sustainable driving to support our net-zero goal

With regards to the Private Motor portfolio, we intend to actively promote a more sustainable way of driving by encouraging our customers to drive less (fewer kilometres) and pay more attention to their emissions (smart driving). We also plan to engage with clients and intermediaries to promote switching to alternative types of transportation, like e-bikes or electric vehicles. In 2024 we also created a tool called elektrischrijden.nn.nl which shows the total cost of ownership (for businesses or individuals) of a new EV, including a comparison with a similar fuel powered car. We will also engage with clients and intermediaries to promote a switch to EVs where possible and to explore battery guarantees for second-hand EVs.

We also published our first trend report on sustainable mobility¹² (in Dutch) for both individuals and businesses. In this report, we explore trends and developments in the mobility sector, sharing best practices, insights on adaptation and expert opinions.

3. Insuring the transition for commercial lines

For our commercial lines we will focus on leveraging our insurance knowledge for activities that enable and accelerate the transition to a net-zero economy. We have

set up a multidisciplinary climate acceptance team to focus on new sustainability-related matters for which we do not yet offer insurance solutions. For example, as a result of an increasing number of requests relating to the insurability of energy storage systems (EOS), we undertook research. This has enabled us to develop policies, and we can now insure EOS ranging from home batteries (less than 20 kWh) to large storage systems (around 400 MWh). Insuring these new risks helps our clients and supports the transition to a sustainable economy. This process also improves our knowledge of new technologies and opportunities for products and services that support a net-zero economy and is information we can share with our advisors to improve their knowledge as well.



VDMA certification helps entrepreneurs

Due to the more widespread use of lithium-ion batteries in, for example, electric bicycles, it has become increasingly important to ensure that charging and storage cabinets are safe. For this reason, we have been closely involved in the development of the VDMA 24994 certification. The VDMA 24994 is a new test standard from the German Institute for Standardisation (DIN) that determines what criteria a storage unit for lithium-ion batteries must meet to ensure safety. This includes requirements to contain fires and toxic vapours and be able to withstand high temperatures. The VDMA 24994 could soon become the European standard, requiring insurers to include it in their policies. As we want to create risk awareness among entrepreneurs and intermediaries about the importance of safe storage, we have successfully worked to get these VDMA certified storage cabinets onto the Dutch government's Environmental Investment List (MIA). From 2025, entrepreneurs can deduct up to 45% of the purchase price of a VDMA certified storage cabinet from their taxable profit.

How internal reinsurance can contribute to climate action

NN Re (Netherlands) N.V. (NN Re), is the internal reinsurance company of NN Group. NN Re mainly focuses on providing internal reinsurance protection for NN Group business units and retroceding risks in excess of NN Group risk appetite. This position also requires NN Re to follow NN Non-Life and NN Life & Pensions for underwriting activities and the Responsible Investment policy for linked investments. As a result, NN Re's position on setting climate action targets is different from that of other NN Group business units.

NN Re can make a contribution to NN Group's climate ambition and related targets by challenging internal stakeholders on their actions and directing business partners, mainly external reinsurers, where risks are placed. For example, working with internal stakeholders to help ensure that they are aligned with the Group's RIU and RI-related policies. In addition, NN Re can engage in a dialogue with external reinsurers to align them with these policies and NN Group's ambition on sustainability.

To further develop its contribution in 2025, NN Re is planning to explore methodologies that enable it to score and rank reinsurers on their climate performance. This will help NN Re to make informed management decisions and to differentiate between reinsurers based on their performance on climate criteria. For instance, NN Re can develop tooling to assess the climate performance of reinsurers, which can help facilitate a dialogue with these parties and ultimately help decision-making on the selection of reinsurance partners.

By taking these steps, NN Re aims to improve its contribution to the organisation and promote sustainable practices in the reinsurance industry.

NN Life & Pensions

Decarbonisation ambition for our Defined Contribution (DC) pension lifecycles

Netherlands Life is market leader in the Dutch life and pensions market, offering life insurance as well as the full spectrum of pensions solutions.

Within NN Life & Pensions (NN L&P) and BeFrank¹³, we think it is important that pension participants and employers can choose a pension product that fits their needs and preferences. Our DC pension lifecycle offerings include both actively and passively managed products, which have their own sustainability profiles. It is our fiduciary duty to act in the best interests of our participants and to generate a good return for their pension. We are also aware of our social responsibility, and it is our goal to make a positive contribution to the society of today and tomorrow by taking sustainability factors into account. That is why we have developed a sustainable investment policy for our DC lifecycle investments which applies to our client investments. By client investments we mean all investments carried out in the NN Life & Pensions and BeFrank DC lifecycles, as part of their DC pension products; these are investments for risk of policyholders. The scope of this ambition is not intended to cover all client assets of NN Group, and is separate from any ambition for

proprietary assets. The total assets under management for the DC lifecycle products was EUR 31.5 billion at year-end 2024.

We are actively working towards defining net-zero strategies for the different asset classes in our products, where possible. Our focus will be on identifying components that could contribute to decarbonisation, such as engagement and investments in climate solutions. We expect to define these strategies in 2025, with implementation following in 2025/2026.

In the meantime, we have defined relative lower carbon intensity ambitions, which are benchmarked against relevant indices (Table II). These relative ambitions are shown in Table I below. Our passively managed lifecycle product is dependent on the overall market to reduce its carbon footprint, as the investment policy for this lifecycle aims for a low tracking error that does not deviate too much from the benchmark. This means that the success of our net-zero ambitions for this product is more closely tied to broader market trends and improvements in carbon efficiency than that of our actively managed lifecycle.

For the actively managed strategies the carbon emission ambition is achieved by selecting companies with lower carbon emissions than the benchmark. The carbon emission ambition in the passive strategies is achieved by an optimisation technique where companies with relatively high carbon emissions are given lower weights or are excluded from the portfolio. As a result, the portfolios have similar risk-return characteristics to their benchmarks, while having a lower carbon intensity. Policyholders will get updates on product ambition and progress through SFDR disclosures. We use third-party data for sustainability reporting, chosen for their expertise and credibility, though data quality and coverage may have limitations. In addition, several data sources are applied to reduce dependency on a single data provider. The asset manager also performs internal analyses on the quality and coverage of the data.

We are working on the integration of ambitions for those asset classes for which relative carbon intensity ambitions have not yet been set yet.

Apart from the actively and passively managed lifecycles (which consists of funds managed by several asset managers like Goldman Sachs, Northern Trust and BlackRock), BeFrank also offers a sustainable lifecycle, consisting mainly of funds managed by Triodos Investment Management. The

Table I – Relative carbon reduction targets

Asset Class	Actively managed lifecycle	Passively managed lifecycle
Equities Developed Markets, Emerging Markets and Small-caps	50% lower carbon intensity compared to the benchmark	50% lower carbon intensity compared to the benchmark
Listed Real Estate	No target yet	Lower carbon intensity compared to the benchmark
Regular Corporate Bonds	Lower carbon intensity compared to the benchmark	No target yet

NOTE: By carbon intensity we mean GHG intensity relative to EVIC (Scope 1+2).

underlying investments are filled with impact investment strategies. The investments in companies and countries are intended to generate a positive, measurable social and environmental impact, in addition to a financial return.

