



# Committed to tax transparency

**NN Group N.V.**  
Total Tax Contribution  
Report 2022



<b>Our approach to tax</b>	<b>4</b>	<b>Total Tax Contribution in 2022</b>	<b>18</b>
Objective and scope .....	5	Value Added Tax (VAT) .....	19
NN Group strategy and principles .....	5	Insurance premium tax (IPT) .....	20
Tax Risk Management Policy and governance .....	6	Subsidies .....	20
How we work with the tax authorities .....	7	Payroll taxes (employer and employee) .....	21
Engagement with international tax authorities .....	7	Withholding taxes on dividends paid by NN Group .....	21
SAF-T implementation in Romania .....	8	Total Tax Contribution NN Group .....	22
Stakeholder engagement .....	9		
Tax Governance Code .....	10	<b>Our approach to reporting</b>	<b>24</b>
Advance Pricing Agreement on head office services .....	10	Structure .....	25
ABN AMRO Levensverzekeringen .....	11	Reporting profile .....	25
Sale of NN Investment Partners .....	11	Scope of the data .....	25
DAC 6 .....	11	1... Taxes borne .....	25
DAC 7 .....	11	2... Taxes collected .....	25
		Review and approval .....	25
		Reporting guidelines .....	25
		External assurance .....	25
<b>Corporate income tax in the Annual Accounts</b>	<b>12</b>	<b>Assurance report of the independent auditor</b>	<b>26</b>
Deferred taxes in the Solvency II balance sheet .....	15		
Loss absorbing capacity of deferred tax .....	15	<b>Appendix</b>	<b>32</b>
Dutch corporate income tax in the context of Solvency II .....	15	Glossary .....	37
Taxes in the cash flow statement .....	15		
Global Anti-Base Erosion Rules (Pillar II) .....	17		

# You matter

We believe that people want to live life to the fullest. We empower them to do just that – through all stages of their lives – by providing sound financial products and services, by being a trusted advisor, and by contributing to the well-being of society. In times of prosperity and in times of uncertainty. We are steadfast in our commitment to help people care for what matters most to them.

**What matters to you, matters to us.**



Visit our website for further information  
[www.nn-group.com](http://www.nn-group.com)

## Disclaimer

Small differences are possible in the tables due to rounding. Elements referring to the corporate income tax are based on extracts of the NN Group 2022 Annual Report, for which. specific disclaimers mentioned in this report also apply.

# Promoting transparency in tax reporting



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NN Group is a company that has consistently proven its commitment to tax transparency

**Annemiek van Melick**  
Chief Financial Officer

**As a society, we are experiencing uncertain financial times. This has an impact on people's daily lives, and governments look to support those who cannot afford the higher costs of living.**

In addition, climate change and its impact are at the centre of an international movement pushing companies and other stakeholders to focus on mitigation and adaptability. As a financial institution, NN Group has a key role to play in ensuring a financially secure and sustainable future for next generations. Responsible investment is an important element of NN Group's strategy and part of our commitment to contribute to the well-being of people and our planet.

Tax is an important element of our strategy and has a significant societal impact. Our Tax Principles & Strategy and this Total Tax Contribution Report are examples of the direct support the tax function contributes to NN Group's sustainability ambitions. It is an indication of how NN Group views the role of tax in society.

In May 2022, NN Group, together with 40 Dutch listed and non-listed multinational companies, endorsed the VNO-NCW Tax Governance Code (see also page 10). This code seeks to make a company's tax position more transparent and clearer to the public. By endorsing this code, NN Group demonstrates its belief that taxation is more than an expense; it provides an explanation of how much tax we pay and in which countries we contribute our taxes to.

We thank you for your interest in NN Group and this Total Tax Contribution Report. We welcome your feedback as we look to provide meaningful and insightful information on our contribution to society.



# Our approach to tax



# 1

## Following the rules and guided by the spirit of the law

Our approach to tax did not change in 2022 compared with previous years. Taxes are recognised on almost every aspect of our business. At a company level and at a product level, on costs and on profits. Taxes are collected on behalf of the company and on behalf of clients, employees and service providers.

NN Group recognises that paying tax is more than a cost of doing business: it is a contribution to society. For example, the communities we serve through our products and services benefit when NN Group's tax contributions can be used to finance better public services. Taking this into account, NN Group seeks to take a responsible approach to tax. Profits are taxed against the applicable tariff and where those profits are realised. This is one of the guiding principles of NN Group's tax policy: we structure our tax affairs based on business rationale and we do not make use of tax havens or structures to avoid tax. In this chapter, you can find more

information about our tax strategy and principles, how tax is organised within our business, and NN Group's approach to ensuring compliance with tax laws and maintaining open and constructive relationships with tax authorities. The chapters thereafter provide information on the taxes that NN Group pays as a taxpayer (the taxes borne), which reflect a cost for our company, and the taxes we are responsible for collecting and passing on to tax authorities in relation to our business. Taken together, these taxes demonstrate NN Group's total tax contribution, as summarised in the box on page five.

## Our approach to tax

### Objective and scope

The objective of this report is to provide information about the tax contributions by NN Group in 2022 and relevant developments in the tax perimeter and related actions taken by NN Group. In this report, we provide information on tax for all 11 countries in which we operate. NN Group has a strong presence in a number of European countries and Japan. Our headquarters are in the Netherlands, the largest market within the group. The Dutch life and non-life insurance business represent almost 70% of the total NN Group operating result before tax. In this report we provide insight per country. The following taxes are recognised separately in the report:

- Corporate income tax (CIT)
- Value-added tax (VAT)
- Insurance premium tax (IPT)
- Dividend withholding tax
- Payroll taxes of employers and employees
- Payroll taxes on banking and insurance payments

### NN Group strategy and principles

At NN Group, we believe that a responsible tax approach is essential for good corporate citizenship, taking long-term considerations into account and carefully weigh the interests of our stakeholders.

