



Sustainability Report 2022

Building a better tomorrow, today

A Message from John Schlifske - CEO of Northwestern Mutual



Our mission at Northwestern Mutual is to relieve Americans from financial anxiety. To do that effectively, we must also pay attention to the way we operate, and to our impact on the broader community.

That's where our sustainability approach comes in. Our environmental, social, and governance strategies give us the framework for putting promise into practice. Just as we emphasize a personalized client experience, we tailor our ESG approach to what works best for our people, partners, communities, and planet.

This year's sustainability report highlights steps we've taken to build a better tomorrow, today—for example, expanding financial access to underserved communities, increasing representation to ensure sound ethical governance, and reducing our energy consumption.

You'll read about milestones such as the first-ever summit for our Women's Initiative, and our 10th year of supporting childhood cancer research. And you'll see the results of our partnerships with businesses, schools, local leaders, neighborhoods, and organizations to address issues and amplify opportunities.

In 2022 we also more formally defined our ESG strategy, establishing new leadership and accountability. This builds on the values Northwestern Mutual has embraced from the beginning. ESG has always been at the core of what we do, rooted in our commitment to mutuality—doing the right thing for our policyowners and clients, today and into the future.

A long-term perspective is part of the value we bring to policyowners and clients, and to our communities as a whole. With our people and our partners, we're working today to deliver real, sustainable outcomes for tomorrow, and for generations to come.

A handwritten signature in black ink that reads "John". The signature is fluid and cursive, with a long horizontal stroke at the end.

John Schlifske
Chairman, President and Chief Executive Officer

TAKING OUR SUSTAINABILITY COMMITMENT TO THE NEXT LEVEL

In 2022 Northwestern Mutual further defined our environmental, social, and governance commitment—a natural continuation of who we are as an organization.

We built on existing capabilities to establish an ESG leadership team and assign accountability. This furthers our value of mutuality: putting our policyowners clients, employees, financial advisors, and communities first, helping people achieve their full potential.

This year we worked to improve stakeholder awareness of and involvement in our ESG efforts, and to build foundational capabilities. We're expanding climate regulatory preparedness; establishing processes for measuring and improving our carbon footprint; and implementing auditable ESG practices across general account assets.

Our ESG strategy integrates seamlessly with our vision to address longstanding objectives:

- Improve lives through financial security, living up to our promise to do the right thing for policyowners and clients and help them make the right financial choices for their lives and goals.
- Advance underserved communities, fighting social injustice and helping close the racial wealth gap.
- Act as world-class citizens to make lasting societal impact in our communities through the work of the Northwestern Mutual Foundation.
- Create a culturally inclusive, empowered, world-class workforce through our corporate and field Diversity & Inclusion efforts, making Northwestern Mutual an employer of choice.
- Drive internal and external understanding of how our commitment to mutual values and governance leads to long-term sustainable outcomes.
- Embrace and leverage sound, environmentally sensitive business practices, advancing energy efficiency and investing responsibly.

Ultimately, our ESG work will further Northwestern Mutual's commitment to deliver financial security and deepen trust among our stakeholders.



"Our view of both now and next requires a commitment to sustainability. That's our environmental, social, and governance strategy."

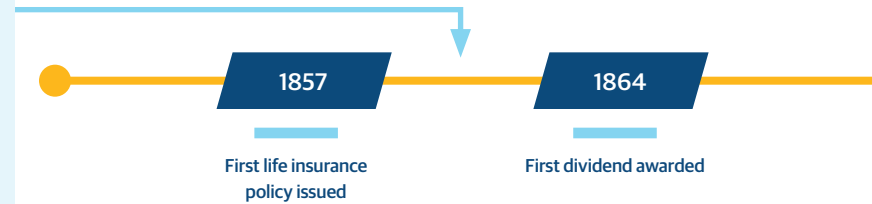
A PROUD HISTORY OF CREATING A BETTER FUTURE

From our launch in 1857, Northwestern Mutual has committed to doing what's right—recognizing that keeping our promises delivers long-term, positive results for our policyowners and clients, people, and communities. Here are just a few highlights of our commitment in action.



WE BELIEVE IN BEING AT OUR BEST, EVEN WHEN THINGS LOOK THEIR WORST.

The year was **1859**. An ox and a passenger train collided just outside Johnson Creek, Wisconsin, and two of our policyowners were killed in the wreck. The claims totaled \$3,500, which was \$1,500 more than our two-year-old company had on hand. Our then-president, Samuel S. Daggett, and his fellow trustees personally borrowed the money to settle the claims, proving that our dedication to our clients has been around as long as the company itself.





Our Commitment to Clients

As a mutual company, everything we do is designed to help our clients become more financially secure. We are not publicly traded; every dollar of profit we generate is for the benefit of our five million policyowners and clients. Every dollar of profit we generate is for their benefit. We take a long-term view to drive the results policyowners and clients expect—while operating responsibly to help communities thrive. This commitment builds on four pillars: mutuality, unsurpassed financial strength, exclusive distribution, and superior product value.

Mutuality

"Mutuality" starts as a corporate structure in which our policyowners are members of the company—but for us, it's so much more. It's about doing the right thing for our policyowners and clients, today and into the future. It shapes the way we do business every day, from designing products to making investments. One of the key ways we demonstrate mutuality is through dividends—sharing our success with policyowners and clients.

We also believe in what we call the "intergenerational compact" — continually strengthening our organization so that we can deliver financial security to our clients and policyowners for generations to come. Embracing the long-term view is a powerful tool for sustained success.

**In 2022, policyowners received an estimated
\$6.5 billion in dividends,**

a record payout for Northwestern Mutual and nearly triple that of the closest competitor.

Unsurpassed financial strength

Northwestern Mutual continues to earn the highest financial strength ratings awarded to any U.S. life insurer by all four major rating agencies. And we're one of only six companies in the country to be recognized with Moody's top rating. That strength and our mutual structure mean we never have to sell low to shore up a quarterly balance sheet. We can make decisions that are always in the best long-term interests of our policyowners and clients.

Superior product value

To maximize long-term product value, we emphasize careful underwriting, smart investing, and expense control. The result is client loyalty: in 2021, 97% of our clients stayed with us year over year—our best persistency rate on record.

Exclusive distribution

Only Northwestern Mutual financial professionals can sell Northwestern Mutual products. AM Best, a rating agency specializing in the insurance industry, describes this exclusive distribution system as "a competitive advantage" and notes that our recruitment program supports a steady flow of new talent. Our 6,700+ advisors and representatives are true partners who understand the client's big picture, design a financial plan tailored to each client's life and needs, and provide guidance at every step with a commitment that spans generations.



Our Mutual Advantage



Exceptional Financial Strength



Superior Product Value



Exclusive Career Distribution

Trusted Advisors



Personalized Planning



Integrated Insurance
Products & Investment Strategies



Always-On,
Connected Service



Dynamic Digital
Ecosystem

RANKINGS AND RECOGNITION

Financial Strength¹

A++

HIGHEST
A.M. Best Company
June 2022
[Ratings Analysis Report](#)

AAA

HIGHEST
Fitch Ratings
August 2022
[Ratings Analysis Report](#)

Aaa

HIGHEST
Moody's Investors Service
May 2022
[Ratings Analysis Report](#)

AA+

SECOND HIGHEST
S&P Global Ratings
July 2022
[Ratings Analysis Report](#)

¹ Ratings are for The Northwestern Mutual Life Insurance Company and Northwestern Long Term Care Insurance Company as of the most recent review and report by each rating agency. Ratings are as of 5/22 (Moody's Investors Service), 6/22 (A.M. Best Company), 8/22 (Fitch Ratings) and 7/22 (S&P Global Ratings). Ratings are subject to change.

The biggest



Largest direct provider of
individual life insurance
in the U.S.²

World's Most Admired Companies, Fortune, 2022

#1 among life insurers for financial soundness, quality
of products/services, and use of corporate assets³

³To determine the best-regarded companies in more than 50 industries, FORTUNE asked executives, directors, and analysts to rate enterprises in their own industry on nine criteria. Details at fortune.com

² Latest U.S. rank as of 2021 based on direct premiums written. Source: S&P Capital IQ Pro. Prepared and calculated by Northwestern Mutual.

The best

We regularly lead in lists of the best life insurance companies. Here are just a few examples for 2022.

Best Life Insurance Company for Earning Dividends

[CNET](#) - 2022

Best Overall Universal Life Insurance Company

[Investopedia](#) - 2022

Best Life Insurance Company for Policy Customization

[Money](#) - 2022

Best Long-term care Insurance Companies

Runner-up for financial stability
[Money](#) - 2022





Top-ranked advisors

- More than 25% of Forbes' "Top Financial Security Professionals 2021" list is made up of Northwestern Mutual advisors, outpacing all other wealth management and financial services firms.
- Forbes' 2022 list of "Top Next-Gen Wealth Advisors" includes 18 Northwestern Mutual wealth professionals.
- Forbes' "Best-In-State" ranking includes over 100 of our financial advisors.
- Barron's annual ranking of the nation's top wealth professionals includes 10 Northwestern Mutual Wealth Management Company advisors.

Northwestern Mutual Investment Services is ranked the **fifth largest** independent broker-dealer by total revenue by *Investment News* and the **seventh largest** by *Financial Advisor*.



Our Commitment to Social Impact

Our core mission, delivering financial security, also drives Northwestern Mutual's commitment to our communities; we believe that when everyone has the opportunity to achieve their full potential, we all succeed. We live this commitment through the Northwestern Mutual Foundation; our work to promote racial equality; and our support for employee volunteerism.

NORTHWESTERN MUTUAL FOUNDATION: IMPROVING THE LIVES OF CHILDREN AND FAMILIES IN NEED

Since 1992, we've given **more than \$400 million** to advance the communities where our people live and work. We collaborate with community partners and promote volunteerism to improve outcomes in our areas of focus: fighting childhood cancer, improving education, revitalizing neighborhoods—and helping our hometown, Milwaukee, flourish.

Childhood cancer: Advancing research, supporting families

For the last decade, Northwestern Mutual has helped accelerate the search for better treatments and cures for childhood cancer while also supporting families in treatment and survivors facing late-term effects. We partner nationally with organizations including Alex's Lemonade Stand Foundation. And we take pride in knowing there are kids today who are cancer-free thanks to the research we've funded.

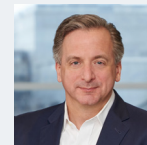


For a decade we have been committed to childhood cancer research.