BeFrank's actively managed lifecycle has the same relative carbon intensity ambition as mentioned in Table 1. For the passively managed lifecycle, in 2025 BeFrank will implement Developed and Emerging Market equity funds with an absolute carbon intensity reduction of 50% compared to the benchmarks in 2020 and a year-on-year carbon reduction (subject to tracking error constraints).

Our asset managers represent us in engaging with companies. This means they engage with our investee companies on sustainability matters.

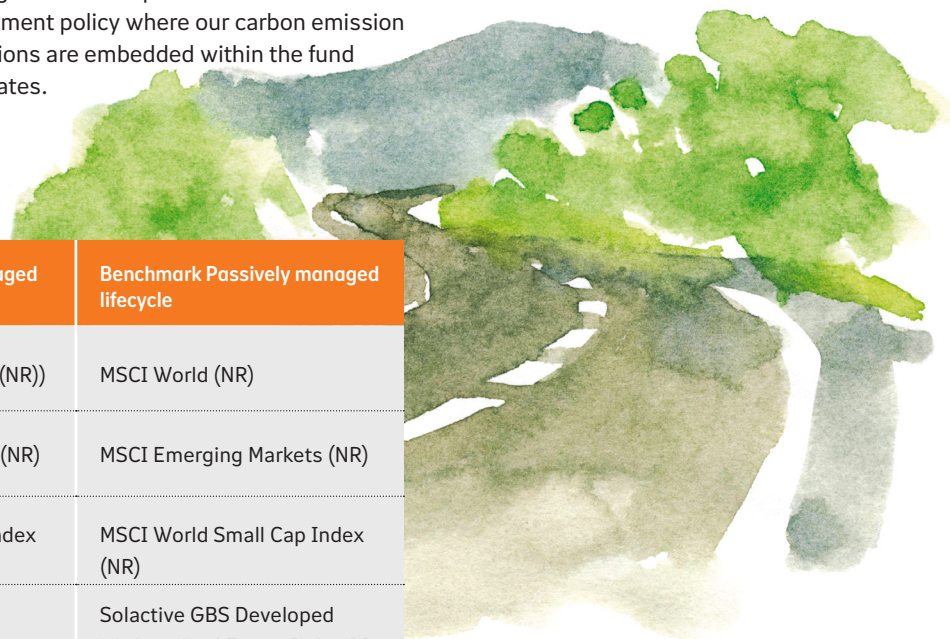
These engagements cover a wide range of sustainability topics, for example, greenhouse gas emission reduction and transition to net zero, climate risk, green products and business opportunities, and climate action disclosure. This also means that we depend on both our customers' preferences and the effectiveness of the strategies deployed by the asset managers to achieve our ambitions.

Our DC lifecycle pension products also contribute to the transition to a sustainable future by investing in green bonds, in addition to managing the carbon intensity of the portfolios. Green bonds are financial instruments used to raise funds for projects that have positive environmental impacts. These projects for instance include renewable energy, energy efficiency and other environmentally friendly initiatives. Green bonds make up 46.5% and 33.5% respectively of the yield funds for the actively and passively managed lifecycles.

The lifecycle products from NN L&P and BeFrank, for which the ambitions have been defined as in the tables above, cover approximately 96% of the DC assets under management. These products are invested in dedicated funds managed by external asset managers exclusively on behalf of NN. This allows us to work closely with the asset managers on the implementation of the investment policy where our carbon emission ambitions are embedded within the fund mandates.

Table II - Relevant benchmarks

Asset Class	Benchmark Actively managed lifecycle	Benchmark Passively managed lifecycle
Equities Developed Markets	MSCI World (Net Return (NR))	MSCI World (NR)
Equities Emerging Markets	MSCI Emerging Markets (NR)	MSCI Emerging Markets (NR)
Equities Small-caps	MSCI World Small Cap Index (NR)	MSCI World Small Cap Index (NR)
Listed Real Estate	-	Solactive GBS Developed Markets Real Estate Index PR (Price Return)
Regular Corporate Bonds	Bloomberg Euro Aggregate Corporate Index	-



Own operations

As a financial service provider, we operate mainly in an office environment, so the direct environmental impact from our own operations is relatively limited, especially compared to our financed emissions and insurance-associated emissions. Nevertheless, in line with our objective to contribute to the transition to a low-carbon economy, we have a net-zero ambition for emissions related to our own operations.

We aim to effectively manage our direct environmental footprint by reducing our use of natural resources, seeking green alternatives and offsetting the remainder of our GHG emissions. In line with our overall goal to accelerate the transition to a low-carbon economy, we aim for net-zero GHG emissions of our own operations by 2040. We have adopted interim reduction targets for 2025 and 2030 across three emission scopes: Scopes 1 and 2, and Scope 3 business air travel.

Own operations GHG emission reduction targets

We aim to reduce GHG emissions from our own operations, compared to 2019 by:

35%

in 2025

Scope 1 and 2*: 45% reduction

45%

Scope 3 business air travel: 25% reduction

25%

70%

in 2030

Scope 1 and 2*: 75% reduction

75%

Scope 3 business air travel: 50% reduction

50%

net zero

by 2040

* Reduction target on Scope 2 is market-based

We acknowledge the existence of other upstream Scope 3 emissions in our value chain, such as employee commuting, ground business travel and waste and started to measure these in 2024. Measuring these emissions and providing transparency will help set ambitious but achievable interim reduction targets for these upstream Scope 3 emissions to reach our net-zero ambition.

To monitor the progress towards our intermediate reduction targets, which are set on GHG emissions of Scope 1 and 2 combined, we analyse the total GHG emissions of Scope 1 and 2. Compared to the base year value, the total of these emissions decreased by 35%, from 9.6 kt CO₂e in 2019 to 6.3 kt CO₂e in 2024. Compared to the 2019 base year value, Scope 3 air travel GHG emissions showed a decrease of 15%. However, over the last few years, we observe a slight upward trend. The GHG emissions of our Scope 3 business air travel increased from 3.1 kt CO₂e in 2023 to 3.6 kt CO₂ in 2024. This will make it more challenging to meet our intermediate reduction target of 25% compared to the 2019 level.

Actions to meet our objectives

Our office buildings

NN Group operates in 10 countries, and we have office buildings in several locations. For those in the Netherlands, we aim to reach net zero by 2040 by adhering to the Paris Proof building standards, which were set up by the Dutch Green Building Council (DGBC) and give property owners and tenants guidelines and tools to help them transition to net zero. These standards align with the Paris Agreement by aiming to reduce the energy consumption of buildings by two thirds, ensuring that the built environment operates within the CO₂ budget necessary to limit global warming to 1.5°C.

Given that the countries we operate in vary in their potential to reduce GHG emissions, we are developing country-specific, GHG-reduction action plans in line with our net-zero ambition. While the creation of action plans is ongoing, reduction measures have already been taken. Currently, the initiatives to reduce office building emissions mainly focus on switching to renewable energy sources and adopting energy-efficiency measures.

For our office buildings in the Netherlands, we have taken the following steps:

- For the renovation of our head office in The Hague, planned for 2025 to 2028, we are taking action in line with our

Sustainable Renovation Policy. These steps include circular renovation which aims to maximise the use of products and materials that are already present in our offices and minimise the use of new products and materials. If we do need to use new materials, we use bio-based materials where possible.