### As stakeholders in this context we recognise:

- **Society** The communities and environment impacted by the operations of NN Group.
- **NN customers** Our clients to whom we sell our NN services and products.
- **Governments** Tax authorities of the countries in which we operate, including regulatory parties such as the Dutch Central Bank.
- **Business partners** Suppliers and other contractual parties whom NN Group is engaging with
- **Employees** The people working at or on behalf of NN Group
- **Investors** Shareholders and other parties holding a financial interest in NN Group

### Spotlight

#### NN Group's Total Tax Contribution

**EUR 851m**

#### Tax borne

These are the taxes that NN Group pays directly to tax authorities.

**+ EUR 1,556m**

#### Taxes collected

These are other taxes collected and paid by NN Group as the outcome of its operations in the form of VAT, IPT, payroll taxes and withholding tax on dividends paid by NN Group.\*

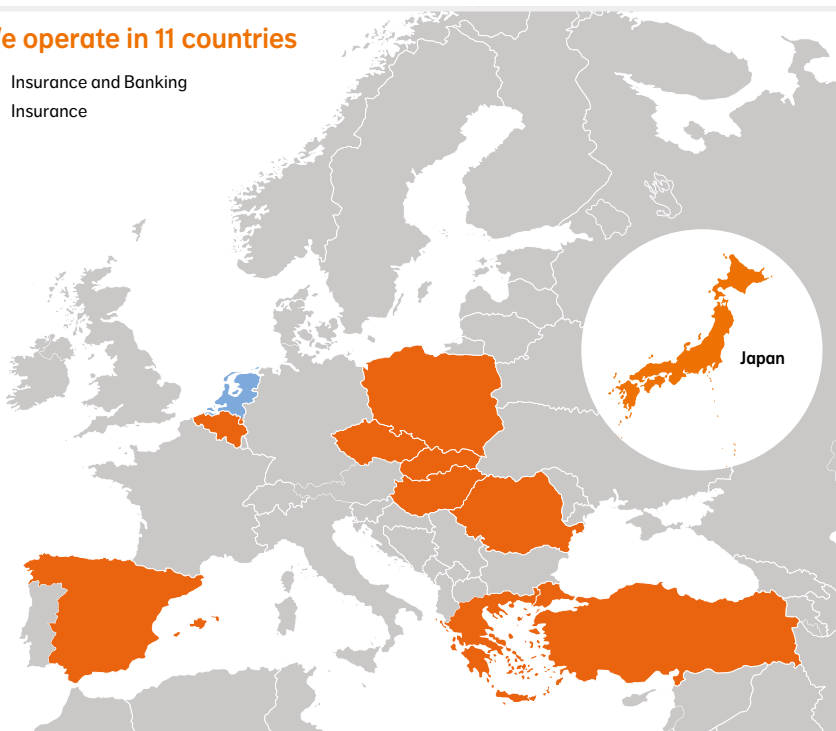
**= EUR 2,407m**

#### Total Tax Contribution

This is the sum of taxes paid and taxes collected by NN Group.

#### We operate in 11 countries

- Insurance and Banking
- Insurance



\* This reflects only the withholding tax on dividends paid by NN Group. Refer to page 21 for further details.

## Our approach to tax continued

To clarify what this means in practice, NN Group has developed the following set of tax principles we expect all employees to adhere to:

- We pay our taxes promptly and in accordance with all applicable laws and regulations. We are guided by international standards such as the Organisation for Economic Cooperation and Development (OECD) Guidelines.
- We take into account both the letter and the spirit of tax laws and regulations to contribute our fair share. This is also the reference when choosing business partners and when structuring transactions.
- Tax is an integrated part of doing business. Tax should follow business with profits allocated to the countries in which business value is created. For calculating transfer prices, we apply the arm's length principle. NN Group does not make use of tax havens or -structures to avoid tax.
- Tax is one of the elements we take into account in our commercial and economic activities. Business units may respond to locally available tax incentives and exemptions.
- In all countries where we operate, we seek to establish and maintain an open and constructive dialogue with tax authorities and other government bodies, based on the disclosure of all relevant facts and circumstances.
- Our tax function may engage in tax planning initiatives and make use of incentives promoted by government authorities. However, in doing so, due consideration needs to be given to NN Group's legitimate interests, reputation, brand and corporate social responsibility.

- The NN Group Tax team is in constant dialogue with NN Group's senior management and NN Group business. This ensures that NN Group's (senior) management is engaged and involved in all relevant tax matters. Within NN we adhere to our Code of Conduct ensuring our accountability and governance. Our Tax Policy is in line with our Code of Conduct.
- Our products should not be used by our clients to shelter information from the tax authorities or to avoid taxation.
- We are transparent about our approach to tax and our tax position. Disclosures are made in accordance with the relevant domestic regulations, as well as applicable reporting requirements and standards such as the European Union's international financial reporting standards (EU-IFRS) and Solvency II.