RECOGNIZING A MILESTONE WITH 10 DREAMS COME TRUE

To mark our Childhood Cancer Program's 10th year, we collaborated with Special Spaces to surprise 10 children with dream bedroom makeovers—offering a place to escape the realities of their cancer diagnosis and enjoy being a kid. Room themes ranged from vintage trains to vlogging, unicorns to fighter planes, jungles to rainbows. Northwestern Mutual volunteers across the U.S. painted the rooms, crafted decorations, and arranged new furniture to offer moments of happiness to children affected by cancer.



"Giving back is embedded in who we are as a company. We're proud to work alongside local and national partners; they're key to driving the greatest possible impact on our communities. Together, we're transforming potential—in our schools, our communities, and in research that advances childhood cancer treatment—to create a better tomorrow for the people around us."

– Steve Radke, President, Northwestern Mutual Foundation

Learn more about the Northwestern Mutual Foundation.

Learn More



Marking our 10-year partnership with Alex's Lemonade Stand Foundation

Alexandra "Alex" Scott was just 4 years old when she held her first childhood cancer fundraiser in her front yard—and she continued to set up lemonade stands every year while fighting her own cancer. By the time of her death at age 8 in 2004, Alex had raised \$1 million. Continuing Alex's inspiring legacy, her parents started Alex's Lemonade Stand Foundation (ALSF) in 2005. Northwestern Mutual is proud to mark 10 years of partnering in this work, with direct support from each of our company's 76 network offices across the country.

- **10 years** of partnership with ALSF
- **\$45 million+** contributed to the cause
- **565,000+ hours** of pediatric oncology research funded
- **350+ research grants** to accelerate research in prevention, detection, and clinical trial enrollment
- **10 Young Investigator Summits** for early-career pediatric oncology researchers (above) to learn about the latest advancements, connect with leaders, and explore collaborations—a decade of creating opportunities, seeing new perspectives, and opening doors to groundbreaking discoveries.

RESEARCH FUNDED IN PARTNERSHIP WITH ALSF

Childhood Cancer Data Lab (CCDL), the first lab of its kind dedicated to accelerating research by making data and analysis widely available, easy to mine, and broadly reusable.

Phase I/II Infrastructure Grants to accelerate clinical trial enrollment for children with cancer.

'A' Award Grants to support early independent scientists seeking a career in pediatric oncology research.

Bio-Therapeutics Impact Grants to accelerate the development of clinical trials for promising biologic approaches to treating childhood cancer.

Epidemiology Grants to support researchers focused on cancer's epidemiology, early detection, and prevention.

SUPPORT FOR SURVIVORS AND SIBLINGS

Scholarships

Recognizing the financial impact of cancer treatment, we offer two Northwestern Mutual scholarships annually: one for childhood cancer survivors and one for siblings of those affected by childhood cancer. We also fund undergraduate, graduate, and medical students from underrepresented populations to encourage them to pursue a career in pediatric oncology research.

**\$1,400,000 in scholarships
awarded to more than 200 scholars**

Symposiums

Our support for kids with cancer doesn't end when treatment ends. We have sponsored more than 20 annual symposiums with our partners at Children's Wisconsin, Texas Children's, and Alex's Lemonade Stand Foundation, focused on survivorship research and recognition of leaders in the field.

Camp

When a child is diagnosed with cancer, normal childhood experiences like going to camp are put on hold. We help bring in-person and virtual camp experiences to families affected by childhood cancer. It's an opportunity to build community with others facing similar obstacles, and leave behind their illness, doctors' appointments, and hospital visits for a day to simply enjoy being kids.

Additional partnerships and grants

We've awarded more than **470 grants** to a range of organizations helping children and families who are affected by childhood cancer.

SUPPORTING FAMILIES

Our grants help organizations like these advance their efforts.



Alex's Lemonade Stand Foundation's mission is to change the lives of children with cancer through funding impactful research, raising awareness, supporting families, and empowering everyone to help cure childhood cancer.



FLASHES of HOPE

We honor the courage of children with cancer, capture those smiles and forever preserve images of courage, beauty, and dignity.



Beads of Courage provides an arts-in-medicine program that helps kids with cancer and other serious illnesses tell their unique treatment story through colorful beads.



LOLLIPOP brings the joy of going to the movies to children and their families in the hospital, bringing joy, magic, and momentary escape to those who need it most.



COCA-I is strengthening the international community of camps for children with cancer and their families through networking, education, and advocacy. COCA-I member camps proudly serve the needs of over 35,500 campers.



Special Spaces gives a custom bedroom redesign to children with cancer, offering a special space where they can not only sleep, but also play, heal, and spend time away from the challenges of their illness.



Ronald McDonald House keeps families together by providing a place for families to call home so they can stay close by their hospitalized child at little to no cost.



Hopecam virtually connects kids with classmates—all at no cost to the families or schools! These devices also allow families to connect to virtual appointments.



The Team Connor Childhood Cancer Foundation mission is to raise funds for national childhood cancer research programs, to build awareness that less than 4% of the NIH's annual funding supports childhood cancer research, and to support inpatient programs.



EDUCATION: BUILDING PATHWAYS FROM KINDERGARTEN TO EMPLOYMENT

We support quality education for Milwaukee's youth at every level—working to improve their future as well as our community's. In the past 26 years, we've invested more than \$60 million in Milwaukee-area schools to address educational disparities, helping to close the opportunity gap facing talented yet underrepresented students.

Our most recent grants—more than \$3.5 million—assist with pressing needs identified by schools and nonprofit partners, including social and emotional learning (SEL), advanced technology in the classroom, alumni and family support, and a strong curriculum spanning public, charter, and choice schools.

Expanding early childhood options

Research shows that quality preschool education has a long-term effect, especially when combined with support for families. We partner with a range of early childhood organizations to ensure students arrive at school ready to learn and succeed.

OUR PARTNERS



Utilizing collective impact to increase the number of high-quality early childhood education centers.



Early childhood education support for preschoolers in the Metcalfe Park neighborhood.



Early childhood education support for preschoolers in the Amani neighborhood.



Early childhood education support for preschoolers in the Muskego Way neighborhood.



In-home, trauma-informed care for children six and under.

Strengthening the K-12 pipeline

We build on what's working to ensure all children in Milwaukee can progress through school to adult life and contribute to the city's growth. We invest in large-scale initiatives to drive systemic change and smaller, scalable programs for both students and educators. Our partner schools serve a high percentage of economically disadvantaged students. Some partners also provide social and emotional learning (SEL), trauma-informed care, and other mental health programming.

Our K-12 partner schools

The majority of Northwestern Mutual's partner schools serve more than 80 percent economically disadvantaged students, and many serve more than 90 percent. Our K-12 partner schools include:

- Acosta Middle School
- Bruce Guadalupe Community School
- Carmen Schools of Science and Technology
- Cristo Rey Jesuit High School
- Dr. Howard Fuller Collegiate Academy
- Forest Home Avenue School
- Golda Meir Middle and High School
- Hmong American Peace Academy
- Kingdom Prep Lutheran High School
- Milwaukee Academy of Science
- Milwaukee College Prep
- Milwaukee Environmental Sciences Academy
- Notre Dame School of Milwaukee
- Pilgrim Lutheran School
- Prince of Peace School
- Rocketship Public Schools of Milwaukee
- Ronald Reagan High School
- Rufus King International High School
- Stellar Collegiate
- St. Marcus Lutheran School
- Wedgewood Park International School



SPOTLIGHT: DR. HOWARD FULLER COLLEGIATE ACADEMY

Founded in 2004, Dr. Howard Fuller Collegiate Academy is a tuition-free, nonprofit, public charter high school open to all students in Milwaukee. Most of the students will be the first in their families to attend college.

The academy's mission is to enroll its graduates into higher education and produce responsible leaders. Earlier this year, the school launched a \$25 million capital campaign to build a new, state-of-the-art high school in Milwaukee's Bronzeville neighborhood and pave the way for a proposed feeder middle school.

Northwestern Mutual shares the school's goal of increasing the number of quality seats in Milwaukee schools and has donated \$1 million to the capital campaign. We're also providing up to \$2.5 million in bridge loan funding so the school can move forward with construction while continuing to raise dollars. And we've invested in two pilot programs and a high-dosage math tutoring program to support current and future teachers.

Promoting college completion and career success

Our Talent of the Future program with **All-In Milwaukee** offers comprehensive support to limited-income students to ensure they complete college and matriculate into the Milwaukee workforce. We've contributed \$1.1 million of a four-year, \$1.6 million commitment to provide 80 scholarships to a diverse group of first-generation college students, along with internships and future employment opportunities at Northwestern Mutual. Key statistics:

- **92%** of those who started college with All-In Milwaukee remain fully enrolled for 2022
- **82%** achieved a cumulative GPA of 2.5 or better
- **90%** have no student debt thanks to negotiated packages and scholarships

Complementing our partnership with All-In Milwaukee, Northwestern Mutual has committed to a four-year, nearly \$700,000 grant to **Milwaukee Area Technical College**. This program will enroll up to 375 local students at MATC – either post-high school or through dual enrollment – by 2022, with wraparound support that includes dedicated advising and scholarship funding. The grant also covers marketing for IT careers.

And we're sponsors of **Milwaukee School of Engineering's** We Energies STEM Center, the premier STEM destination in Milwaukee for K-12 students and home to MSOE's STEM outreach efforts. The 10,000-square-foot space features a flexible technology studio, design and development lab, machine tooling area, and a FIRST Robotics playing field.

\$60 million+

invested in Milwaukee-area schools
over the last 26 years

Nearly
1,000

students mentored by Northwestern
Mutual employees

25+

leaders and employees active on
partners' boards of education

POST-SECONDARY PARTNERS



MILWAUKEE NEIGHBORHOODS: REVITALIZING COMMUNITIES

To close racial and economic disparities in our communities, [we work directly with residents to advance their objectives](#) and have invested nearly \$15 million since 2013 to foster safe neighborhoods, healthy and thriving youth, and strong families. This year we built on our neighborhood revitalization efforts with \$1.7 million in grants to nearly 30 nonprofit organizations in Milwaukee's Amani, Metcalfe Park, and Muskego Way neighborhoods.

\$1,700,000 in grants to **nearly 30**
nonprofit organizations in Milwaukee



SPOTLIGHT: COLLABORATIVE GRANTS PROGRAM

A new \$240,000 Collaborative Grants program supports six projects that unite partners in common goals (and avoids duplication of effort).