- To reduce energy consumption, in 2024 we implemented measures that include energy-efficient indoor temperature control, the installation of timed switches for office equipment and the closing of floors on quiet weekdays. We will extend these measures in 2025.
- We also monitor and optimise day-to-day energy use, together with an external energy monitoring partner. We monitor our actual use on a quarterly basis and assess what additional reduction measures are needed per building to reduce our CO₂ impact.
- We have switched to purchasing green electricity in a further effort to reduce our operational GHG emissions.

Waste

We operate a zero-waste policy in our Dutch offices and collaborate closely with our entire supply chain to achieve minimal waste and water use, and transparency throughout the lifecycle of products. Our zero-waste policy entails the monitoring of waste management, waste coaching and training throughout the year, transparency

on how we weigh waste and internal communication on waste management to increase involvement from all stakeholders. Zero waste is also an integral part of our contract negotiations with suppliers.

In 2024, our offices in The Hague and Rotterdam were awarded the Zero Waste (Office) certificate. This certification signifies our collective commitment to minimizing residual waste within our work environment. On average, we produce a small amount of residual waste per person, that can all be recycled.

Business air travel

To reduce emissions related to business air travel, we introduced an update of our business travel policy at the beginning of 2024. The policy sets out expectations and guidelines for business travel abroad, including the requirement to assess the need for travel. If travel is considered necessary, we expect employees to choose the most GHG-efficient option. It also includes the aim to not use air travel for distances of less than 700 km, if possible and reasonable. We monitor business flights and, if we believe it to be necessary, take further measures. Other actions to reduce GHG emissions from business travel focus on alternatives such as replacing air travel with low-carbon transport or organising virtual meetings.

Commuting

We encourage our employees in the Netherlands to use public transportation, by providing a public transport card which can be used for business travel, commuting and private use. There is also a bicycle plan to promote cycling. We have extended hybrid working, which encourages employees to regularly work from home, limiting the need for travel.

In the Netherlands, we are transitioning to an electric car fleet. We updated our car lease policy in the Netherlands to only allow fossil free (i.e., 100% electric) lease cars from 2022 onwards for all new cars. Our goal is to transition to a 100% electric car fleet by the end of 2025. For our fleets in other countries, we are aiming to transition to more fuel-efficient cars according to the local infrastructure.

As we move towards becoming net zero for our own operations, we will keep monitoring our progress across the value chain and assessing the effectiveness of our reduction strategies and actions.

Obstacles and challenges

NN Group operates in an international environment, with varying market-specific circumstances in the countries where it conducts business. This results in differences in GHG emission reduction potential across its Business Units. As a tenant, we lack operational control in most of our offices. We have limited options to reduce GHG emissions because we depend on the landlord. Another obstacle is the lack of charging stations in most of the countries where we operate and the limited range of electric cars, which hampers the transition of our lease fleet to electric. Thirdly, as we operate globally, this creates challenges in reducing business air travel. Air travel has increased again in the period after the Covid-19 pandemic and although our new policy promotes more sustainable travel options, there may be situations where air travel is the only viable option.

Offsetting programme

To reach net zero in our own operations by 2040, we focus first on reducing own operations' GHG emissions by taking the reduction measures described above. In addition to these reduction efforts, we will compensate part of the GHG emissions from our own operations through the purchase of voluntary carbon credits. Since 2014, we

have been engaging in GHG emission offsetting by funding external carbon removal projects. This contributes to the compensation of our own operations Scope 1, 2 and 3 (business air travel) emissions. In 2021, in collaboration with South Pole, we selected a third-party validated and verified forest conservation project in Peru. In 2024, we chose to support an additional project – the Kuamat Rainforest Conservation project in Malaysia. Both projects support GHG emission reduction and contribute to a positive impact on communities and the environment by protecting biodiverse habitats.

Going forward, we will further refine and strengthen our carbon offsetting approach by exploring climate change mitigation projects that can effectively offset our GHG emissions and have a positive long-term impact on society and the environmental ecosystem.

Suppliers related to own operations

Decarbonising the goods and services we purchase presents a further opportunity for NN Group, in its role as a business partner, to contribute to the transition to a sustainable future. NN Group has an annual procurement spend of over a billion euros, and thousands of suppliers. This means our demand for more sustainable products and services can have an overall positive impact.

GHG accounting and footprint

NN Group has opted for the spend-based method to report on Scope 3, Category 1 purchased goods and services emissions (PG&S) in our upstream value chain. This approach uses the expenditure per supplier multiplied by generic emission factors from the US Environmental Extended Input-Output (EIO) database to calculate NN Group's total carbon footprint. Our most carbon intensive and high-spend procurement categories are IT, consultancy and facility management, while over two thirds of our emissions are related to suppliers delivering to NN Group's Dutch business units and staff departments. As this spend-based method does not include supplier specific emissions, it does not enable us to monitor their emission reduction progress. Therefore, we will gradually transition to supplier specific emission reporting for suppliers subject to EU sustainability regulation in the coming five years.

We intend to start with those suppliers who are subject to the Corporate Sustainability Reporting Directive (CSRD) in that year and thus need to disclose their sustainability data. This gradual approach takes into account the fact that our suppliers have different levels of maturity and capabilities (based on company size and industry). We will include our suppliers' emissions in our reporting, when they can provide reliable emission data.

We aim to reduce GHG emissions from our suppliers related to own operations. The first steps in this process are to set a clear reduction pathway and then monitor progress on this. In 2024 we launched our Supplier ESG Engagement Programme to assess how advanced our suppliers are in terms of their net-zero journey (including strategies, targets, transition plans and emission reporting, and to steer on their climate ambition).

Ambition

We rely on our suppliers to help us reduce emissions. In the coming years we will gather actual GHG emission data from them as we move from a strictly spend-based method to hybrid reporting on GHG emissions. Based on this data we will be able to monitor progress towards a reduction pathway.

To make progress on reducing GHG emissions, we aim to engage at least 35% of NN Group supplier base (based on spend¹⁴) by the end of 2025.

Actions to meet our ambition

In 2024 we developed a responsible procurement approach to support reducing emissions related to purchased goods and services. We started with implementation for the Dutch business units and staff departments and will roll out to our international business units in 2025 and 2026. The key dimensions of our approach are:

1. Supplier ESG Engagement Programme

NN Group takes an active role in engaging suppliers to reduce their carbon footprint. The aim of the Supplier ESG Engagement Programme is to work together with our suppliers towards a score of at least Advanced (see next page). We assess our suppliers' climate ambitions and their progress on their net-zero journey and score them accordingly. Suppliers whose scores do not meet our standards will be more actively engaged and supported in starting or accelerating their journey. The progress of all suppliers in the programme is monitored.

There is a big difference between reducing emissions from our purchased goods and services and taking steps to reach net zero in the real economy. Continuation of business relationships with only low carbon emitting suppliers would result in the strong decarbonisation of our own supply chain.

14. Scope: Significant scope 3 GHG emissions – own operations, Category 1 – purchased goods and services

However, we choose to work together with our high and low carbon emitting suppliers on their decarbonisation, to contribute to change in the real economy. Therefore, NN Group prefers to engage rather than terminate contracts, so we will develop clear minimum requirements and timelines. However, in cases where we do not see sufficient progress despite engagement, we may decide to not extend contracts with such suppliers.