### Tax Risk Management Policy and governance

Within NN Group, the tax function is organised to ensure the preservation of our reputation and integrity through compliance with applicable tax laws, regulations and ethical standards in the countries where we operate. The NN Group Tax team is committed to upholding the company's values, does not seek aggressive tax planning opportunities and aims to mitigate tax risks. The NN Group Tax team has a group-wide responsibility for the tax position of NN Group. In executing this responsibility, it takes into account long-term considerations and carefully weighs the interests of our stakeholders. We operate in accordance with a Tax Risk Management Policy approved by the NN Group Management Board. The policy is in line with

the overall strategy and operation of our business and applies to all taxes we pay and/or collect – including CIT as well as, for example, VAT, IPT and payroll tax. Our goal is to ensure that:

- NN Group is compliant with tax regulations and all appropriate documentation is timely prepared and filed with the relevant authorities.
- To NN Group's stakeholders, we are transparent on tax planning and our tax contribution
- We maintain adherence to our Tax Control Framework which enables NN Group to proactively procure tax risk management. The NN Group Tax team is part of the Group Finance function reporting to the Chief Financial Officer (CFO). The NN Group Tax team annually reviews the implementation and execution of the tax strategy and reports the outcome to relevant internal stakeholders. The CFO receives frequent updates throughout the year from the NN Group Tax team. Also, on a quarterly basis, an update on tax is provided to the financial committees within NN Group in which the CFO, the Chief Risk Officer (CRO) and Heads of Finance departments are represented. NN Group's Global Head of Tax leads a team of in-house tax advisors, tax accountants and tax consultants, with a combination of accounting, tax and business economics qualifications. The NN Group Tax team comprises specialists in direct and indirect taxes, payroll taxes, transfer pricing, tax compliance and reporting. The Group Tax Charter can be found on our corporate website, in which the tax governance within NN Group is further clarified.

## Payroll taxes at NN in 2022

In 2022, NN Group paid EUR 1.6 billion in payroll taxes to the Dutch tax authorities. This amount concerns both taxes paid as an employer and payroll taxes on banking and insurance products. The amount contributed by NN Group in 2022 relates to 1% of the total payroll tax income budgeted by the Dutch Government in 2022<sup>1</sup>.

A timely and rightful payment of salary to its employees and insurance benefits to its customers is of great importance to NN Group. Therefore, being in control of

the payroll process is a key element of the responsible departments. At NN Group the payroll teams and the NN Group Tax team work closely together to jointly ensure the process is tax compliant

As part of the Tax Control Framework and as addressed by the Dutch tax authorities, in the Individual Monitoring Plan, NN Group performed a tax assessment on the payroll process at NN Life in 2022. The positive outcome confirmed the process is adequately controlled. The NN Group Tax

team aligns with the different HR departments and business units to jointly manage the payroll tax process. As an example, in 2022, the NN Group Tax team organised two NN Payroll Tax Events for colleagues within NN Group in the Netherlands involved in the payroll processes to share their knowledge and experience on payroll-related items.

<sup>1</sup> EUR 168.465 mln (Dutch Annual Budget 2022)

## Our approach to tax continued



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Changing expectations of society and increasing complexity of tax regulations require the inhouse tax function to adopt new skills, apply new technologies and adjust their operating model

**Peter Paul Boon**  
NN Group Head of Tax

The Audit Committee performs an annual deep dive into the present position and future developments in respect of CIT and any other relevant tax regulations, the Group's tax strategy and tax transparency developments. The NN Group Tax team updates the Audit Committee on the material tax risks and mitigating actions taken. The NN Group Management Board and the Audit Committee oversee NN Group's tax position as a core part of corporate responsibility and governance, and are accountable for NN Group's tax principles and strategy. The tax position of NN Group, both transaction based and on a current and deferred position, is reflected in the Financial Report of NN Group and covered by the (financial) in control statement by the NN Group Management Board and by the independent Auditors report. The NN Group Tax team creates tax awareness through internal training sessions and courses for senior management, including the Management Board, Supervisory Board and in the business units. In these courses, we communicate the complex and rapidly changing tax regulations at an understandable level where it directly relates to the operations of NN Group. The relevancy of tax can hereby

directly be linked to the day-to-day business of our company which enhances the tax controls. In 2022, the NN Group Tax team facilitated several education sessions such as a payroll tax events for all employees involved in the payroll administration within NN's business units. We believe that active sharing of tax knowledge with our colleagues is an important element in our Tax Control Framework. The NN Group Tax team is also part of and contributes to internal IFRS 17 learning sessions as part of the broader IFRS 17 project within NN Group.

company and their (potential) impact on taxation and has implemented a Tax Control Framework to manage its tax risks.

#### Engagement with international tax authorities

NN Group is transparent on its tax affairs in all of the 11 countries it operates. Where applicable NN Group actively engages with local tax authorities.

#### How we work with the tax authorities

NN Group is recognised as one of the top 100 companies in the Netherlands, for which the tax compliance supervision in the Netherlands has moved from a Horizontal Monitoring principle to an Individual Tax Monitoring plan. This requires two elements: (i) a good relationship between the tax payer and the tax authorities which is recorded in an Individual Tax Monitoring plan, and (ii) good risk detection and monitoring to ensure and proof that NN Group is in control of its tax position. The NN Group Tax team actively communicates with the tax authorities the (business) developments within the

Close  
look



## The NN Group Tax team in 2022

The NN Group Tax team is part of the Group Finance function reporting to the CFO.



## Our approach to tax continued

### SAF-T implementation in Romania

The Standard Audit File for Tax (SAF-T) is an international standard for electronic exchange of reliable accounting data between companies and local tax authorities. It contains information on the companies' accounting and tax data. The standard was designed by the OECD in 2005 and it is currently applied in a range of European countries.