AMANI NEIGHBORHOOD

Critical Home Repair and Training Program, led by Dominican Center with partners Ezekiel Community Development Corporation and Habitat for Humanity, to support apprenticeships.

Resident Leadership Training, led by Safe & Sound with Data You Can Use, Dominican Center, and Wisconsin Voices, for traffic-calming initiatives through civic engagement.

METCALFE PARK NEIGHBORHOOD

Activating Green Spaces, led by Artists Working in Education with Imagine MKE, Jewish Community Center, Metcalfe Park Community Bridges, Milwaukee Repertory Theater, and Running Rebels, to increase safe public green spaces.

Civil Rights Revisited, led by Wisconsin Black Historical Society with Metcalfe Park Community Bridges, Running Rebels, and Wisconsin Voices, to increase civic engagement by educating youth.

MUSKEGO WAY NEIGHBORHOOD

Community Green Lounge, led by Sixteenth Street with Imagine MKE, Milwaukee Christian Center, and Safe & Sound, to transform a vacant lot into a space for café-style community workshops.

Resident-Led Arts and Culture Activations in Green Spaces, led by Imagine MKE with Data You Can Use, Milwaukee Art Museum, Milwaukee Christian Center, Milwaukee Film, Sixteenth Street, and Wisconsin Conservatory of Music, to activate community-led arts and culture programs.

Learn more about our revitalization efforts.

Learn More

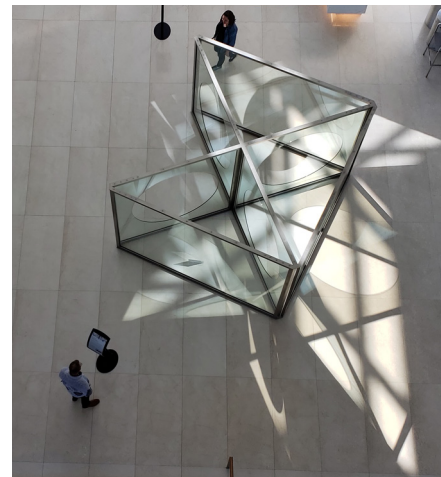
ENRICHING MILWAUKEE'S CULTURAL VITALITY

Through the Northwestern Mutual Foundation, as well as the generosity of our employees, we support cultural attractions that make Milwaukee a great place to live and visit.

Promoting art on our campus and in public

Throughout our Milwaukee headquarters, our Art Program draws on the power of artwork to help create vibrant, innovative, diverse environments and to connect us to each other and to the community. This is complemented by free displays of relevant contemporary artwork in our public indoor and outdoor spaces to enrich and strengthen our community.

For the fifth consecutive year, Northwestern Mutual is also the presenting sponsor of **Sculpture Milwaukee**, transforming downtown Milwaukee with an outdoor exhibition of world-renowned sculpture that serves as a catalyst for community engagement, economic development, and creative placemaking—while making sculpture accessible for everyone to enjoy.



SPOTLIGHTING PREMIER DESTINATIONS



Northwestern Mutual Neighborhood Nights provides free access to the museum on the third Thursday of each month.



Proud sponsor of the educational and popular Crossroads of Civilization exhibit.



Proud to support the Northwestern Mutual Family Farm and Adventure Africa.



Providing additional STEM programming and access to students from the Amani, Metcalfe Park, and Muskego Way neighborhoods.



The "Opening Our Doors" sponsorship includes family nights geared toward residents of Amani, Metcalfe Park, and Muskego Way.



Northwestern Mutual Community Park on the Summerfest grounds offers a play area with inclusive accessibility.



STRONG COMMITMENT TO OUR HOMETOWN

Thanks to all those who pledged, our 2022 United Way campaign exceeded its goal. The funds raised during our campaign will help United Way of Greater Milwaukee & Waukesha County, and United Way of New York City, further extend their impact on health, education, racial equity, and financial stability for every person in our community.

Thanks to the generosity of our employees, we're among the largest corporate donors to the United Way of Greater Milwaukee and the United Performing Arts Fund.

\$ 1,177,312

raised in 2022 for United Way of Greater Milwaukee & Waukesha County, and United Way of New York City

\$ 668,000

raised in 2022 for United Performing Arts Fund





COMMITTING TO INCLUSIVITY AND ADDRESSING RACISM

A diverse and inclusive culture is not optional; our dedication to it is a business priority that affects all we do. Northwestern Mutual has a clear diversity and inclusion roadmap and is committed to specific multi-year initiatives to drive change across our company and communities.

Sustained Action for Racial Equity (SARE) Task Force

Launched in 2020 and chaired by our chief executive officer, SARE is charged with creating meaningful, measurable, strategic change. A diverse group of 80+ leaders across our corporate headquarters and field force of financial advisors focuses on four key areas: creating a culture of belonging, elevating world-class talent, building financial inclusion and Black/African American prosperity, and ensuring marketplace impact and relevance.



The SARE Task Force is focused on actions that help to close the racial wealth gap—both nationally and locally.

SARE DRIVES TOWARD MEASURABLE OUTCOMES

A Culture of Belonging

World-Class Talent

Financial Inclusion and
Black/African American Prosperity

Marketplace Impact
and Relevance

Learn more about our commitment to inclusivity.

[Learn More](#)

SARE DRIVES A WIDE RANGE OF ACTIONS

Impact Investing Fund

Our \$100 million Impact Investing Fund, established in 2021, is delivering on our commitment to advance underserved communities on local and national scales. The fund focuses on three key opportunities: building physical and social infrastructure, increasing access to capital, and creating healthy, sustainable neighborhoods and communities. Twenty Black-owned businesses have received investments through the fund to date.

Investing in Black entrepreneurs

We've invested a total of \$2M in 20 Black entrepreneurs through the Northwestern Mutual Black Founder Accelerator®, which includes a 12-week support program and mentoring by Northwestern Mutual leaders.

Investing in Black-led financial institutions

Our \$5 million investment in two Black-led, Milwaukee-based Community Development Financial Institutions (CDFIs) increases access to capital for Black and African American businesses, fueling small business growth and economic vitality in Milwaukee.

Supplier Diversity initiative

We are developing mutually beneficial relationships with historically underrepresented businesses to strengthen our supply base, provide the best value to our policyowners and clients, and create lasting effects in our communities. This year has been a transformational development year – with greater focus on how we engage Black suppliers, targeting opportunities for spend, and more intensively marketing. In 2022, \$10 million+ in contracts were secured with Black-owned suppliers—a 400% increase over 2021. We've also developed a roadmap toward supply chain ESG reporting, with pilot participants emphasizing sustainability reporting beginning in 2023.

"The NM Black Founder Accelerator was a game-changer for Wellthi. The curriculum was thoughtful and personalized for each startup. Our team got the rare opportunity to learn and co-create with industry leaders at NM, which supported our company's growth through mentorship and capital."

– Fonta Gilliam, CEO, Wellthi



\$2 million+

Invested in **20 Black entrepreneurs**
through the Northwestern Mutual
Black Founder Accelerator

\$5 million

Invested in two Black-led CDFIs

400%

Increase in contracts with
Black-owned suppliers



The Loyola Project

We sponsored a documentary on the 1963 Loyola University Ramblers as they broke racial barriers during the civil rights movement. Through our sponsorship of national and streaming broadcasts, and 100+ college campus screenings and dialogue sessions, more than a million people have seen this incredible story of basketball, race relations, and courage.

Additional SARE actions

- 10 market research studies were conducted with 5,000 Black Americans to gain deeper insights on who we are serving and how to partner in growing generational wealth
- 200 Black employees are connecting with senior leaders in small group roundtables via Project Uplift to increase exchange, visibility, and growth
- 60 Black employees have participated in the McKinsey Leadership Academy, including the Executive Track training
- New photo shoots, with a prominent Black photographer, of Black talent for client collateral ensures authenticity/accuracy of representation
- A new product option, Student Loan Accelerator, has been designed to address financial needs and is currently being tested in pilot markets
- Partnerships with National Urban League, National Black MBA Association, TheTruth Radio (in Milwaukee), and AfroTech increase visibility and connection

MKE Tech Hub Coalition

We helped launch this coalition to establish a diverse and inclusive talent pipeline of tech talent and innovation in the Milwaukee region.



SPOTLIGHT: REVERSE PITCH MKE WINNER

The MKE Tech Hub Coalition's reverse pitch competition poses business challenges from industry leaders, who then choose the winning entrepreneurs. This year Northwestern Mutual selected MoSAYcity as the winner of our challenge to expand relationship-based culture. We believe this startup shows tremendous promise to build tools that help foster a stronger culture of connection in the workplace. MoSAYcity received a \$10,000 cash prize, plus resources to advance their business.

OUR EMPLOYEES AND FINANCIAL PROFESSIONALS GIVE BACK

We enthusiastically support our employees' direct involvement in the causes closest to their hearts:

- Two days paid volunteer time
- Matching Gifts program, a dollar-for-dollar match for charitable gifts made by our people to accredited schools
- Northwestern Mutual Volunteer Program, which supports employee-led mentoring, blood drives, charity initiatives and events, and philanthropic collections
- Our Community Service Awards Program, through which Northwestern Mutual has awarded \$6.3 million since 1995 to nonprofits supported by our financial professionals in their communities across the country

| \$6.3 million+

awarded to nonprofits supported by our professionals in their communities.

| 28,881 hours

of volunteer time contributed by employees.

Putting data to work

The Northwestern Mutual Data Sciences Institute (NMDSI), created with Marquette University and the University of Wisconsin-Milwaukee, supports research, faculty, K-12 learning, pre-college programming, and more. The NMDSI hosted its 6th annual Data Day, "Our Neighborhoods, Our Data." More than 140 attendees discussed using data to solve challenges and help revitalize communities.

TECH FOR GOOD

Our Tech for Good program engages our employees to volunteer alongside nonprofit partners to build tech products "for good" and help close health, education, and racial equity gaps. Projects include helping Milwaukee community centers use CRM tools; building an educational website and interactive games for kids with sickle cell disease; and visualizing clinical training data with Boston Children's Hospital.



REACHING OUT TO STUDENTS

In 2022 our *hi, Tech* outreach team of employees connected with more than 6,500 students to encourage curiosity and excitement around STEM. Learning venues included Girls in STEM Day at Discovery World and Family Fun Days at the Northwestern Mutual Community Park at Summerfest. We also continued our high school minicamp and internship program, which prepares students from partner pipeline schools for careers in tech.