2. Selection of new suppliers and renewing contracts

Each year we welcome new suppliers and renew contracts with existing partners. In making purchasing decisions, we apply selection criteria that, in cases where the impact is deemed to be material, assess suppliers' climate ambition and the progress they have made. We actively engage with

suppliers who do not meet our standards to encourage them to initiate plans to achieve net zero or speed up progress. This includes agreeing on improvement plans at the moment of contracting, such as measuring and reporting Scope 1-3 GHG emissions and setting a net-zero target. Performance in the context of these improvement plans will be taken into consideration when renewing contracts.

Challenges

Our largest spend suppliers are also the ones with the most significant GHG emissions. The majority are considered to be Advanced or Leaders with regard to their net-zero targets and credible transition plans. Most challenges are with suppliers who are not (or not yet) in scope for recent EU sustainability regulations and, in some cases, have limited resources to develop and implement climate change mitigation activities. Therefore, we also take their maturity and capability in developing improvement plans into account. We will use our Supplier ESG Engagement Programme as a means to incentivise this group to create a transition plan.

We have assessed the net-zero journey of NN's top 600 suppliers delivering goods and services to business units and staff departments. For the assesment we used publicly available data.



Leader 18%

Net-zero targets for Scope 1-2 and all material Scope 3 categories, aligned with scientific models and/or validated by a credible party such as SBTi



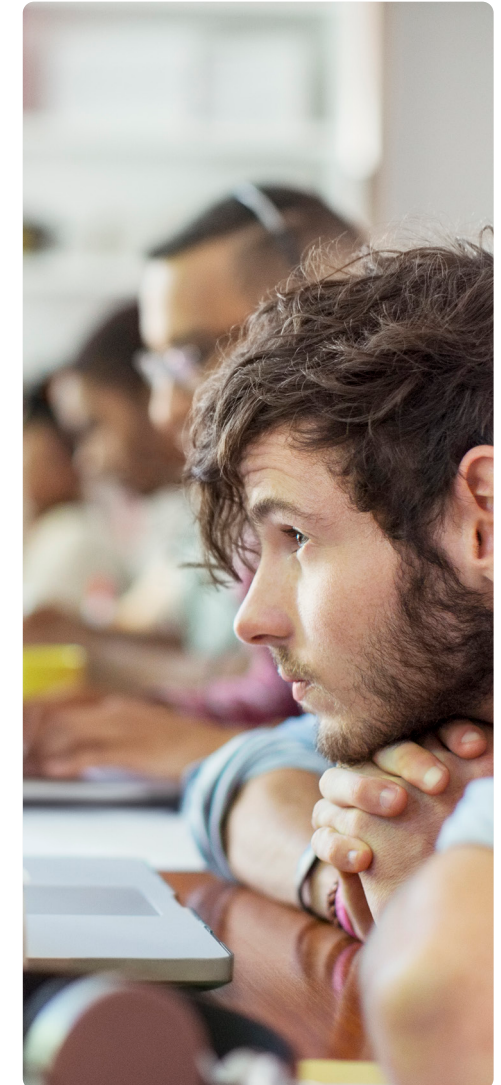
Advanced 16%

Net-zero targets for Scope 1-2 preferably aligned with scientific models and/or validated by a credible party such as SBTi



Beginner 66%

No targets or work in progress



Broadening our scope

In recent years, our focus has been on our net-zero commitment and our contribution to a low-carbon economy. We recognise that we need to broaden our efforts, as it is clear that urgent action is needed to adapt to the effects of climate change. We want to find more solutions that support adaptation to a changing climate in addition to the efforts we make on reducing GHG emissions in all areas of our business, and in our own operations and those of our suppliers.

Although we acknowledge the climate-nature nexus and the link between changes that affect the planet and human well-being, we also recognise that these are separate issues. In some areas, we have more work to do in order to clearly understand their complexity and determine the degree of influence we may have. However, we do believe a successful transition can be accomplished if we complement climate action with action on nature and acknowledge the effects of climate change on people. Our goal is to contribute to a just transition while taking advantage of the opportunities that exist to create both a greener and more sustainable world and a more inclusive society.

Increased focus on climate adaptation

Although climate action to achieve net zero is about mitigation, and we focus on that in our target setting and the action we take, we recognise that responsible adaptation is key for our stakeholders and society at large. The IPCC's Sixth Assessment Report highlights significant gaps between adaptation action taken and what is needed in terms of adjusting behaviour and adapting infrastructure. According to the report, reasons for these gaps include a lack of funding, political commitment, reliable information and sense of urgency. By investing in climate change adaptation solutions, we can have a potential positive impact on society and support projects that help us adapt to the changing environment we live in. We, therefore, continue to work on incorporating climate adaptation into our business. In doing so, we also recognise that we are highly dependent on external developments – new technologies, changes in the regulatory landscape, political and economic developments, changes in ecosystems, customer behaviour, for example – and need to carefully allocate our resources to balance the needs of all our stakeholders.

Our climate solutions portfolio is one area where, in addition to climate change mitigation, we also look to invest in economic activities that contribute to climate change adaptation. We are committed to further expanding our investments in climate solutions, which reached EUR 12.8 billion in 2024.

Financing climate adaptation through a green sovereign bond with “blue” aspects

In 2023, we invested in the Dutch State Treasury Agency's second sovereign green bond on behalf of our proprietary investment portfolio. This issue has a particular focus on climate adaptation and sustainable use and protection of water, with part of the use of proceeds earmarked to finance water investments under the Delta Programme. This programme, where central and local governments and water authorities work together aims to make the Netherlands climate-resilient and water-robust by 2050. These blue expenditures will be used to protect the country from flooding, mitigate the impact of climate change and ensure supplies of freshwater. Climate change adaptation is one of the pillars of the State of the Netherlands Green Bond Framework and is especially vital, given the country's vulnerability to the effects of climate change and flooding in particular.



There are also opportunities to develop new solutions that help customers adapt to the effects of change; these range from insurance offerings that offer coverage against severe weather events or pension and mortgage plans that promote sustainable characteristics. In addition to introducing new solutions, we also adapt features of existing products to address the climate-related needs of our customers. For example, we now provide cover for solar panels on residential and commercial insurance policies. We aim to incentivise the adoption of adaptation measures, which in turn helps us to reduce our risk of negative impacts due to climate change.

Contributing to the dialogue on climate adaptation

Building resilience to climate impacts is a shared responsibility that requires collective action from a broad range of stakeholders. We have actively engaged in various initiatives over the past year to build resilience to climate impacts. Our involvement includes participating in multi-stakeholder groups and dialogues, such as the European Commission's Climate Resilience Dialogue through our Pan European Insurance Forum (PEIF) membership. Additionally, we have participated in the CLIMATEFIT, a Horizon 2020 platform initiative supporting innovative climate change adaptation financing in EU territories.

Biodiversity and a nature-positive transition

The increase in GHG emissions in the atmosphere causes global warming and puts pressure on biodiversity. More extreme temperatures and weather patterns are major contributors to biodiversity loss. According to the United Nations Environment Programme Finance Initiative (UNEP FI), halting nature loss and restoring ecosystems are fundamental to achieving the goals of the Paris Agreement. NN Group is starting to consider biodiversity in addition to targeted climate change related actions, as we believe that protecting biodiversity and ecosystems is essential to mitigating and adapting to the impacts of climate change, while reducing GHG emissions is an essential step in the prevention of further loss of biodiversity.