Romania introduced the SAF-T reporting requirement as of 1 January 2022. These

SAF-T reporting requirements are considered a challenge in Romania, as the Romanian tax authority has adopted the most detailed form of the SAF-T reporting standard. Banking, insurance and pension companies are currently involved in ongoing alignment with the Romanian tax authorities in order to clarify all reporting requirements of the SAF-T schema. The aim is to find a convenient solution for all parties regarding the volume of reporting data and the specificity of the information that we will submit to the tax authorities.

NN Romania sees the SAF-T reporting implementation as an opportunity to reassess and further improve its internal accounting procedures and processes.

We do expect in near future that more countries where NN Group operates will implement SAF-T reporting for real-time sharing of (transaction) data with tax authorities, as already the case in Spain, Poland, Romania and likely in Hungary, in 2023.

### Interview

## A view on indirect taxes at NN Group

**Robert van den Berg van Saparoea, Indirect Tax Manager**

Robert has been working at indirect tax for 20 years now, of which 12 years in the financial sector. We asked Robert to give his view on the role, challenges and outlook of the VAT function within NN Group.

### What makes it interesting to be an in-house indirect tax expert at NN Group?

Indirect taxes are transactional taxes meaning that we have a close interaction with the business and our advice has a direct impact on our products. This makes it relevant for the company while simultaneously creating added value for our customers.

### In managing NN Group's VAT position, what challenges do you face?

The main challenges lie within keeping VAT up to date in a changing world, such as:

### Increasing compliance and reporting obligations

Initiatives by the European Commission and individual member states are leading to more compliance and reporting obligations for companies. As an example, several member states already introduced a requirement for taxpayers to exchange information on their invoicing and VAT reclaim with their local tax authorities on a real-time basis. At the Central European level, automated reporting of cross-border payments is being introduced. We expect this to increase considerably in the future.

Considering these developments, it is crucial that companies are sufficiently prepared, and that they take the opportunity to improve the VAT compliance

process by using new technologies.

### Uncertainty due to outdated VAT law

The complexity and technological progress of the insurance sector as a whole has increased considerably over the past decade, leading to changes in the financial industry's business model. However, there have been limited updates to the VAT regulations, with its origin in 1968, and technological developments and business optimisation (e.g. by outsourcing) have not been recognised in the VAT exemption of financial services.

Consequently, we see many debates in the sector with the Dutch tax authorities eventually leading to court cases, such as the court case about the management of pension funds (reflected in the Total Tax Contribution Report 2021), in order to be able to better manage the uncertainty of tax positions and to reduce the costs of financial products for customers.

### What is the status of the court procedure reported in the Total Tax Contribution Report 2021?

As NN Group, we started a court procedure in the Netherlands to obtain clarity on the VAT treatment of some of our management and administration services to pension funds. Our procedure is still awaiting the next steps by the District Court. However, in 2022, the Dutch tax authorities have been confronted with many more procedures on the same matter and in some cases the Dutch Court already provided clarity on aspects also relevant in our procedure, for example with regard to fiduciary management that may be VAT



exempt. In other areas, we are still waiting for the outcome.

Our procedure is currently on hold, awaiting the outcome of another procedure at the EU Court of Justice.

### What is one of the main VAT risks at NN Group?

Whereas most activities of NN Group's business units are financial services, and these are in general exempt from VAT, there is the inherent risk of wrongly applying the VAT exemption. It is crucial to control this risk by being involved with the business, as we (among others) do with a tax sign off on every new product in the product approval and review process (PARP) at NN.

Moreover, not appropriately applying the reverse charged VAT on foreign purchase invoices can be a material risk. To manage these risks, new technologies can be very helpful.

One example is that NN Group has implemented an automated validation process which assists NN Group's Dutch business units in determining the VAT treatment of purchase invoices, limiting the risk of non-payment of reverse charge VAT.



## Our approach to tax continued

### Stakeholder engagement

As the business environment is constantly evolving, stakeholder engagement is essential for understanding which issues are important for the business and our stakeholders. Our customers, employees, shareholders, business partners, debt investors, regulators and the organisations representing the wider society are all important stakeholders for our company. We regularly engage with these different groups to discuss their views and observations, and to identify aspects that relate to our company. NN Group is a member of and actively participates in the tax working groups at the Confederation of Netherlands Industry and Employers (VNO-NCW) and the Dutch Association of Insurers where NN Group advocates and supports the efforts on tax transparency and fair taxation. This enables us to evolve our strategy to better meet our stakeholders' expectations and focus our reporting on the issues that matter to them. For example, our corporate website contains a section on our responsible business practices, including our tax policy.

We also participate in various sustainability ratings and benchmarks by completing questionnaires on our policies and practices. These questionnaires are often adjusted to reflect evolving stakeholder expectations, and as such provide us with useful feedback. The Dow Jones Sustainability Indices, a family of best-in-class benchmarks created by S&P Dow Jones Indices and SAM, is an example of a sustainability rating we participate in and that includes taxation as a topic. Another example is the Tax Transparency Benchmark published by the Dutch Association of Investors for Sustainable Development (VBDO). This benchmark provides a comparative study of 25 European and 78 Dutch stock listed companies' fiscal transparency.