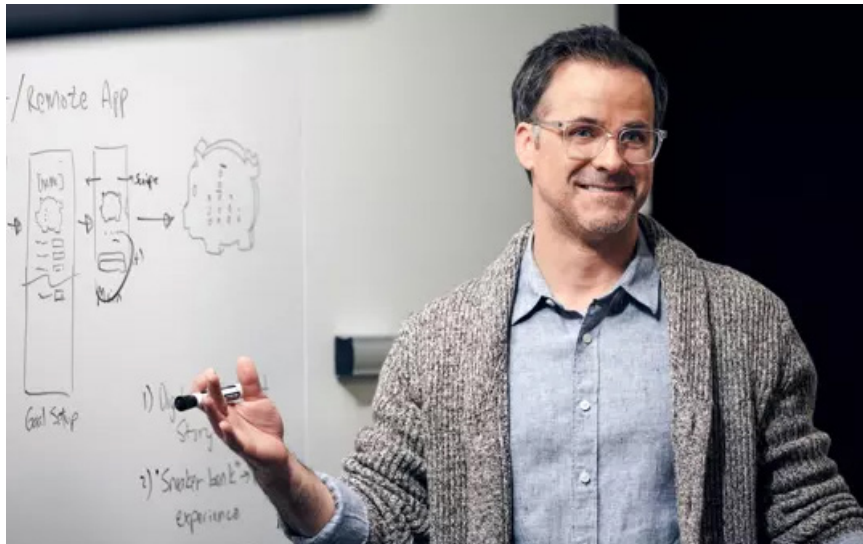


Our Commitment to Corporate Governance

Since 1857, Northwestern Mutual has been in the business of trust. And we earn that trust with an unwavering commitment to ethics, honesty, and compliance. We continue to ensure strong governance, accountability, and oversight structures are in place across our organization—essential support for building a better tomorrow.

GUIDELINES FOR BUSINESS CONDUCT

Everyone, from trustees to managers and employees, is expected to follow our Guidelines for Business Conduct. The Guidelines address and offer guidance on a wide array of ethical issues, including proper use of company funds, potential conflicts of interest (including anti-bribery/corruption policies), fair dealing in company operations (including policies on the use of inside information), reporting requirements and accountability for non-compliance, and disclosure procedures. These guidelines are reviewed and updated from time to time, with changes approved by the Board of Trustees. Employees and trustees affirm the guidelines annually.



Code of Conduct

All new employees take an online course, "Northwestern Mutual's Code of Conduct," covering topics such as gifts and entertainment, privacy, diversity and inclusion, harassment and discrimination, conflicts of interest, insider trading, fair dealing, and issues related to ethics.

Ethics Resource Center

Available to employees, members of the field, vendors, and contract personnel, the center offers a confidential resource to discuss questions or concerns, report possible misconduct, or file a complaint on ethical, legal, or accounting issues at Northwestern Mutual. Individuals can also report these concerns to a member of the leadership team responsible for their department, or to general counsel. Individuals who, in good faith, report any misconduct through these channels will not be dismissed or otherwise retaliated against.

Responsibilities Guide

This interactive online guide identifies key policies and procedures for Northwestern Mutual financial representatives, financial advisors, and wealth management advisors. Additional resources are offered via managing partners, field supervisors, network and district network office leadership, and our corporate headquarters.

Anti-Money Laundering Program

Our employees and our field force of financial advisors are expected to know what money laundering is and the company procedures they need to follow to prevent it. The program includes a guide offering education so that money laundering can be identified, reported, and stopped.

Read our corporate governance document.

Read Now

LEADERS WHO SET THE EXAMPLE

We expect our **leaders** at every level to live Northwestern Mutual's values.

Board of Trustees

As a mutual company, Northwestern Mutual has a Board of Trustees elected by our policyowners, with basic responsibility and ultimate authority on all company matters except with respect to matters reserved to its members. The board elects the chief executive and other senior officers, who are charged with managing the company. We seek to have the board reflect diversity of gender, ethnic background, and geographic origin, with at least one member having a background in ESG/sustainability. The current board includes residents of 11 states, representing all regions of the U.S., four members who identify as African American, two as Hispanic/Latino, and one as Asian American.

The Board of Trustees has elected as its chairperson John E. Schlifske, who also serves as president and chief executive officer of the company. The board believes combining these roles facilitates the flow of information between management and the board, enables better identification of strategic priorities, and facilitates discussion and execution of strategy.

Apart from the chairman, president and chief executive officer, all trustees are independent and not part of company management. The board elects a lead non-management trustee who helps set the board's agenda. This trustee presides at closed sessions of only non-management trustees; is a liaison to whom other non-management trustees may raise issues and topics of interest; and meets regularly with the chairman to discuss these topics. Currently, Benjamin F. Wilson serves in this role. Each standing board committee also has a chair chosen by the full Board of Trustees. The chairman of the board chairs the Executive Committee, while independent trustees currently chair the other board committees.

Compensation linked to client value

As a mutual company, Northwestern Mutual operates in the best long-term interests of our policyowners and clients, seeking steady and sustained growth in client value. Our executive compensation programs are designed to attract and retain high-caliber executives, align their compensation with policyowner interests, and reward top performance that enhances long-term growth.



Policyowners' Examining Committee

Our corporate governance includes a feature unique among U.S. insurers: our Policyowners' Examining Committee (POEC), which includes three to six people appointed each year by the Board of Trustees. Members are current policy or deferred annuity holders or named insureds under one or more insurance policies issued by the company or a subsidiary. They may not be trustees, agents, officers, or other employees of the company or a subsidiary. The POEC generally meets in person twice a year at our Milwaukee headquarters, meeting extensively with senior management and other leaders. They are invited to look at all aspects of Northwestern Mutual's operations, management, and strategic plan through an unrestricted and independent lens; evaluate our efforts to meet policyowners' long-term needs; and suggest improvements. The results of their review are published each year in the [Northwestern Mutual Annual Report](#). The committee's report is also shared with the Board of Trustees, and the committee chair meets with the board to discuss findings and recommendations.

SAFEGUARDING YOUR ASSETS, PRIVACY, AND DATA

Responsibility for privacy and data security at Northwestern Mutual starts with our executives and extends to protecting information at all levels. Our multi-layered approach includes cybersecurity, administrative and physical controls, and internal and external auditors who regularly review and assess our information technology systems and operations.

Learn more about how we protect the information entrusted to us.

- [Privacy pledges](#)
- [Information security safeguards](#)

Corporate policy regarding confidential information

Each year, employees are required to acknowledge that they have read and understand this policy, which lays out what constitutes confidential information and employees' responsibility to protect it.

Data ethics principles

As part of our data governance strategy, we've detailed principles covering fair and ethical collection and use of data, including personal information; accountability for following data retention policies; legal compliance; transparency on what user data is captured and the intentions for use; and secure, safe, and robust data practices.

IT security education

This year we introduced a quarterly scorecard to show home office employees and contractors their individual performance on security behaviors that help keep our company and client data protected—such as identifying and reporting email phishing simulations—as well as progress on completing assigned security education training. The scorecard gives a clear snapshot of individual and company performance on security education and includes links to IT security training courses.



RECOGNITION AND AWARDS

- **Best InsurTech Solution** - 2022 FinTech Breakthrough Awards, for our proprietary financial planning platform – the only tool on the market today that combines risk and investment solutions.



Our Commitment to Responsible Investment and the Environment

Northwestern Mutual demonstrates that we are stewards of the environment through our actions and our investments.

PROMOTING SUSTAINABILITY THROUGH ACTION

We're working to operate our offices and facilities with maximum energy efficiency and to reduce onsite waste. In 2022 we established a baseline carbon footprint consistent with Greenhouse Gas Protocol and filed our first Task Force on Climate-Related Financial Disclosures (TCFD) report.

Sustainable facilities

We currently have more than 3.5 million square feet of corporate office space across three campuses. Each meets benchmarks for green building design and construction, including extensive use of recycled building materials, reduced water consumption, and improved energy efficiency. Each campus also uses advanced building management systems (BMS) to promote energy efficiency and reduce emissions. We're pursuing WELL certification for our New York campus and proudly maintain the following Leadership in Energy and Environmental Design (LEED) certifications:

- Milwaukee Tower & Commons: LEED Gold
- Van Buren building: LEED Gold
- Franklin campus: LEED Silver

Recent or upcoming sustainability improvements:

- Adding electric vehicle charging stations to our downtown Milwaukee structure
- Replacing Tower & Commons lights with more efficient LED lights
- Added ionization bars to all air handling units to improve air quality and conserve energy
- Added ultraviolet germicidal irradiation technology to the air handling units in Milwaukee and Franklin health clinics to improve air quality
- Using new software to reduce physical camera counts and associated electricity use
- Using more virtual machines and servers to reduce the environmental impact of physical units



**Milwaukee Tower & Commons:
LEED Gold**



**Van Buren Building:
LEED Gold**



**Franklin Campus:
LEED Silver**



**New York Campus:
Designed to WELL standards**

Paper and waste management

We continue working to reduce client paper communications. Our dedicated team found that a significant portion of the paper forms and the data we ask clients for could be shifted to digital options.

Reducing our paper use cut related CO₂ emissions by **47%**—the equivalent of removing **670 vehicles** from the road.

We also engage employees in continually decreasing the waste going to landfills. Currently, we recycle:

- Batteries
- Steel
- Cardboard
- Pens
- Paper
- Eyeglasses
- Glass
- Monitors
- Plastic
- Computers
- Aluminum
- Light bulbs

Climate risk stakeholders group

We've established a team to identify emerging expectations and data sources and coordinate assessment and prioritization of climate-related risks. This team assists the Enterprise Risk Management team in determining how climate-related considerations can be integrated into operations, strategic planning, and reporting, and monitors climate and other regulatory initiatives.



POWERING CHANGE THROUGH CONSCIENTIOUS INVESTMENTS

We seek to invest at least 5% of general account assets in socially and environmentally responsible investments without compromising return objectives. Such investments this year exceeded \$22 billion. It's good for business—and the right thing to do.

