

Tax Policy and Principles of Conduct



Approach and strategy to tax

NN Group has defined its principles of conduct in the Tax Policy and Principles of Conduct (Tax Policy). The principles of conduct are derived from the Tax Strategy and ultimately from the NN Group ambition, strategy and values and NN Group's view on tax as sustainability matter. NN Group strives to be a responsible taxpayer. With this Tax Policy we lay down the principles of behaving responsibly, in the basis meaning timely paying our fair share of taxes in the countries in which we operate.

NN Group's ambition and strategy

NN Group's ambition is to be an industry leader, known for our customer engagement, talented people and contribution to society. NN Group is committed to creating long-term value for all our stakeholders.

One of the strategic commitments of NN Group is that we contribute to the well-being of people and the planet. We do business with the future in mind and contribute to a world where people can thrive for many generations to come.

NN Group's values

Our values, care, clear, commit, as stated in the 'NN statement of Living our Values', express what we hold dear, what we believe in and what we aim for. They guide, unite and inspire us. And they are brought to life through our day-to-day work.

Tax as sustainability matter

NN Group considers taxation as sustainability matter. At NN Group, we believe that being a responsible taxpayer is part of good corporate citizenship. We see taxes as a contribution to society in the countries in which we operate. Further, we recognize that taxes are vital for sustainable development of people and planet, either as a source of income to finance the transformation or as an instrument to influence behaviour.

Scope

The principles as stated in this Tax Policy apply to all types of taxes that NN Group encounters in the course of its business and due to its existence, payable and collected by NN Group on behalf of taxation authorities as well as to NN Group's tax reporting obligations. The Tax Policy will guide all Head Office functions, Business Units and entities whereby NN Group N.V. has a controlling interest in the management or capital. The Tax Policy is applicable to NN Group's own operations, as well as in relationship with our stakeholders as taxation authorities, governmental bodies, customers, society at large or other parties in NN Group's value chain(s). The Tax Policy and the principles as defined herein form the basis for any other policy with tax elements.

Endorsement

The Tax Policy is reviewed and approved by the Management Board and Executive Board of NN Group N.V. once in the three years at a minimum or upon prior revision.

Adherence to the Tax Policy

The Executive Board of NN Group N.V. has authority and responsibility for the company's strategy and policies, sustainability matters, the internal risk management and control systems, reporting and for compliance with all legislation and regulations applicable to the company and its subsidiaries. The Executive Board shall specifically formulate, record and implement the company's strategy in line with its view on sustainable long-term value creation, which amongst others includes (i) paying a fair share of tax to the countries in which NN Group operates and (ii) responsible tax practices.

The Group Tax Function is responsible for monitoring adherence to the Tax Policy and the Principles of Conduct as contained therein. The Group Tax Function informs the Executive Board and Audit Committee of the Supervisory Board on the implementation of and adherence to the Tax Strategy and Tax Policy at least annually.

Clarification note:

The Tax Policy was approved by the Management Board and the Executive Board of NN Group N.V. and is effective as from 31 October 2023.

Legal information:

The Tax Policy of NN Group has been prepared solely for internal use and guidance of NN Group and is not intended to be relied upon by any third party. The Tax Policy may be subject to change at any time.

Principles of conduct

To clarify what 'acting as a responsible taxpayer' means in practice, NN Group has developed the following set of tax principles to guide NN Group's tax behaviour and the way that we do business.

1. Compliance

NN Group is committed to comply with both the letter and the spirit of the tax laws and regulations of the countries in which NN Group operates. Complying with the spirit of the law or regulation means following the intention of the legislation. NN Group is committed to pay the right amount of tax, at the right place and at the right time.

2. Tax follows the business

We do not engage in artificial arrangements that do not respect business reality or which may be reasonably assumed to offer undue tax advantages. NN Group will not undertake or engage in arrangements of which the sole purpose is to create a tax benefit. The purpose is to prevent arrangements contrary to the spirit of the relevant tax provisions or system and that generate phenomena of double deduction, deduction with non-inclusion or double non-taxation, including as a result asymmetries between the tax systems of the different jurisdictions. Profits should be taxed once at an acceptable tax rate.

3. Low-tax rate or no tax jurisdictions or non-cooperative jurisdictions

NN Group does not make use of low-tax rate jurisdiction, no-tax jurisdictions or so-called non-cooperative jurisdictions, unless there is substance and the profits are generated by from local economic activities.

4. Tax incentives or exemptions

NN Group will only claim tax incentives or exemptions in line with the intent of such tax incentives or exemptions, provided that such incentives or exemptions are generally available.

5. Arm's length principle

For determining transfer pricing, NN Group applies the arm's length principles in line with the Organisation for Economic Cooperation and Development (OECD) Model Tax Convention and the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations.

6. Products

Our products may be designed and priced to achieve tax benefits that are specifically authorized by the government of a jurisdiction in which we operate. At the same time, we will not knowingly design products that enable clients to shelter information from tax authorities, to avoid taxation or to abuse laws and regulations. It is our policy not to advise clients on taxation matters.

7. Open and constructive relationships with Tax Authorities

Wherever we operate, we seek to establish and maintain open and constructive relationships with taxation authorities and/or other governmental bodies. Such relationships include responding in a timely and complete manner to requests for information made by a competent authority pursuant to laws, regulations or exchange of information agreements. When we seek certainty in advance from tax authorities to confirm an applicable tax treatment, we do so based on full disclosure of all relevant facts and circumstances.

8. Transparency

We are transparent about our approach to tax and our tax positions. Disclosures are made in accordance with international reporting requirements and standards, as well as relevant local regulations. Disclosures can also derive from the information needs of stakeholders or to support the dialogue on taxes with governments, business groups or civil society (see also principle 9.).

9. Engaging in tax dialogue

NN Group seeks to engage constructively in national and international dialogues with governments, organized business groups or civil society to support the development of effective tax systems, legislation and administration.

10. Risk management principles

As a responsible taxpayer, we strive to be in control of our tax positions. Our approach to tax requires identification and prudent management of tax risks. We do so as defined in our internal Tax Risk Management Policy.

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