In depth

## ETACA

In March 2022, NN Group formally applied to participate in the European Trust and Cooperation Approach (ETACA) pilot project. The project's ultimate goal is to facilitate tax certainty on cross-border transactions within the EU and create alignment on interpretations between member states. NN Group's interest derives from its commitment to be tax transparent and to the responsible payment of taxes. The ETACA pilot provides an opportunity for NN Group to further illustrate its Transfer Pricing model with regards to head office services, an important part of the intercompany transactions within the group.

While NN Group has entered into an advanced pricing agreement with the Dutch tax authorities regarding its head office services, in practice there is not always alignment on the principles by the tax

authorities in the different countries. ETACA can help member states bridge their different views. The ETACA participating member states where NN Group also operates are Belgium, Poland, Hungary, Slovak Republic and Spain.<sup>1</sup>

Following a high-level risk assessment of the NN Group head office services and the methodology applied for allocating costs to its foreign business units, four out of five of the participating member states concluded that the routine intra-group services can be characterised as low-risk transactions. Taking into account the volume and materiality of member states participating in this pilot programme, the stated conclusion of the ETACA pilot indicates that over 95% of the services under analysis can be deemed as low-risk transactions. We see that member states can positively contribute in their analysis from a

conceptual approach based on the inherent risk and materiality of the case. NN Group currently charges head office services (i) to business units generally operating in countries with similar statutory rates, (ii) to an amount that is financially immaterial in relation to the overall financial position, and (iii) in a business model with local management being responsible in a highly regulated environment safeguarding the arm's length principle. As such, we consider the charges for head office services as a limited tax risk that should be reflected in further trust between the member states to accept the position as prescribed by the tax authorities of the head office, in our case being the Netherlands.

<sup>1</sup> Spain did not participate in our pilot

## Our approach to tax continued

## Highlights 2022

**Tax Governance Code**

In 2022, the Dutch Confederation of Netherlands Industry and Employers (VNO-NCW) published the Tax Governance Code. The Tax Governance Code is a set of tax principles that aim to provide more transparency and public understanding of the tax position of listed and non-listed Dutch companies. By endorsing the code, Dutch multinationals are stating that they do not, or will no longer, avoid or evade taxes and will not use tax havens for tax avoidance motives.

As one of the founding members of the code, NN Group actively supports the Tax Governance Code. Our tax policy and principles<sup>1</sup> are in line with the principles set out in the code. As NN Group, we are also committed to providing transparency on our approach to tax and our tax position. With this Total Tax Contribution Report, we fulfil this commitment.

We refer to page 35 for an overview of the Tax Governance Code list, including NN Group's references.

**Advance Pricing Agreement on head office services**

NN Group provides head office services to its business units in the following countries: the Netherlands, Belgium, Czech Republic, Greece, Hungary, Japan, Poland, Romania, Slovak Republic, Spain, and Turkey. In December 2021, NN Group Tax opened the dialogue with the Dutch tax authorities regarding the possibility of renewing its existing head office Advance Pricing Agreement (APA), which was due to expire on 31 December 2022.

Similar to the ETACA project, NN Group's interest in renewing its APA is driven by its commitment to be tax transparent and to the responsible payment of taxes. The APA provides NN Group with certainty and assurance from a Dutch tax perspective regarding its current transfer pricing model. The scope of the APA overlaps with the ETACA as it refers to the head office services provided by NN Group to its (international) business units. Currently, the head office services are priced with a cost plus markup. Based on the nature of the

costs, the following costs are distinguished: low-value-adding services (LVAs) and business support services. For the LVAs, a fixed profit markup of 5% is in line with Chapter 8 of the OECD Transfer Pricing Guidelines. The business support services broadly consist of business and financial advisory, general and risk management activities, and business advice of developing marketing, risk, and IT strategies.

In December 2022 the renewal of the APA was successfully completed and signed by both the Dutch Tax Authorities and NN Group for an extended period of five years (1 January 2023 until 31 December 2027) under the same terms and conditions as the previous APA. This outcome represents additional clarity in the tax treatment with regards to the provision of Head Office services from NN Group in the years to come. The agreement is also of relevance to our international business units as being the recipients of these services and as further local validation of the arm's length principle.

<sup>1</sup> We refer to our corporate website [NN Group - Our approach to tax \(nn-group.com\)](https://nn-group.com)

## Case study ESG

In the recent years, environmental, social and governance (ESG) considerations become ever more central to doing business. Within NN, we believe that tax plays an increasingly important role in determining ESG standards; a sustainable approach to tax is a condition for sustainable growth.

Our approach to tax, our tax principles and this Total Tax Contribution report in which we reported on a country by country basis our taxes paid and collected, contribute, amongst others to a sustainable tax practice. This sustainable tax practice fits in the broader ESG strategy of NN Group; creating long term value for our stakeholders. The NN Group Tax team is closely monitoring the trends within this area.

Moreover, we are actively involved in NN's ESG initiatives, like the Dutch Climate Action Fund.

In 2022, NN Group has launched the Dutch Climate Action Fund in a partnership with an external fund management company. The Dutch Climate Action Fund will invest in projects and companies active in climate change solutions that envisage to support the Dutch energy transition. The fund is rising to this challenge by targeting investments that aim to support the reduction of carbon emissions in the Netherlands. These investments are targeted to be pioneers in their markets as well as investments in more traditional clean energy sectors. The fund may invest in energy efficiency, e-mobility, energy storage and hydrogen, as well as in

renewable energy generation such as onshore wind and solar farms. Renewable energy generation is expected to be a catalyst for electrification of industries, buildings and transportation, driving a significant part of emission reduction and therefore investment needs. The NN Group Tax team is closely involved during the acquisition process of these investments ensuring the investments are also in line with NN's tax policy. As tax is officially not embedded yet in the ESG strategy, the NN Group Tax team has initiated further research to the role of tax within ESG. In 2022, an analysis of the role of tax in ESG at NN Group was made as part of a thesis assignment of an internship at NN Group Tax. The outcome of this analysis will support further development of this topic at NN Group.