A longstanding commitment

While our core value of mutuality has always aligned with socially responsible investing, our formal focus began in earnest in 2003. Today we include such investments in all general account investment areas. In particular we focus on:

- Green investments that support or are sensitive to the environment, including public and private corporate and sovereign green, social, sustainable, and sustainability linked-bonds and loans linked to renewable and alternative energy projects, projects qualifying for Commercial Property Assessed Clean Energy (C-PACE) financing, real estate investments that meet nationally recognized sustainable building and occupant wellness standards, and projects that invest in cleaning up state and federal environmentally contaminated sites.
- Socio-economic investments that promote goals such as affordable housing, healthcare access, economic development through education and social infrastructure projects in underdeveloped areas, and success for women- or minority-owned businesses.
- Impact Investing Fund investments that generate social benefits, such as deploying capital to underserved Black and African American communities and businesses, looking to enhance capital access, physical or social infrastructure, or underserved neighborhoods.

We believe that proactively integrating such considerations into our investment process improves our ability to deliver significant long-term value for our policyowners and clients while effectively managing risk in our general account. We continue to expand the range of ESG factors as appropriate in the general account and as consistent with our commitment to policyowner returns.



Learn more about responsible investing.

[Learn More](#)

Sustainable real estate

As one of the nation's largest real estate investors, we look for environmentally friendly opportunities. Keystone Trade Center is a joint venture formed in late 2020 between Northwestern Mutual and North Point to develop 1,800 acres of land for warehouse and logistical use on the site of a former U.S. Steel complex in Fairless Hills, PA.

The site opened in 1952 and included a steel mill, coal-based fuel production plant, steel making and forging operations, a powerhouse, and chemical plant. By the 1970s, more than 5,000 people worked at the site. As the years wore on, U.S. Steel significantly reduced the scale of its operations and in 2001 closed the majority of the site. By 2009, about 100 U.S. Steel employees worked at the facility, and the company continued demolishing unused buildings.

Historic site operations resulted in various environmental impairments to the property, although as of 2020, U.S. Steel had remediated and received its Release of Liability (ROL) for 70% of the property via the EPA One Cleanup Program and the Pennsylvania Department of Environmental Protection (PADEP) Act 2 Program.

Northwestern Mutual and North Point are responsible for cleanup of the remaining 30% of the property, including borrow pit cleanup, soil remediation, and protective capping. The total development has potential for 10-15 million square feet of new warehousing and logistics buildings, with the potential to add 5,000 to 10,000 jobs.

Affordable housing

Our general account has nearly \$3 billion in investments that advance affordable housing for low- and middle-income families; we invest in mortgages, mortgage-backed securities, and related funds. One recent investment example: a fund supporting development of 31 properties across 31 states, which created 3,000 affordable housing units. Northwestern Mutual today has ownership interests in more than 2,200 properties—nearly 150,000 units—to support affordable housing developments across the United States.



Renewable energy

Northwestern Mutual is engaged with some of the most reputable solar energy sponsors in the United States, participating in tax equity investments that deliver benefits such as long-term job opportunities and affordable clean energy to surrounding communities. The carbon offset of one such portfolio (utility-scale solar and distributed residential generation assets spanning 21 states) is estimated to be 5.1 million metric tons of carbon dioxide per year*—equivalent to nearly one million homes' energy use for one year, or 500 million gallons of diesel saved. Projects undergo rigorous certification to ensure they don't disturb local habitat and species. And these investments boast effective DE&I leadership and representation, with an aggregate 28% female and 45% BIPOC board concentration.

*Based on the EPA Calculator. All facts and figures are based on the projected life of Northwestern Mutual's investments.



Our Commitment to Our People

As firm believers in the power of diversity, we are committed to providing a respectful environment where everyone can be themselves—so that they can be their best.

CREATING A CULTURE OF EQUITY AND RESPECT

The experiences, perspectives, and creativity of a diverse workforce are essential to delivering innovative financial solutions. That's why we're committed to creating an unrivaled culture of inclusion and respect—and supporting inclusion in our partner businesses, suppliers, and communities.

Employee Resource Groups (ERGs)

ERGs are a valuable resource to help company leaders and employees develop and enhance a diverse and inclusive mindset and workplace, as well as develop and apply best practices regarding diversity and inclusion. ERGs also advance the company's business goals, enhance members' individual development by providing opportunities for personal and professional enrichment, and increase D&I awareness throughout the community. These award-winning voluntary groups are formed through commonalities of ethnicity/race, ability, nationality, generation, military/veteran status, gender identity, and sexual orientation. They include:

- African American
- Asian
- disABILITY Alliance
- Generations
- Hispanic
- Military Veterans
- PRIDE (LGBTQ+)
- Women

Field Advisory Committees

These committees – African American, Asian, Hispanic, LGBTQ+ and Military Veterans – provide guidance on retention, professional development, and other field-facing activities.



“At Northwestern Mutual, creating an unrivaled culture of belonging means enabling each of us to do our best work and feel seen, heard and valued. This commitment to diversity and inclusion is woven throughout the whole of our business—and we collectively work to deliver the opportunities and support that bring it to fruition.”

– Ron Adams, Vice President, Field Diversity & Inclusion

– Amy Hanneman, Vice President, Diversity & Inclusion

Learn more about our diversity and inclusion commitment.

[Learn More](#)



Diversity and Inclusion (D&I) Councils, made up of employees and advisors across our company, provide daily support to our people and business. Nearly 100 such councils across our corporate and field offices provide insights into our recruitment and retention, education, and community engagement efforts.

Project Uplift increases visibility, exchange and growth between diverse employees and senior leaders. In this year-long program, participants join in small group roundtables with a leader for a few months, and then rotate to a new leader to expand their experiences. The program began with 100 Black/African American men and was expanded in 2022 to a new cohort of 100 Black/African American women and another of 100 Hispanic/Latinx women.



The program has achieved great results with expanded networks, personal growth and talent movement across the home office.

"I would describe Project Uplift as an opportunity for employees across the company to learn a lot about each other. I'm meeting new people that I likely wouldn't have met otherwise. More important, we learn from our senior leaders. It's a touchpoint to humanize those executives that lead the company, and you get to hear unique stories and experiences and learnings that you can apply and share with others."

– Leonard Green, Vice President of Customer Success (Field Tech)

Multicultural and Women's Affinity Summits

With inspiring speakers, meaningful learning experiences and ample networking, our Multicultural Affinity Summit brings together people of color in financial representative and field leadership roles in powerful ways to build community, confidence, and conviction. Our Women's Affinity Summit is open to women across all field roles. In 2022, each summit drew about 500 attendees.

Elevating women as leaders, advisors, and clients

There have always been meaningful efforts to support and develop women in the company, in our field force, and in the marketplace. But prior to 2019, those efforts were often independent of each other and incremental. Our Women's Initiative was created in 2019 to both elevate and bring a systemic focus across the home office, field, and marketplace with the goal of making Northwestern Mutual the choice for women to join, stay, and grow. Focus areas include:

- **Equitable access to opportunity** through intentional recruitment, objective assessments, coaching and support, and talent development.
- **Culture of accountability and belonging** through D&I education, people leader diversity and inclusion goals, affinity spaces, and storytelling.
- **The power to make decisions** through career pathing and sponsorship, increased influence, and leadership development.
- **Marketplace impact and relevance** through market research, gender-focused campaigns, media partnerships, competitive benefits, and experience.

More than a dozen programs have been added to advance these goals.



PEOPLE OF COLOR:

| 29%

Across our corporate offices, **POC represent 29% of our total population**, the highest percentage in company history.

| 32%

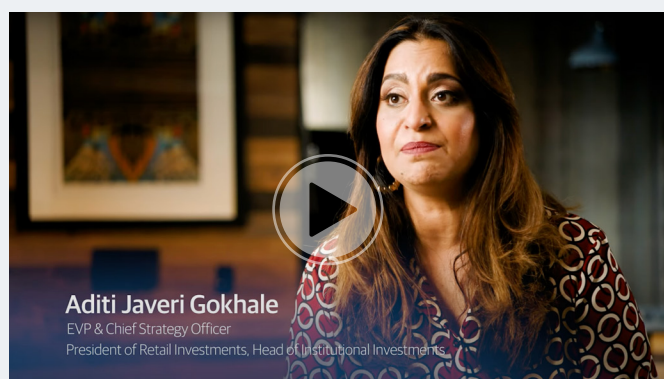
In the field, **32% of recruits** in 2022 were POC.

Bringing women and allies together

Several groups work together as part of the Women's Initiative Strategic Ecosystem (WISE) to advance our Women's Initiative. These groups include our Women's ERG, Women in Technology, VIBE (Visible Intentional Black Excellence—a grassroots group of 200 Black women that sits under the umbrella of the African American ERG), Male Allies, and more. In September, the collective hosted the first-ever WISE Women's Summit, drawing more than 1,400 women and allies from the corporate office. In a survey of attendees, 95% of respondents said it offered actionable takeaways, and 95% said they left inspired.

The Women's Field Association (WFA) is the first of its kind in the industry. With 2,500+ women and allies, the WFA serves as a magnet for attracting and developing women in financial services.

With our clients we have enhanced awareness, deepened experiences, and engaged women in culturally relevant ways through multiple channels, including social media campaigns. By storytelling through clients, advisors, and influencers, we're breaking down barriers and driving leads to reach as many women as we do men in our advertising and through our website.



One-on-one coaching and assessment in our corporate offices is designed to accelerate the growth and advancement of women.



WOMEN:

49%

Across our corporate offices, **women represent 49% of our total population.** We're hiring more women and improving our retention rates. Promotion rates are nearly 50/50 women to men.

24%

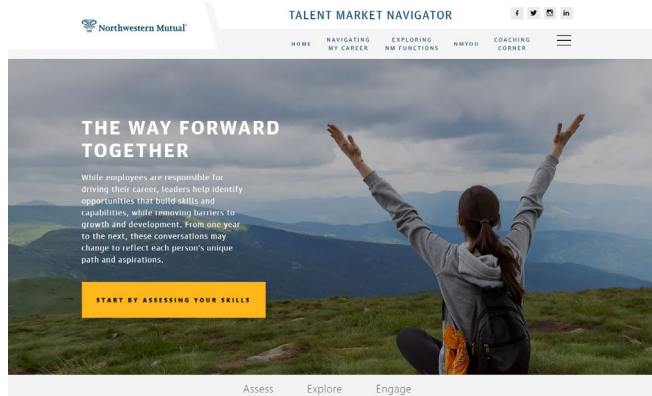
In the field force of financial advisors, **24% of recruits** in 2022 were women.