Collaborating to share knowledge and improve standards

In December 2022, NN Group signed the Finance for Biodiversity Pledge and became a member of the Finance for Biodiversity Foundation (FfB). Multiple financial institutions have signed the Pledge, which is a commitment to protect and restore biodiversity through finance activities and investments. In 2024, we became a member of the UNEP Finance Initiative Principles for Sustainable Insurance working group for nature positive insurance to start our work on biodiversity from an insurance perspective. We were involved in compiling a guide¹⁵ for

insurers worldwide on setting priority actions for nature. Initiatives like this enable us to consult with peers, gain subject matter expertise on the latest data and industry developments, and learn from others' experience and insights on engagement, target setting, and so on. Through these activities, we aim to help mainstream biodiversity strategy and implementation in the industry.

Active ownership is another area where we collaborate with others to advance the topic for investment. We have been actively participating in initiatives such as Nature Action 100 and the Ceres Valuing Water Initiative, and recently contributed to a report on enhancing investors' understanding of water-related risks¹⁶. We also joined a global call to action on biodiversity with other institutional investors, recognising that governments play a crucial role in accelerating mitigation efforts through establishing national targets on nature, developing disclosure regulations for companies, implementing regulations to protect nature, and scaling up finance for biodiversity restoration.

Steps to incorporate biodiversity in our investment process

In early 2024, we published a biodiversity white paper to highlight material nature-related impacts and dependencies in our corporate investment portfolio, our existing

efforts on the topic, and key milestones for the period up to 2030. The initial impact assessment featured in the paper was conducted using ENCORE (Exploring Natural Capital Opportunities, Risk and Exposure), a tool for top-down analysis of nature-related dependencies and impacts at the portfolio level. Although it gave us an overview of nature risk materiality for our corporate portfolio, it lacks more granular insights at the company and asset level and across value chains.

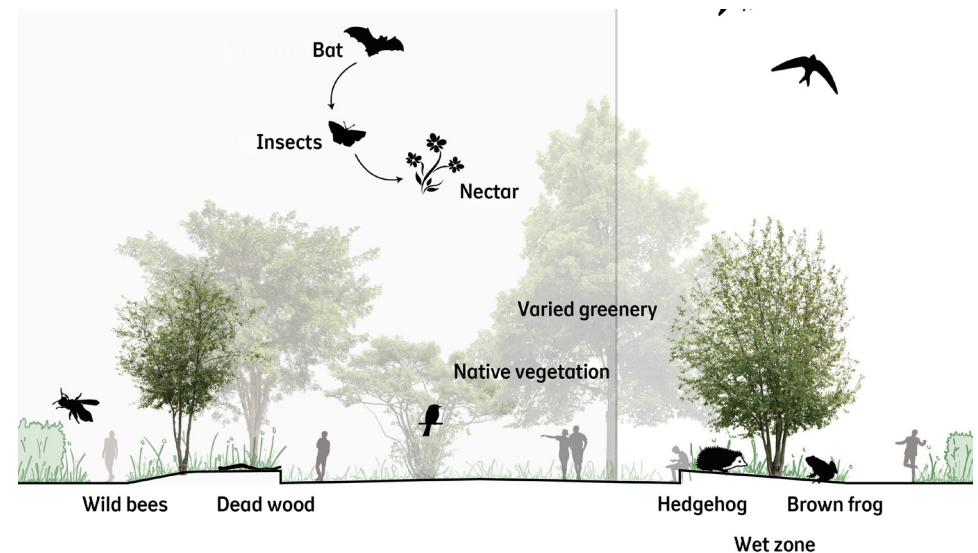
Throughout the year, we have been exploring different ways to incorporate biodiversity considerations in our investment process, for example, by examining company-specific biodiversity risks using the FfB's multi-study tool and conducting a biodiversity study for a building in our real estate investment portfolio (see the case study on page 50). We continue to look at the advantages and constraints of different types of metrics while some early consensus starts to emerge. As nature-related themes often require more local and context-specific knowledge and data than climate topics, stakeholders can join forces to further leverage subject matter expertise from NGOs and academia to push for meaningful dialogue and real-economy impacts.



Case Study

Biodiversity study for a residential real estate project

In 2024, a pilot biodiversity study was conducted on a newbuilt housing project in Amsterdam with the support of CBRE Investment Management and sustainability consultancy firm Rebel. The study assessed the environmental benefits of four different intervention scenarios, such as planting options for a courtyard garden, creating elevated areas and micro-habitats, and developing a biodiverse maintenance plan. In collaboration with ecological agency Waardenburg Ecology, the area's local flora and fauna were mapped. In September 2024, one of the four scenarios was implemented. The ways identified to achieve biodiversity gain could be initially implemented at surprisingly low cost – lower, in fact, than the ‘standard’ anticipated costs for the courtyard. This underscores the advantages of conducting such a study even at a relatively late stage in the project’s development. It motivates us to explore more use cases to support reducing biodiversity loss.



Source: Waardenburg Ecology

Nature Action Plan for our proprietary assets

In 2024, we also developed an internal Nature Action Plan for our proprietary assets with the following initiation targets as part of our commitment under the Finance for Biodiversity Pledge:

- **Responsible investment governance and education:** We will enhance internal awareness and knowledge on biodiversity and nature by providing training sessions and learning modules for investment experts and other departments such as Finance and Risk. Potential topics include the materiality of nature to investment portfolios, target setting, and best practices.
- **Risk management framework for nature:** We plan to expand our nature risk assessment for investment to other asset classes such as real estate. We will also engage with external asset managers to enhance oversights of biodiversity impacts as part of ESG integration.
- **Further actions to measure, halt and reverse nature loss:** We will explore approaches for baseline measurement and “nature solutions”, develop a nature policy and strengthen our biodiversity engagement strategy.

Exploring biodiversity considerations in insurance underwriting

Including biodiversity brings a rather new perspective for our insurance activities and we are currently still in the exploratory phase. Yet, considering the climate-nature nexus, we see how insurers can play a role, addressing mitigating measures for nature-related challenges. Insurers face exposure to the combined effects of climate change and nature-related hazards. Wildfires, flooding and other extreme weather events are resulting in a rise in both the frequency and severity of loss events, possibly contributing to increased insurance claims. Taking biodiversity factors into account introduces an extra perspective for our insurance activities. As related losses continue to increase, in order to remain resilient, we will not only need to reflect on how to cover and adapt to them, but also on the role the insurance sector can play in mitigation.

Case Study

Biodiversity Risk Project

The Biodiversity Risk Project is an internal NN initiative aimed at exploring methodologies to assess biodiversity-related adverse impacts and risks. The aim of the project is to investigate and understand the materiality of biodiversity-related risks for NN Group investments and insurance underwriting and test these methodologies in practical case studies. In selecting sectors for the case study, we considered the relevance of biodiversity-related risk and data availability. We chose the automobile sector (investments) and the agriculture sector (underwriting). We then selected, six biodiversity-related risks, comprising four physical and two transition risks, and applied them to the operation of

these sectors. The physical risks were (partial) loss of water supply, soil quality regulation services, pest control services and flood mitigation services (automobile only). The transition risks related to exposure to policies and regulations and reputational damage. With this pilot project, we aim to draft a methodology design for biodiversity-related physical and transition risk analysis which is scalable. We will also evaluate lessons learned from performing the assessment and draw up recommendations for next steps, such as an impact deep dive, review of insurance product coverage, engagement strategy, upskilling, and target and ambition setting.