## Our approach to tax continued

## Acquisitions and disposals in 2022

### ABN AMRO Levensverzekeringen

In 2022, NN Life & Pensions acquired ABN AMRO Life Insurance, the life insurance company of ABN AMRO Insurance, a joint venture of NN Group and ABN AMRO Bank. The life insurance company will be integrated into NN Group's life insurance business. The NN Group Tax team was involved in preserving the corporate income tax fiscal unity between ABN AMRO Insurance and ABN AMRO Life Insurance until the closing of the transaction, the transfer of the company to the NN Group and aligning the tax principles of ABN AMRO Life Insurance with NN Group. No material tax risks were identified in this transaction.

### Sale of NN Investment Partners

The NN Group Tax team was involved in the sale of NN Investment Partners (NN IP) and the subsequent fiscal disentanglement of the NN IP organisation that took place in 2022. The most important tax aspects of the disentanglement were: the termination of the corporate income tax fiscal unity between NN Group and the NN IP entities, the transfer of NN IP employees to the purchaser, and the Investment Management Agreement, which became effective after the transaction. Where relevant, the NN Group Tax team aligned with the Dutch tax authorities on the disentanglement and the related tax impact.

## International Reporting Requirements

In recent years, new European mandatory reporting requirements were introduced and implemented in The Netherlands. Most of these requirements aim to fight tax avoidance and provide more insight to tax authorities on cross border transactions.

### DAC 6

As a result of the Dutch implementation of the sixth amendment of the European Directive Mandatory Disclosure Rules (DAC6) per 1 January 2021, intermediaries and/or taxpayers must report potentially qualifying cross-border tax arrangements to the Dutch Tax and Customs Administration. In 2022, NN Group did not report any DAC 6 transactions towards the Dutch or other foreign Tax Authorities.

### DAC 7

As part of its initiative to bring the digital economy into the scope of taxation, the European Commission introduced the seventh amendment on the Directive of Administrative Cooperation to ensure that sellers who generate income from goods or services via online platforms pay their fair share of taxes. As per 1 January 2023, new reporting obligations for digital platform operators were introduced in the Netherlands (DAC 7). The operators are required to identify, trace and report on revenues made by their reportable sellers on reportable activities on their digital platforms to the competent authority in a member state. The competent authority in that member state will then exchange the information with the competent authority in the member state

where the reportable seller is tax resident. The reportable activities performed through digital platforms will include:

- Rental of immovable properties
- Personal services
- Sales of goods
- Rental of any mode of transport

Although an insurance company is not typically in scope of these new rules, new platform initiatives by NN Group may be affected, leading to reporting requirements by the business. The NN Group Tax team, together with its counterparts in the international business units, therefore closely monitors these initiatives and will address the DAC 7 reporting requirements.

### Case study

## Investment policy

An important part of NN Group's investments consists of private market investments, which are divided into four asset classes:

- Real estate
- Private equity
- Private debt
- Infra equity

In most private market investments, NN Group does not invest directly but as a participant in funds, and therefore does not have a controlling interest.