Learn more about careers at Northwestern Mutual.

Learn More

HELPING EMPLOYEES DEVELOP THEIR FULL POTENTIAL

At Northwestern Mutual, we're committed to empowering our teams and the individuals who make up those teams. Here are just a few of the ways we invest in our people.



Talent Market Navigator

Our Talent Market Navigator, an online hub launched across our corporate office, helps employees better plan their career path, highlight skills and experiences, and work more closely with their manager to identify and make the most of development opportunities.

Leading at NM

In six-month cohorts, Leading at NM builds the mindsets, skills, and habits leaders need to succeed. New leaders can also build a peer support network. Participants learn to create an engaging work environment, welcome diversity and ensure inclusion and belonging, expect and enable high performance, and grow and develop talent.

McKinsey Leadership Academy

This six-month program, in partnership with McKinsey, is designed to accelerate the elevation of diverse talent. Over 150 employees, including cohorts of Black/African American, Hispanic/Latinx and Asian/Pacific Islanders, are involved in the program.



Educational Assistance Program

Northwestern Mutual offers tuition reimbursement for approved classes at all accredited US colleges and universities.

Revel in Tech

This internal event provides two days for collaboration and connection across our technology employees. Special attention is focused on ensuring diverse representation of speakers and includes activities with our ERGs.

NMYOU

Following a new university model with various "schools," NMYOU offers experiences, exposure, and education to support employees' continuous development. Resources are offered on internal and external platforms, including Northwestern Mutual's learning management system, Gartner, getAbstract, and LinkedIn Learning.





Women in Tech/WIT Squad

This community of women in technology and allies at Northwestern Mutual is raising awareness of the contributions of women technologists, growing opportunities for women in tech across the company, and fostering a more inclusive culture. This group hosts the WIT Squad, a six-month peer-to-peer mentoring and development program. Participants report an increase in feeling like they belong in tech, and 22% of graduates have been promoted or taken on expanded responsibilities. Nearly 200 women have gone through the program.

Women in Tech conference

This virtual conference, created and sponsored by the Women in Tech group at Northwestern Mutual, gathers women technologists and their allies from across the country for a full-day virtual event in December focused on professional development, empowerment, and collaboration. This year's event hosted 5,000+ attendees from 850+ companies worldwide.



AMPLIFYING POSSIBILITIES – Advocating for an inclusive workplace is one of Sandi's passions.



NOTHING BASIC ABOUT OUR BENEFITS

Northwestern Mutual's Total Rewards – including our retirement benefits – rank in the top quartile for Fortune 100 companies in terms of overall value. It adds up to an employee experience like no other:

- Competitive pay with performance-based incentives
- Medical, dental, and vision insurance
- Wellness and health management program and resources
- Life insurance, survivor, and disability protection
- 401(k) employee savings plan and employee retirement plan
- Flexible paid time off
- Parental and caregiver leave programs
- Career development and training resources
- On-site medical centers
- Fitness centers

| 92%

My manager values diverse perspectives
and an inclusive environment

| 84%

I feel like NM is making progress
in diversity and inclusion

We conduct quarterly employee surveys to monitor satisfaction as well as clarity on our business strategy. In our corporate office, the overall engagement index score is 84 out of 100. In addition, 92% of respondents agreed their manager values diverse perspectives and an inclusive environment.

In our field's culture survey, more than 80% of respondents agreed that their leader actively supports the organization's diversity and inclusion initiative and that people treat each other with trust and mutual respect.

OUR DIVERSITY IS RECOGNIZED

We believe diversity also leads to business advantages. Here's what others have to say about us.

Forbes' Best Employers for Diversity
(2018-2022)

**Best Place to Work for
LGBTQ Equality**
(100% score, Human Rights Campaign
Corporate Equality Index, 2015 - 2022)

**Best Place to Work for
Disability Inclusion**
(100% score, Disability Equality Index,
2019-2022)

Top 100 Companies for Diversity
(Diversity Best Practices, 2020)

**Employee Resource Groups Ranked
Top 25 in Nation**
(2021, 2022, Assoc. of ERGs & Councils)

Great Place to Work
(Great Places to Work, 2021)

**Top 50 Companies for Multicultural
Women in Leadership**
(Seramount, 2021)

John Schlifske, CEO of the Year
(National Diversity Council, 2021)

**Top 50 Best-of-the-Best Corporations
for Inclusion**
National Business Inclusion
Consortium 2022

Culture of Respect eLearning Modules
Brandon Hall Group Excellence Awards
(2020 - 2021)

Diversity & Inclusion Award Winner
US Fintech Awards

**Winner Economic
Empowerment Category**
Social Innovation Summit

Best Companies for Dads
(Seramount, 2021)

Appendix

Northwestern Mutual Corporate Governance

(as of June 1, 2021)

Introduction

The Northwestern Mutual Life Insurance Company (Northwestern Mutual) is a mutual insurance company incorporated by an Act of the Wisconsin legislature in 1857. The company and its subsidiaries offer a broad range of financial products and services, including life insurance, disability insurance, annuities, long term care insurance, investment products, and advisory products and services. As a mutual insurance company, Northwestern Mutual has no shareholders but rather is operated and managed for the benefit of its policyowners. The Board of Trustees of Northwestern Mutual is responsible for oversight of the management of the business and affairs of the company. The Board of Trustees currently consists of 15 policyowners of which only one, the Chairman, President and Chief Executive Officer, is an officer or employee of company.

Northwestern Mutual is the parent company of two other insurers, both of which are Wisconsin stock insurance companies. Northwestern Long Term Care Insurance Company (NLTC) offers long-term care insurance through Northwestern Mutual's dedicated but independent group of financial representatives located in offices nationwide. Wysh Life and Health Insurance Company (Wysh), f/k/a Greenhouse Life Insurance Company, was acquired by Northwestern Mutual in April 2021.

Northwestern Mutual's other non-insurance operating subsidiaries include Northwestern Mutual Investment Services, LLC, an introducing broker-dealer and investment advisor registered with the U.S. Securities and Exchange Commission (SEC), Northwestern Mutual Wealth Management Company, a limited purpose federal savings bank, two SEC-registered, institutional investment advisors, Mason Street Advisors, LLC, and Northwestern Mutual Investment Management Company, LLC. Certain of the company's investments are held within a number of wholly-owned investment holding companies. Each of Northwestern Mutual's subsidiaries are controlled, directly or indirectly, by Northwestern Mutual, with each subsidiary either having a board of directors or other governing body, a majority of whose members are Northwestern Mutual officers or employees, or through Northwestern Mutual officers having the authority to act on behalf of such subsidiary.

For purposes of the Insurance Holding Company System Regulatory Act, Chapt. 617 Wis. Stats., Northwestern Mutual is the ultimate controlling person in the insurance holding company system.

This overview primarily describes the governance activities at Northwestern Mutual. As the ultimate controlling person in the insurance group, ultimate responsibility for the governance of Northwestern Mutual and its subsidiaries resides with Northwestern Mutual's Board of Trustees. The Northwestern Mutual Board of Trustees is, with one exception, the only board of directors or governing committee within the enterprise, a majority

of which is comprised of independent members who are neither officers nor employees of Northwestern Mutual or one of its subsidiaries.¹

The earnings, capital, liquidity, operations, and reputation of the insurance group are generally overseen collectively, and the supervision of those factors is coordinated and exercised by Northwestern Mutual through its officers, employees, and ultimately, its Board of Trustees. The enterprise risk management program for the insurance group is overseen and managed by Northwestern Mutual officers and employees, and a committee of the Board is responsible for reviewing the enterprise risk management program and establishing the insurance group's risk appetite.

The requirements and standards for corporate governance at Northwestern Mutual are spelled out in four principal documents. They are the Company's Restated Articles of Incorporation, the Company's By-Laws, the Corporate Governance Guidelines adopted by the Board of Trustees, and the Charters and Delegations of the Board's Standing Committees.

Northwestern Mutual's Board of Trustees

As a Wisconsin mutual insurance corporation, Northwestern Mutual's Board of Trustees has basic responsibility and ultimate authority on all company matters, except with respect to matters reserved to its members. The Board elects the Chief Executive Officer and the other principal officers of the company, who are charged with managing the company.

¹ The Northwestern Mutual Series Fund, Inc. is an open-end investment company registered under the Investment Company Act of 1940, as amended. As a registered investment company, it is required to have a board of directors, a majority of whom are independent. The company is used as an investment vehicle for Northwestern Mutual's variable life insurance and annuity products.

Northwestern Mutual's Board of Trustees is comprised of experienced business executives and professionals with a wide range of skills and from a variety of industries.

Board Function and Structure. The primary function of the Board is one of oversight; it defines and oversees compliance with standards of accountability and monitors the effectiveness of management's policies and actions in such a way as to enable management to execute its responsibilities fully and in the interests of the company's members.

Consistent with this division of authority, the primary responsibilities of the Board of Trustees and its committees include:

- A. Overseeing the conduct of the company's business to determine whether it is being effectively managed, including through regular meetings of the outside trustees without management present; evaluating the performance of the company and its senior management; and selecting, regularly evaluating, and fixing the compensation of the Chief Executive Officer and the other principal officers as it deems appropriate;
- B. Monitoring fundamental operating, financial, and corporate strategies, as well as major plans and transactions;
- C. Providing advice and counsel to the Chief Executive Officer and other executive management of the company;

D. Overseeing management in an effort to ensure that the assets of the company are safeguarded through the maintenance of appropriate accounting, financial, and other controls, and that the business of the company is conducted in compliance with applicable laws and regulations and the highest ethical standards;

E. Evaluating the overall effectiveness of the Board of Trustees, as well as selecting and recommending to members qualified candidates for election to the Board; and

F. In accordance with the By-laws, annually electing the members of the Examining Committee, whose purpose is to inquire into the general policies, operations, and management of the company, and receiving and reviewing its report.

Much of the work of the Board is done by its committees. The standing committees of the Board are currently the Audit Committee, Distribution and Technology Committee, Executive Committee, Finance Committee, and Human Resources, Nominating and Corporate Governance Committee. The Board has the authority to establish additional committees as it deems necessary. The powers and duties of the committees are set forth in the By-laws or in written charters or delegations of authority adopted by the Board. Each committee is responsible for periodically reviewing its charter/delegation of authority. The Human Resources, Nominating and Corporate Governance Committee is responsible for reviewing proposed revisions to the committee charters/delegations of authority and recommending changes for adoption by the Board.