Increasing our knowledge and clarifying our goals

In 2025, from the perspective of our proprietary investments, we will work on the key areas outlined in our initiation targets, aiming to report progress by early 2026.

This will help guide our thinking on setting biodiversity-related targets for our corporate investment portfolio. As an asset owner, we strive to also steer industry best practices, amplify our vision through collaborative initiatives and engage with our external asset manager to strengthen nature in ESG integration and engagement. These will continue to be the key components of our nature-related efforts on the investment side. For insurance, we want to increase our knowledge so we can better explore how to incorporate biodiversity considerations into our underwriting activities.

Just transition

Climate change has varying degrees of impact. However, it often disproportionately affects those who are most vulnerable, as they are more susceptible to the negative physical effects of global warming and less able to recover from these. These same groups can also suffer economically as a result of efforts to mitigate climate change. The aim of a just transition is to ensure that as the world transitions to a greener and more sustainable future, no one is left behind and that the transition is fair and inclusive. Just transition is not only about mitigating risks and negative impacts and

sharing the costs of the transition. It is also about leveraging the opportunities and benefits that structural change offers to address existing social and economic issues.

As climate change is the direct result of human activity, the success of mitigating its effects and adapting the way we live is also dependent on people. A transition that is effectively managed from both an environmental and social perspective will be a key factor in its success. In its Sixth Assessment Report, the IPCC acknowledges that addressing social inequality will be crucial for tackling climate change and that a transition that is not just poses considerable risks to social harmony and economic stability.

Exploring how to take the social implications of our climate activities into account

We recognise that financial institutions, given their role in society, can play a part in striving for a just transition. This is why we are investigating how to integrate the concept of a just transition into our climate-related activities, policies and due diligence processes. This means, for example, exploring how to further take social aspects into account when assessing potential investments in climate solutions or how to consider social aspects in our insurance underwriting and banking activities.

Our social roadmap aims to further embed human rights due diligence throughout our activities. Our primary focus will be on mitigating or, where possible, preventing the negative social impacts of our activities. In 2023, we conducted a human rights salience assessment which has helped us identify the most severe human rights risks based on all our roles (employer, business partner, financial services provider and investor). Many of these, for example, the sourcing of critical minerals in areas where labour rights are not well protected, or issues relating to financial inclusion in the insurance space, are relevant to the transition to a greener and more inclusive economy.

Different sectors, regions, and activities will all require unique approaches to transitioning to a sustainable economy, there is no one-size-fits-all solution. By acknowledging the complexities involved, working collaboratively and being transparent about the challenges we face, we will strive to develop products and strategies in the future that are inclusive, practical, and effective. We must be realistic and pragmatic in our approach and recognise the need for comprehensive policy frameworks to drive meaningful change.

Assessing social elements in our activities

As an insurer, although we are still in the exploratory phase, we are taking first steps to integrate a social lens into our products and services. Our net-zero ambition acknowledges that not all our customers will be able to transition at the same pace. The Dutch mobility market, for instance, is still very dependent on traditional modes of transportation, something we take into account in our respective decarbonisation ambitions.

As for investments, we have identified two areas where we could take next steps. The first is to look at climate solutions and see whether any of these consider principles of a just transition. For example, there are green bonds in the market that track social metrics, such as the number of green jobs created. Or, whether investments in renewable energy projects increase access to affordable energy for the local population. The second is investigating how social aspects are taken into account by our external asset managers when assessing the climate performance of investments.

The salient human rights risks we identified for our role as an investor, namely discrimination and inequality, forced and child labour, and inadequate wages are important in the context of a just transition. The role of active ownership is a critical tool in addressing these issues.

Case Study

Leveraging climate engagements to further social aspects

In 2024, we conducted a review of our climate-related active ownership activities with companies and identified the need to increase our focus on the social angle of the transition. Since then, we have been encouraging companies to integrate social aspects into their transition plans where relevant. We raised the topic in our conversations with a small group of investee companies and most expressed a willingness to engage in a dialogue. Many were also open about the challenges they face, ranging from finding alignment among stakeholders and the absence of a global framework to how to communicate their just transition efforts.

While we are still in the early stages of identifying ways to better embed the just transition in our responsible investment activities, our conversations with investee companies have shown that our knowledge and the experiences of others can help them. We are also encouraged by the commitment of our external engagement service provider Morningstar Sustainalytics to incorporate the just transition in their thematic stewardship programmes and in the increasing integration of the topic in our work within the Platform Living Wage Financials (PLWF) and our collaborative climate engagements.

Our focus for the coming years

Overall, we plan to increase our focus on a just transition in the coming years. At the NN Group level we aim to assess gaps and opportunities in our existing climate-related governance and policy frameworks, including our net-zero strategies where we should take social aspects into account and identify negative impacts on human rights. We will also investigate developing metrics to measure our progress on supporting a just transition and maintaining a dialogue with policymakers, industry initiatives and other stakeholders on this topic.



The road ahead – from action to transition

From Climate Action Plan to Climate Transition Plan

Although we have laid out ambitions to broaden the scope of our climate-related action, to focus more on solutions that help us adapt to climate change and explore how to address social aspects of the transition, we do not yet have all the elements in place to call our action plan a ‘transition plan’. A climate transition plan defines how an organisation plans to align all its business activities with its net-zero ambitions, identifies concrete levers to achieve these ambitions and details both their impact and efforts required. Our next steps will be to investigate how to evolve our action plan into a transition plan, to help us make the real world contribution we want to have, while becoming more resilient, innovative and competitive in a rapidly changing world.

Dependencies and challenges

While we will do our best to help limit global warming to 1.5°C, we acknowledge that we will face many challenges on the road ahead. To reach our goals, and more importantly to make impact in the real economy, we are dependent on factors which are outside of NN’s direct influence. For example, we are dependent on government policy and action to ensure decarbonisation of the grid and as a result people’s homes. A major driver for

change is behaviour; whether customers choose to adopt a low-carbon lifestyle, for example, by driving an electric car.

Data quality and availability make target setting complex and challenging. It is difficult to determine the carbon footprint of our insurance underwriting portfolio as it primarily consists of small and medium enterprise (SME) customers who are not obliged to report on their emissions. This is a challenge for the insurance industry at large. For investment and lending, where methodologies and data are further developed, there is more information but there are still data issues. For the residential mortgage portfolio, we have to depend on estimates for energy efficiency where we would rather have insights into households’ real emissions. In the context of biodiversity-related risk and opportunities, data and insights are even more challenging; we are still learning about the impact that biodiversity risks and opportunities can have on our business, but we aim to create a more integrated approach to climate and nature in the coming years.

The road ahead

The science-based pathway methodologies financial institutions use to develop strategy and target setting for their portfolios and operations are constantly being evaluated and developed. Research indicates that it will not be possible to reach zero emissions in the total global economy and that ultimately GHG emissions will have to be removed from the atmosphere to limit the global temperature increase to 1.5°C. NN Group can potentially play a role in helping to finance or to insure solutions that contribute to removing emissions in the real economy, for example, through nature- or technology-based solutions such as direct air capture and storage. We are closely following developments in this field and are, for example, looking into whether nature-based solutions such as reforestation projects could offer a potential investment opportunity. Looking forward, it is clear that our climate approach and net-zero commitments will continue to change our business as we strive for decarbonisation, engage with stakeholders to help them make the transition, and look for green solutions across our business activities. Meanwhile, we will keep enhancing our products and help our customers become more climate resilient and able to adapt to the changing environment.