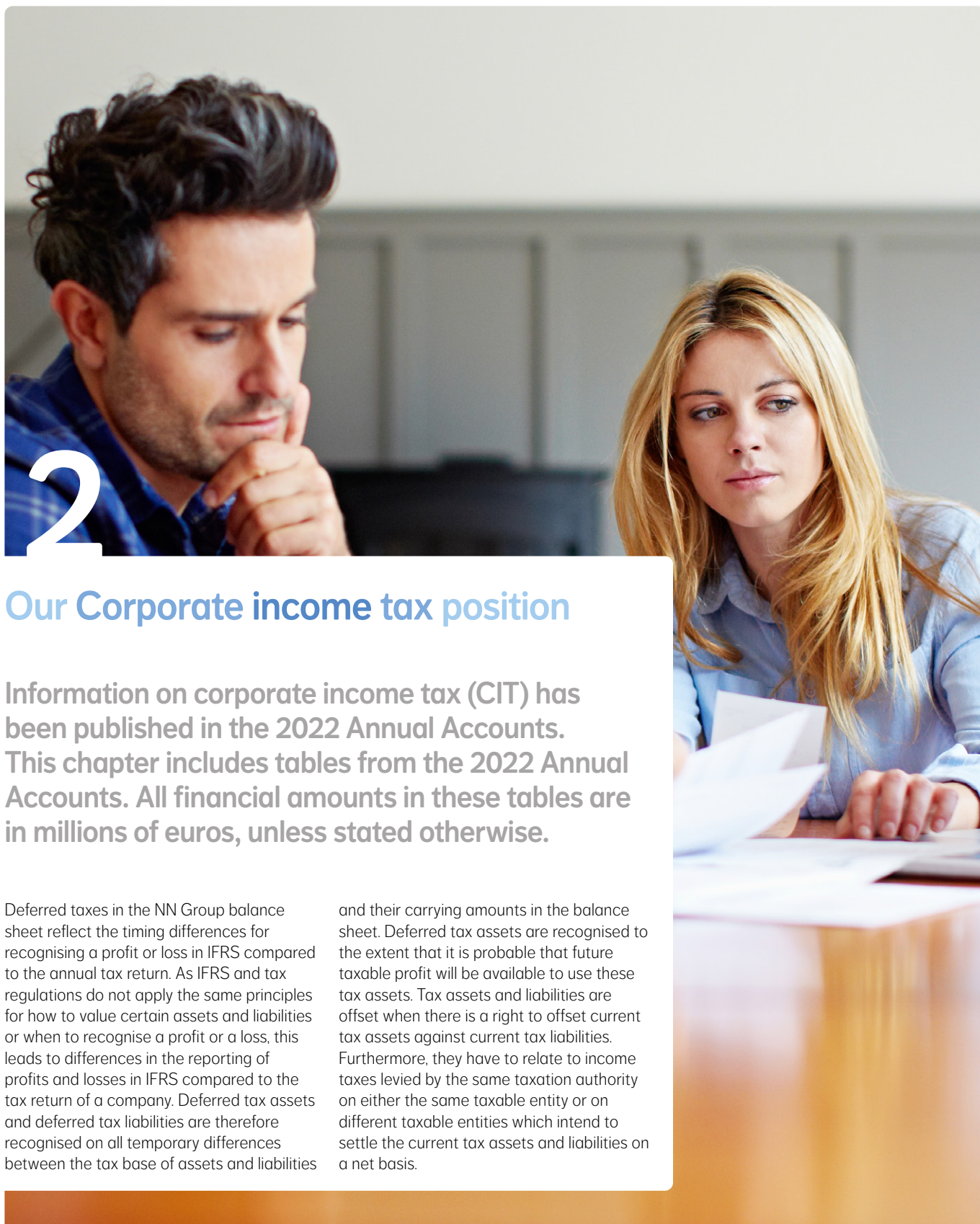
The NN Group Tax team acts as an advisor in the process leading to these investments and is therefore involved in every new investment. The investments are in the scope of the due diligence. External advice is provided by external tax advisors and the NN Group Tax team provides a tax sign off on the investment. As such, these investments are considered compliant to (international) tax legislation and the structure is according to the NN Group Tax policy; the NN Group Tax team monitors that in the investment structure the same profit is taxed only once

and that the management fee is sufficiently taxed in the hands of the managers. Furthermore, we avoid investments that are tax resident or have its principal place of business in a jurisdiction which is considered a tax haven. This includes jurisdictions on the EU's list of non-cooperative jurisdictions, and since 2022 we also include jurisdictions on the Netherlands list of low-tax and non-cooperative jurisdictions<sup>1</sup>. NN Group maintains an active dialogue with fund managers to ensure that they are aware of NN Group's tax policy and that the fund does not engage in aggressive tax planning.

<sup>1</sup> DB 2018/216528, Regeling laagbelastende staten en niet-coöperatieve rechtsgebieden voor belastingdoeleinden



# Corporate income tax in the Annual Accounts



## Our Corporate income tax position

Information on corporate income tax (CIT) has been published in the 2022 Annual Accounts. This chapter includes tables from the 2022 Annual Accounts. All financial amounts in these tables are in millions of euros, unless stated otherwise.

Deferred taxes in the NN Group balance sheet reflect the timing differences for recognising a profit or loss in IFRS compared to the annual tax return. As IFRS and tax regulations do not apply the same principles for how to value certain assets and liabilities or when to recognise a profit or a loss, this leads to differences in the reporting of profits and losses in IFRS compared to the tax return of a company. Deferred tax assets and deferred tax liabilities are therefore recognised on all temporary differences between the tax base of assets and liabilities

and their carrying amounts in the balance sheet. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available to use these tax assets. Tax assets and liabilities are offset when there is a right to offset current tax assets against current tax liabilities. Furthermore, they have to relate to income taxes levied by the same taxation authority on either the same taxable entity or on different taxable entities which intend to settle the current tax assets and liabilities on a net basis.

## Corporate Income Tax in the Annual Accounts

The principal temporary differences arise from depreciation of property and revaluation of financial assets and liabilities, including derivatives, insurance liabilities, pension obligations and other post-retirement benefits. In addition to deductible temporary differences, deferred tax assets can also arise as a result of unused tax losses (and tax credits) carried forward. The tax rates enacted or substantively enacted by the reporting period date are used to determine the deferred tax.

Tax losses arise when the taxable profit of a fiscal entity is negative. Generally, tax losses can be offset against the taxable profits of following years. A deferred tax asset is only recognised to the extent that NN Group expects to utilise these losses in the foreseeable future. For each of the fiscal entities, a forecast is made of future taxable profits. Where this future taxable profit is sufficient to offset (a part of) the existing tax carry forward balance, a deferred tax asset has been recognised.

For that analysis, consideration is also given to the amount of the deferred tax liability in place at the level of the loss making entities. The amount that was unlikely to be utilised (EUR -/-196 million) was not recognised.

The income tax charge of EUR 85 million in 2022 represents an effective tax rate (ETR) of 15.2% on the result before tax from continuing operations. Result before tax excludes NN IP<sup>1</sup>. This ETR is lower than the weighted average statutory tax rate of 25.3% and also lower than the insurance industry average of 19.5% as published by S&P Global<sup>2</sup> mainly due to the following items:

1. A large part of NN Group's result before tax is based on investment income, including income from equity investments. As an institutional investor, NN Group has equity interests that exceed the 5% shareholding threshold. Income from these equity investments is exempt from tax by the Dutch participation exemption to prevent double taxation. The impact of the

participation exemption leads to a reduction of the ETR by 22.2%<sup>3</sup>.