The Human Resources, Nominating and Corporate Governance Committee, after consultation with the Chief Executive Officer and consideration of the desires of individual Board members, recommends to the Board assignment of trustees to the standing committees and designation of chairs of the committees other than the Executive committee. In accordance with the By-laws, the Chief Executive Officer serves as chair of the Executive Committee. The chairpersons of the other standing committees must be non-management trustees.

Board Size. The Board has authority under the By-laws to set its size within the range of 9 to 20 members. The Human Resources, Nominating and Corporate Governance Committee is charged with reviewing and recommending any changes in Board size to the Board. The Board of Trustees currently consists of 15 members.

The four standing committees that meet on a regular basis are generally nearly equal in size. The Audit Committee and the Human Resources, Nominating and Corporate Governance Committee generally meet at the same time, while the Distribution and Technology Committee and the Finance Committee generally meet concurrently. Consequently, trustees are generally assigned to one of each of the two committees which meet at the same time subject to qualification requirements. The Executive Committee is currently comprised of six trustees, the Chairman of the Board, the Lead Non-management Trustee, and the chairs of each of the Audit, Distribution and Technology, Finance and Human Resources, Nominating and Corporate Governance Committees. The Executive Committee is generally authorized to exercise all of the powers of the Board (subject to certain exceptions) when the Board is not in session and is usually called to

meet between scheduled Board meetings when time warrants or necessitates more immediate action.

Board Leadership. The Board of Trustees has elected John E. Schlifske as its Chairman. Mr. Schlifske also serves as the President and Chief Executive Officer of the company. As Chairman of the Board, he presides at meetings of the Board as well as at meetings of the members.

Recognizing the critical role that independent trustees play in corporate governance, the Board of Trustees has also elected a Lead Non-management Trustee (i.e., a trustee who is not and never has been a member of management). Benjamin F. Wilson currently serves in this role. The Lead Non-management Trustee generally presides at closed sessions of the Board at which only non-management trustees are present and serves as a liaison with whom other non-management trustees may raise issues and suggest topics of potential Board-wide interest. The Lead Non-management Trustee meets regularly with the Chairman to discuss these issues and topics and helps establish the Board's agenda.

Each of the standing Board committees also has a chair, who is chosen by the full Board of Trustees. The Chairman of the Board chairs the Executive Committee, while independent trustees currently chair the other Board committees.

Board Policies & Practices

Independence. Under the Corporate Governance Guidelines, independent trustees are required to constitute a majority of the Board of Trustees. In addition, the By-laws provide that except for the Chairman of the Board, the President and two other principal officers, no trustee may be an officer, other employee, or agent of the

company. At this time, only one of the 15 members of the Board of Trustees is an officer and employee of the company, Chairman of the Board, President, and Chief Executive Officer John E. Schlifske. None of the trustees are agents of the company, nor are any officers or employees of any of the company's subsidiaries. A retiring Chief Executive Officer of the company may continue to serve on the Board following retirement as an officer of the company, while any other officers are required to resign from the Board upon their retirement from the company.

Under their respective committee charters and the Corporate Governance Guidelines, both the Audit Committee and Human Resources, Nominating and Corporate Governance Committee are required to be comprised entirely of independent trustees.

The stock exchanges and self-regulatory organizations have adopted rules for determining independence of Board members. Such rules are not specifically applicable to Northwestern Mutual's Board because it is not a listed company. However, the Board has chosen to apply these rules in determining independence of Audit Committee and Human Resources, Nominating and Corporate Governance Committee members, and these rules help inform and provide guidance to the Board when it considers issues of independence.

Each year at the Board's annual meeting, based on the recommendation of the Human Resources, Nominating and Corporate Governance Committee, the Board of Trustees appoints members of the various Board committees for the next year. The resolution adopted by the Board making the appointments includes a

determination that the nominees for the Audit and Human Resources, Nominating and Corporate Governance Committees meet applicable independence standards. The Human Resources, Nominating and Corporate Governance Committee examines the information derived from disclosure questionnaires which each trustee completes on an annual basis listing their various business activities and affiliations and from other sources with the assistance of counsel prior to making its recommendations on committee membership to the full Board.

Meetings. The Board generally schedules five meetings annually. Other than one meeting held in September each year, the Board meetings generally consist of a one- to two- hour session late in the afternoon on Tuesday, and a half-day session which takes place on Wednesday morning.

The September meeting is longer, convening for a full afternoon session on Monday followed by a full morning session on Tuesday before adjourning mid-afternoon. That meeting is primarily focused on a more in-depth look at the company's strategy and the environment in which the company operates.

Meetings of each of the Board's committees, other than the Executive Committee, are generally held on the first day of the scheduled Board meetings. The Executive Committee meets on an as-needed basis when called.

The company's Annual Meeting of Members is generally held on the first or second Wednesday in June at the company's Home Office, and all of the continuing trustees as well as those nominated for election generally attend. Since 2020, the Annual Meeting has been held at the Home Office in accordance with past practice, but in light of health and

safety concerns, the company offered members the opportunity to watch the meeting via livestream.

Attendance. The Corporate Governance Guidelines provide that trustees are expected to attend the meetings of the Board and of the Committee(s) on which they serve and to spend the time needed to properly discharge their responsibilities.

Attendance by trustees has been historically strong, and absences by trustees from Board and committee meetings have been relatively infrequent given the size of the Board. The Board has adopted a policy whereby any trustee who fails to attend at least two-thirds ($\frac{2}{3}$) of the meetings of the Board or two-thirds ($\frac{2}{3}$) of the meetings of any Committees to which he or she is assigned in any calendar year is deemed to have tendered his or her resignation from the Board, providing the Human Resources, Nominating and Corporate Governance Committee and the Board an opportunity to review the continued appropriateness of Board membership.

Selection of Trustees. Northwestern Mutual believes it is important that Board members be persons of high character and integrity who are committed to protecting and promoting the interests of the company's core constituency – its policyowners. Diversity of thought, as well as gender, ethnic background, geographic origin, ability and other aspects of diversity, are important considerations in assessing the overall make-up of the Board; the Board is committed to seeking out outstanding candidates who reflect the characteristics of policyowners the company aims to serve. In accordance with the By-laws, trustees must be members of the company, be

United States citizens, be not less than 25 nor more than 72 years of age, and not have any relationship that would create a conflict of interest or impair independence of judgment regarding the company's affairs contrary to the *Guidelines for Business Conduct*.

The Human Resources, Nominating and Corporate Governance Committee is responsible for reviewing and reporting to the full Board of Trustees on the process, guidelines, and qualifications considered desirable in connection with selection of new candidates for the Board, and identifying and recommending to the Board candidates for election at the Annual Meeting of Members and for appointment to fill an interim vacancy on the Board. The Committee reviews and assesses the mix of expertise and experience of the Board in the context of its current membership and seeks to ensure that the right combination of talents, skills, and characteristics needed to maintain an effective Board are possessed by the members of the Board.

Historically, the majority of individuals nominated and elected to the Board of Trustees have first served on the Policyowners' Examining Committee (POEC), described in greater detail below. This affords members of the Board and management the opportunity to become acquainted with, and carefully consider the talents, skills and characteristics of potential Board candidates before they are formally nominated for trustee positions. Service on the POEC also allows those persons serving to thoughtfully consider their interest in serving on the Board of Trustees, and to gain an understanding of Northwestern Mutual's business model, operations, and financial

condition prior to joining the Board, which significantly eases the trustee's orientation process at the beginning of their tenure.

Limitations on Board Service. Trustees' terms are four years. Balancing the need for institutional memory with the desire for flexibility to bring in different expertise as the company's business needs change, the Board of Trustees has established term limits for trustees. Tenure on the Board is limited to three consecutive four-year terms plus any stub period during which the trustee fills out the remaining portion of an unexpired term.

The Board has also adopted a mandatory retirement policy pursuant to which (a) a trustee who is a member of management (other than the Chief Executive Officer) must retire from the Board at the same time he or she ceases to serve as a principal officer of the company, and (b) other trustees must retire at the Annual Meeting of Members following attainment of age 72.

In addition, any trustee whose principal occupation or employment changes from what was the case when most recently elected to the Board is required to volunteer to resign from the Board, providing the Human Resources, Nominating and Corporate Governance Committee and the Board an opportunity to review the continued appropriateness of Board membership under the circumstances.

Election of Trustees. Trustees' four-year terms are staggered so that the terms of several offices expire each year. Vacancies that arise because of expired terms or for other reasons such as retirements or resignations are filled

by the policyowners at the Annual Meeting of Members. Vacancies may be filled by the Board temporarily, but any trustee elected by the Board to fill a vacancy must stand for election at the next Annual Meeting of Members, or the second Annual Meeting if his or her election by the Board occurs between January 1 and the next Annual Meeting.

The Board, upon the recommendation of the Human Resources, Nominating and Corporate Governance Committee, proposes for nomination a slate of candidates for election at the Annual Meeting of Members. Notice of the meeting, proxy statements, and proxies are sent to policyowners in advance of the meeting, along with a copy of the company's annual report. Independent candidates may be nominated by policyowners who attend the meeting in person or by proxy.

Voting at meetings of members, including voting by holders of proxies, is conducted by written ballot. Members are permitted to submit their proxies by mail, by telephone, or electronically via the internet. Based on the tabulation of proxies received, ballots are prepared and executed by appointed proxies for voting at the Annual Meeting. The votes of the company's members, including those voted by proxy, are tabulated under the supervision of voting inspectors. The voting inspectors, generally three individual policyowners, are appointed by the Human Resources, Nominating and Corporate Governance Committee.

Board Diversity: Northwestern Mutual values diversity and inclusion and sees it as a business advantage. While the company does not have a formal policy regarding Board diversity, the Corporate Governance Guidelines do expressly state that "Diversity of thought, as well as of gender, ethnic background, geographic origin, ability and other aspects of diversity are important considerations in

assessing the overall make-up the Board; the Board is committed to seeking out outstanding candidates who reflect the characteristics of policyowners the company aims to serve."

Northwestern Mutual is proud of its record with regard to the diversity of its Board of Trustees. Since 2015, 11 new members have been elected to the Board, four of whom are women and seven of whom are people of color. The current Board includes residents of 11 states, representing all regions of the U.S., four members who identify as African-American, two as Hispanic/Latino, and one as Asian-American.