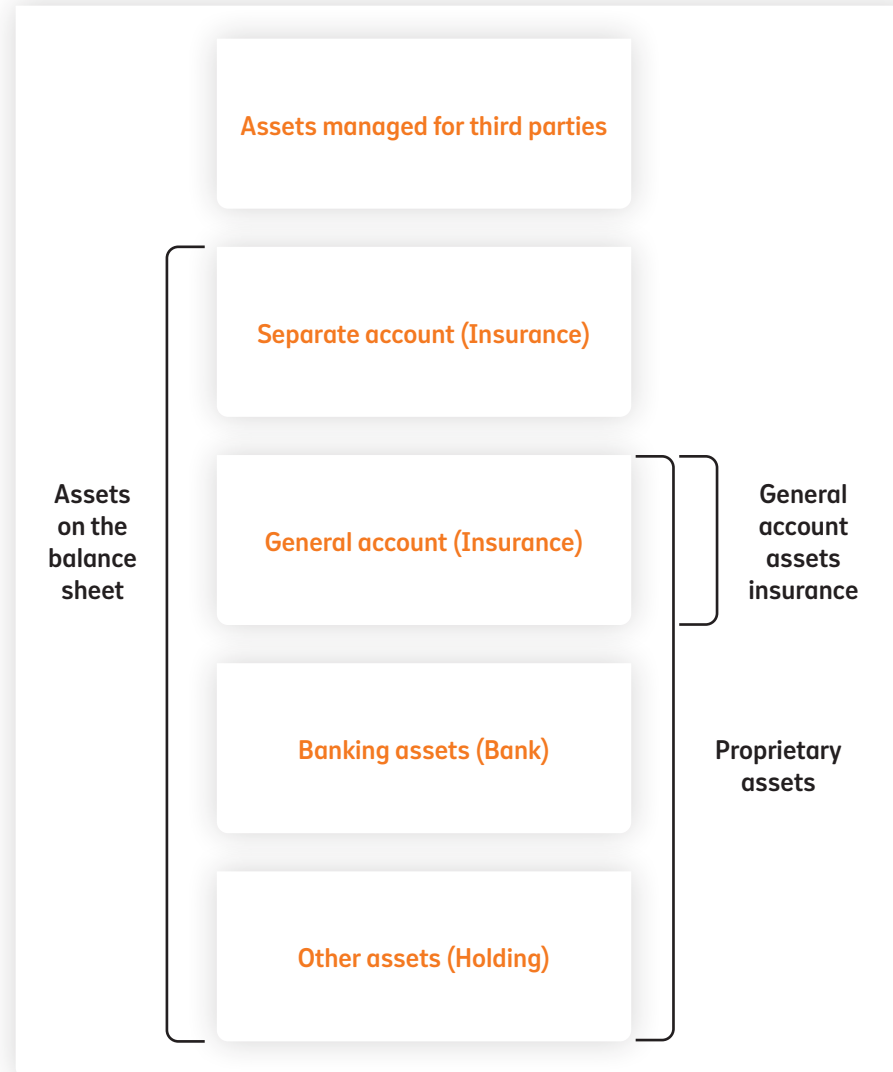
As NN, we want to do our part to accelerate the transition to a low-carbon economy. We are committed to becoming a net-zero company by 2050 in terms of our business activities, and net zero for our own operations by 2040. Although aligning our business with these goals will be difficult and requires time and dedication, these challenges will not discourage us from taking next steps. It is our aim to engage and collaborate with all parties involved to help make a positive change. We will continue to report transparently on our progress and the challenges we face. By acting together as a global society, we aim to accelerate a net-zero just transition that meets the Paris Agreement’s goals.

Annex: Defining our assets

In this report we use various terms when referring to our assets. Proprietary assets are the assets held for our own account, i.e. assets that are on the balance sheet and where we bear the investment risk. The proprietary asset portfolio comprises the general account investment portfolio of the insurance entities and the assets of NN Bank (primarily residential mortgages) and NN Group. Together it comprises approximately 75% of the IFRS balance sheet.

Separate account assets of the insurance entities are also on the balance sheet. For these assets, the policyholders bear the investment risk. These separate account assets consist of primarily unit-linked portfolios as well as certain group pension business in the Netherlands.

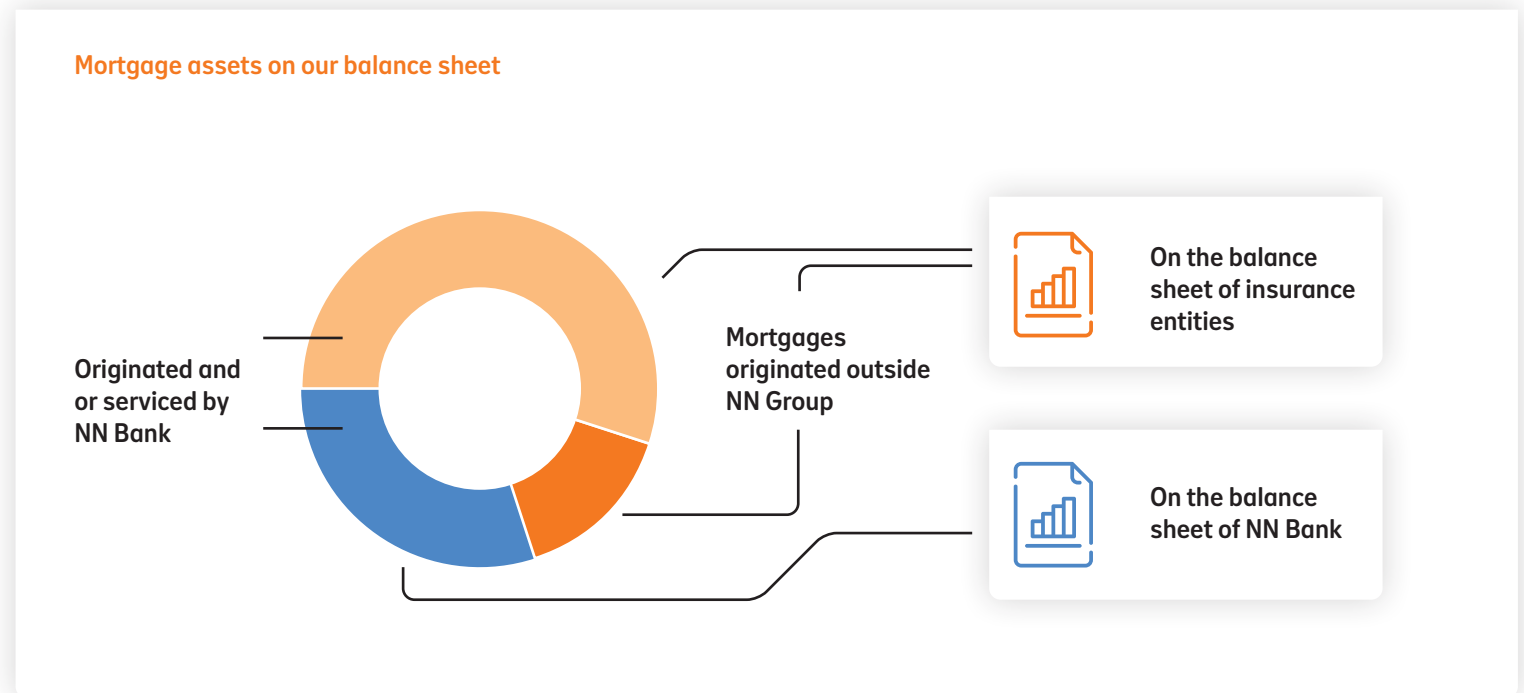
Finally, our insurance and bank operations also offer customer propositions such as defined contribution pensions, and (retail) investment products.