Performance Evaluation. The Human Resources, Nominating and Corporate Governance Committee is responsible for initiating and overseeing periodic Board self-evaluation processes to assess the performance of the Board, its committees and its members. Evaluations are generally conducted every other year. The purpose of the assessments is to increase the effectiveness of the Board, its committees, and its members. The results of evaluations and surveys which concern the full Board and its committees are shared with the full Board, together with any suggestions for improvement, while individual assessments of any trustee's performance, together with suggestions for improvement, are discussed with the affected trustee by the Chairman of the Board and the Lead Non-management Trustee.

Northwestern Mutual's Senior Leadership

Overview and Management Structure. The Board of Trustees elects the principal officers of the company and prescribes the powers and duties of such principal officers within the company. Under its charter, the Human Resources, Nominating and Corporate Governance

Committee recommends to the Board principal officer appointments and changes to the company's organizational structure. The principal officers include the Chief Executive Officer along with those senior members of management who directly report to the Chief Executive Officer and manage a functional area of the company.

The Chief Executive Officer and the principal officers reporting to him comprise the senior leadership team.

Members of the senior leadership team generally attend all of the meetings of the Board of Trustees. Certain members also serve as liaisons to the Board committees or are regular attendees at their meetings and assist them in setting their agendas, elevating issues to the committees' attention that are within their purview and supporting the Board committees with the information needed to fulfill their oversight responsibilities pursuant to their charters and delegations of authority. The liaison/regular attendance role also helps serve as a way for issues, concerns, and action items raised by the Board committees to be taken back to management for follow up.

In addition to the Board-established reporting structure, Northwestern Mutual uses a system of cross-functional subject matter management-level corporate committees as an integral part of the governance structure of the enterprise.

Each corporate committee is charged with providing direction and overseeing performance and risk management of "enterprise level issues." Enterprise level issues are those issues which set or significantly impact enterprise strategy; establish enterprise level governance and risk management; involve strategic transactions or financial matters that are material to the enterprise; and/or

require resolution of conflicting strategic priorities. In addition to the specific duties included in their charters, all corporate committees are charged with the following:

- Address enterprise-level issues within the scope of the committee's charter.
- Oversee risk identification, mitigation, and management efforts in risk categories assigned to the committee (if any), including understanding the most significant aspects of risks within the category, who owns the risk, mitigation efforts in place, and resources needed to appropriately manage the risks.
- Update the senior leadership team or other stakeholders, as appropriate, on the committee's agenda, discussion, and major decisions.
- Make recommendations and decisions, as appropriate, necessary to fulfill the committee's responsibilities.

Executive Compensation. The Board of Trustees is responsible for monitoring the performance of management. Directly and through the Human Resources, Nominating and Corporate Governance Committee, the Board conducts an annual evaluation of the performance, and sets the compensation of, the Chief Executive Officer and collaborates with the Chief Executive Officer in evaluating the performance and determining the compensation of the other principal officers of the company.

As a mutual company, Northwestern Mutual operates in the long-term best interests of its policyowners and with a focus on steady and sustained growth in policyowner value. The company's executive compensation programs

are designed and administered to mirror and support this long-term focus.

The company's executive compensation programs are designed to attract, reward, and retain its key executives, and to align executive compensation with the interests of the company's policyowners. These programs are important contributions to the company's efforts to attract and retain high-caliber executives, pay them for top corporate performance, provide rewards for enhancing long-term growth, and align their interests with the interests of the company's policyowners.

In evaluating the company's executive compensation programs relative to market compensation, the Board of Trustees has engaged and consults with a nationally recognized executive compensation consultant. That consultant is engaged by and reports directly to the Board. The chairman of the Human Resources, Nominating and Corporate Governance Committee has frequent contact with its consultant to ensure unbiased and outside advice on the company's executive compensation programs. The consultant meets with the Human Resources, Nominating and Corporate Governance Committee and/or the Committee chair, outside the presence of management, on several occasions each year.

As part of this process, the consultant regularly reviews with the Committee information regarding compensation paid in the market and the company's position relative to the market. To facilitate this comparative analysis, a list of peer companies is identified and approved annually by the Human Resources, Nominating and Corporate Governance Committee. The criteria used for the selection of peer companies includes companies with comparable businesses

and business models, companies of comparable size, companies recognized for strong performance and financial strength, and progressive companies which may represent a source of future executive talent.

The company's executive compensation structure consists of three basic parts:

- Base pay, which provides an annual salary that is aligned with the executive's responsibilities and authorities.
- Annual incentive pay, which rewards executives for achieving and exceeding annual performance objectives, both company and individual.
- Long-term incentive pay, which rewards executives for overall corporate performance over a longer term, with a strong emphasis on growth in policyowner value.

Under the Annual Incentive Plan, the Board establishes certain annual performance measures and targets. Each of these measures has a numerical target and is weighted, with a range around that target to determine how payouts are calculated. The measures used in the Annual Incentive Plan are aligned to the company's business plan which is likewise approved annually by the Board. The threshold and maximums for each measure are based on historical variability.

Under the Long-Term Incentive Plan, the Board establishes certain longer-term performance measures and targets. Like the Annual Incentive Plan, each measure in the Long-Term Incentive Plan has a numerical target and is weighted, with a range around that target which

determines how payouts are calculated. Performance is measured over a three-year period. Payouts for the company's principal officers are based on individual award amounts as granted by the Board, which are then multiplied by the overall plan payout percentage to determine the final value of the long-term incentive compensation awards.

While calculations under both the Annual Incentive Plan and Long-Term Incentive Plan are primarily formulaic, the Board does retain discretion to adjust payouts in the event of exceptional circumstances.

As noted above, decisions regarding compensation of the company's principal officers, its most senior executives, are the responsibility of the Board, and in almost all cases, based on the recommendations of the Human Resources, Nominating and Corporate Governance Committee. The Committee consists entirely of independent trustees, and its recommendations are made with the input of the independent executive compensation consultant.

Members of management, other than the Chief Executive Officer, are excused from those portions of meetings at which management performance is reviewed and individual compensation and benefits are determined. The Chief Executive Officer is excused from those portions of the Board and Human Resources, Nominating and Corporate Governance Committee meetings at which his or her own compensation is discussed and determined. The chair of the Human Resources, Nominating and Corporate Governance Committee presides at closed sessions of the Board dealing with principal officer pay, performance, or succession.

Succession Planning. A key responsibility of the Board is succession planning and the selection of the Chief Executive Officer and other members of senior management. Under its charter, the Human Resources, Nominating and Corporate Governance Committee is charged with periodically reviewing and reporting to the Board on company policy relating to succession planning and leadership development and recommends to the Board principal officer appointments and changes to the company's organizational structure. The Chief Executive Officer and the Chief Human Resources Officer attend all meetings of the Human Resources, Nominating and Corporate Governance Committee and regularly review succession plans for members of the senior leadership team. The Chief Executive Officer also discusses the performance of the members of the senior leadership team, and candidates to succeed him, in executive sessions of the Committee and the Board of Trustees.

Risk Governance

The company's enterprise risk management governance practices establish clear accountability for oversight of risk management activities. The corporate governance structure provides a system of checks and balances that reflects the need for both competitiveness and prudent risk management. This structure assures accountability for scrutinizing risks, defining tolerances, and managing risk within those tolerances. This governance structure includes oversight at both the Board of Trustees and corporate committee levels, segregation of duties through an organizational design incorporating the "three lines" concept, and development and maintenance of a documented risk appetite and risk policies.

The Board of Trustees oversees the company's overall risk management efforts. The company's Enterprise Risk Management group produces an Enterprise Risk Assessment report on an annual basis. This assessment is developed using a collaborative process to identify the current and emerging risks that present the greatest concern to the company and require oversight at the highest levels to help assure the success of the company. The report is annually presented to the Board of Trustees. In addition, the Board and its committees receive periodic updates regarding risks and the actions management is taking to respond to the risks identified in the Assessment.

The company's Board charters assign primary oversight responsibility for the company's activities related to environmental stewardship, corporate social responsibility, and corporate governance matters to the Human Resources, Nominating and Corporate Governance Committee, and for these matters as related to invested assets, to the Finance Committee. In addition, the company's Corporate Public Policy Committee provides oversight for the company's strategy, metrics, and execution of an ESG framework.

Policyowners' Examining Committee

Northwestern Mutual's corporate governance practices include an additional unique feature that to its knowledge no other major U.S. insurer engages in. Under the company's By-laws, each year the Board of Trustees appoints an Examining Committee consisting of not more than six or less than three individuals who are either policy or deferred annuity holders or who are named insureds under one or more insurance policies issued by either the company or one of its subsidiaries, who are not trustees,

agents, officers, or other employees of the company or any of its subsidiaries.

The committee, known as the Policyowners' Examining Committee, generally meets in person two times in the company's Milwaukee home office. During their meetings, members of the POEC are invited to look at all aspects of Northwestern Mutual's operations, management, and strategic plan—independently and without restrictions. They are asked to evaluate the company's efforts to meet the long-term needs of policyowners and make suggestions for improvement. The POEC meets extensively with members of senior management and other employees during the course of their visits. The results of their review are published each year in Northwestern Mutual's Annual Report. In addition, the committee's report is shared with the Board of Trustees, and the committee chair meets with the Board to present its findings and recommendations as well as to answer any questions the trustees may have.

Guidelines for Business Conduct

The company maintains a code of ethics, known as the *Guidelines for Business Conduct*, which addresses conflicts of interest (including gift and entertainment policy), proper use of the company's funds, fair dealing in connection with company operations (including policy against use of inside and non-public information), reporting requirements and accountability for non-compliance, and disclosure procedures. The *Guidelines* are periodically reviewed and updated as necessary, with changes approved by the Board of Trustees.

The *Guidelines for Business Conduct* are provided to all new employees when they join the company. In addition, they are posted on the company's intranet. All trustees receive the *Guidelines* when they join the Board, and they are posted on a secure board portal accessible to trustees. On an annual basis, all employees and trustees are called on to review and affirm their compliance with the *Guidelines for Business Conduct*.

Northwestern Mutual is the marketing name for The Northwestern Mutual Life Insurance Company (NM), Milwaukee, WI (life and disability insurance, annuities, and life insurance with long-term care benefits) and its subsidiaries. Northwestern Long Term Care Insurance Company, Milwaukee, WI (long-term care insurance) is a subsidiary of NM.