Annex: Mortgage assets on our balance sheet

Residential mortgages form an important asset class on the NN Group balance sheet. Most of these mortgages are originated and/or serviced by NN Group’s own banking business NN Bank. Within this portfolio, the large majority of mortgages were originated under the Nationale-Nederlanden or former Delta Lloyd brands.

At year-end 2024, NN Group measured the carbon footprint of approximately EUR 52 billion in residential mortgage assets on its balance sheet. Of this, EUR 50 billion relate to Dutch mortgages originated and/or serviced by our own banking business, NN Bank. Approximately 60% of these mortgage assets are held on the balance sheet of the insurance entities in the General Account portfolio, and approximately 40% is on the NN Bank balance sheet. The General Account insurance also holds approximately EUR 5 billion of residential mortgages on the balance sheet from external mortgage originators; EUR 2 billion of which is included in our carbon footprint measurement.



Annex: Categorisation framework Corporate Investments

For the corporate investment portfolio, NN Group developed a methodology, using the six alignment criteria based on the IIGCC NZIF implementation guide. These alignment criteria are:

- **Ambition:** A long-term goal consistent with achieving global net zero by 2050 or sooner
- **Targets:** Short- and medium-term emissions reduction target (Scope 1, 2 and material Scope 3)
- **Emissions performance:** Current emissions intensity performance
- **Disclosure:** Disclosure of Scope 1, 2 and material Scope 3 emissions
- **Decarbonisation strategy:** A quantified plan setting out the measures that will be deployed to deliver GHG emissions targets, proportions of revenues that are green and, where relevant, increases in green revenues

• Capital allocation alignment:

A clear demonstration that the capital expenditures of the company are consistent with achieving net-zero emissions by 2050

Our external asset manager has created a data hierarchy to identify the best current and forward-looking data sources for each alignment criterion, based on type 3 data from IIGCC NZIF recommended public sources and additional private vendor data for broader coverage. The resulting data hierarchy is shown in the table.

Data Hierarchy ¹²			
Categorisation Criteria	1 st order data source	2 nd order data source	3 rd order data source
1. 2050 net-zero ambition	Meet CA100+ indicator 1	SBTi verified or committed	3 rd party vendor data
2. Short-and medium-term targets	Meet CA100+ indicator 3	SBTi verified or committed	TPI Management Quality indicator 7
3. Emissions performance	TPI Climate Performance Alignment 2050	3 rd party vendor data Implied Temperature Rise indicator	SBTi verified alignment assessment
4. Emissions disclosure	SBTi verified emissions disclosure, if not reported emissions	TPI Management Quality indicators both 9 and 12	
5. Decarbonisation strategy	Meet CA100+ indicator 5	TPI indicators: both questions 18 and 19	
6. Capital allocation alignment	Meet CA100+ indicator 6	TPI indicators: both questions 21 and 22	

¹² Data source 2nd (and 3rd if any) order may only be used if data in preceding order is not available.

companies in high-impact sectors. High-impact companies are defined as those included in the Climate Action 100+ focus list or covered through the TPI company assessment. This differentiation is reflected in the subsequent step, where we classify the companies in the portfolio according to their alignment or potential alignment with a net-zero pathway. The classifications are as follows:

Achieving net zero	Companies that have current emissions intensity performance at, or close to, net-zero emissions already with an investment plan or business model expected to continue to achieve that goal over time.
Aligned to a net-zero pathway	High impact companies: meeting criteria 1 – 6
	Low impact companies: meeting criteria 2 - 4
Aligning	High impact companies: meeting criteria 2, 4 and partial 5
Committed to aligning	Meeting criteria 1 by setting clear goal to achieve net-zero emissions by 2050
Not aligned	No commitment to net zero, or no data available

It is clear that data gaps exist, particularly concerning the credibility of corporate decarbonisation strategies and capital allocation plans (criteria 5 and 6, respectively). In addition to public data sources, NN's external asset manager utilises research from their analysts to inform their view of a corporate's alignment status. Analysts can incorporate information and fundamental analysis to provide a more recent and granular picture of a company's alignment. NN Group expects that the data hierarchy will evolve over time as improved data quality and coverage becomes available.

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For further information on NN Group's sustainability strategy, policies and performance, please visit www.nn-group.com/sustainability.htm. or contact us via: sustainability@nn-group.com



Important legal information

In this updated Climate Action Plan, we underscore our commitment to incorporate climate action into material aspects of our business. We evaluate the action we have taken and look ahead to the next steps we will take. Any projected and estimated future results are based on assumptions and estimates about future climate (change related) conditions that are subject to uncertainties and should not be relied upon as a guarantee of future performance or outcomes. Actual future results may differ materially from the projections and estimates due to various factors, including but not limited to changes in climate (change related) conditions, regulatory requirements, market conditions, availability of (scientific) data, evolving scientific insights and whether society as a whole will be net zero in 2050.

Certain of the statements contained in this Climate Action Plan (2025 update) 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 or European Union countries leaving the European Union, (4) changes in the availability of, and costs associated with, sources of liquidity as well as conditions in the credit markets generally, (5) the frequency and severity of insured loss events, (6) changes affecting mortality and morbidity levels and trends, (7) changes affecting persistency levels, (8) changes affecting interest rate levels, (9) changes affecting currency exchange rates, (10) changes in investor, customer and policyholder behaviour, (11) changes in general competitive factors, (12) changes in laws and regulations and the interpretation and application thereof, (13) changes in the policies and actions of governments and/or regulatory authorities, (14) conclusions with regard to accounting assumptions and methodologies, (15) changes in ownership that could affect the future availability to NN Group of net operating loss, net capital and built-in loss carry forwards, (16) changes in credit and financial strength ratings, (17) NN Group's ability to achieve projected operational synergies, (18) catastrophes and terrorist-related events, (19) operational and IT risks, such as system disruptions or failures, breaches of security, cyber-attacks, human error, changes in operational practices or inadequate controls including in respect of third parties with which we do business, (20) risks and challenges related to cybercrime including the effects of cyberattacks and changes in legislation and regulation related to cybersecurity and data privacy, (21) business, operational, regulatory, reputation

and other risks and challenges in connection with Sustainability Matters (please see the link to our sustainability matters definition: nn-group.com/sustainability/policies-reports-and-memberships/policy-and-report-library.htm (22) the inability to retain key personnel, (23) adverse developments in legal and other proceedings and (25) the other risks and uncertainties contained in recent public disclosures made by NN Group.

Any forward-looking statements made by or on behalf of NN Group speak only as of the date they are made, and NN Group assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or for any other reason.

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