2. In 2022 a reassessment was made of the prior year tax liabilities of the Group, resulting in a tax expense recognised under IFRS of EUR 55 million. The impact of this reassessment leads to an increase of the ETR by 9.8%.

The ETR on the full-year net result of EUR 1,562 as reported in NN Group's Annual Report is 5.7%. This lower ETR, compared to the ETR on continued operations, fully reflects the tax exempted gain on the sale of NN IP.

1 When the operational income of NN IP until the date of sale is included in the result before tax of NN Group this ETR would have been 15.9%. However, in the consolidated profit and loss account in the Annual Report this operational income of EUR 28 million is presented as a net result from discontinued operations.

2 S&P Global Corporate Sustainability Assessment, CSA Companion 2022, page 93 'Average effective tax rate & Cash Tax Rate for each of the 24 GICS® Industry Groups'.

3 We refer to page 17 of the 2021 Total tax Contribution report of NN Group for an explanation of the differences in effective and statutory tax rate.

### Deferred tax (2022)

	Net liability 2021	Changes through equity	Changes through net result	Changes in the composition of the group and other changes	Exchange rate differences	Net liability 2022
Investments	3,271	-4,865	-126	74	-7	-1,653
Real estate investments	1,172		-10			1,162
Financial assets and liabilities at fair value through profit or loss	29		-22	-2		5
Deferred acquisition costs	460		-6	31	-19	466
Fiscal reserves	91		-91			-
Depreciation	18		-2	5	-1	20
Insurance liabilities	-3,273	1,703	358	-96	-9	-1,317
Cash flow hedges	3,069	-2,063				1,006
Pension and post-employment benefits	20	24	4	-1	1	48
Other provisions	-27		-4		2	-29
Receivables	17		-4		-3	10
Loans	28		-3			25
Unused tax losses carried forward	-81		-48	-2		-131
Other	-24	14	-24	-60	1	-93
<b>Net Deferred tax liability (asset)</b>	<b>4,770</b>	<b>-5,187</b>	<b>22</b>	<b>-51</b>	<b>-35</b>	<b>-481</b>

Presented in the balance sheet as:

Deferred tax liabilities	4,817	423
Deferred tax assets	-47	-904
<b>Net Deferred tax liability (asset)</b>	<b>4,770</b>	<b>-481</b>

## Corporate Income Tax in the Annual Accounts continued

## Deferred tax on unused tax losses carried forward

	2022	2021
Total unused tax losses carried forward	716	511
Unused tax losses carried forward not recognised as a deferred tax asset	-196	-184
<b>Unused tax losses carried forward recognised as a deferred tax asset</b>	<b>520</b>	<b>327</b>
Average tax rate	25.1%	24.8%
<b>Deferred tax asset</b>	<b>131</b>	<b>81</b>

## Total unused tax losses carried forward analysed by term of expiration

	No deferred tax asset recognised		Deferred tax asset recognised	
	2022	2021	2022	2021
Within 1 year	4	12		
More than 1 year but less than 5 years	49	34	9	14
More than 5 years but less than 10 years	7	3		
Unlimited	136	135	511	313
<b>Total unused tax losses carried forward</b>	<b>196</b>	<b>184</b>	<b>520</b>	<b>327</b>

## Taxation on result

	2022	2021
Current tax	64	480
Deferred tax	21	189
<b>Taxation on result</b>	<b>85</b>	<b>669</b>

NN Group N.V., together with a majority of Dutch subsidiaries, is a part of a fiscal unity for Dutch income tax purposes. The members of the fiscal unity are jointly and severally liable for any income taxes payable by the Dutch fiscal unity.

## Reconciliation of the weighted average statutory tax rate to NN Group's effective tax rate

	2022	2021
Result before tax from continuing operations	562	3,832
Weighted average statutory tax rate	25.3%	24.9%
<b>Weighted average statutory tax amount</b>	<b>142</b>	<b>954</b>
Participation exemption	-125	-319
Other income not subject to tax and other	-14	-11
Expenses not deductible for tax purposes	30	13
Impact on deferred tax from change in tax rates		7
Deferred tax benefit for previously unrecognised amounts	-3	-9
Tax for non-recognised losses	3	2
Write-off/reversal of deferred tax assets	-3	1
Adjustments to prior periods	55	31
<b>Effective tax amount</b>	<b>85</b>	<b>669</b>
<b>Effective tax rate</b>	<b>15.2%</b>	<b>17.5%</b>



## Corporate Income Tax in the Annual Accounts continued

In detail

## The corporate income tax position in Solvency II

As per Solvency II regulations, NN Group publicly discloses a Solvency & Financial Condition Report (SFCR), with information on financial resources, governance and accountability, risk assessment and management, and supervision. The NN Group SFCR report is published on the same date as the [NN Group Annual Report](#).

Solvency II reflects the financial position of an insurance company by its capital position in the balance sheet. The Solvency II balance sheet is valued on a market consistent and risk-based calculation of assets and liabilities that result in a Solvency II ratio. This ratio represents the ability of the company to meet its short-term and long-term liabilities.

When determining the Solvency II position, taxes can be recognised in two ways: (i) in the balance sheet as deferred taxes, and (ii) when calculating the Solvency II ratio by the loss absorbing capacity of deferred taxes.

### Deferred taxes in the Solvency II balance sheet

Deferred taxes in the Solvency II balance sheet represent the future tax payable (DTL) or tax receivable (DTA) over the difference in valuation of assets and liabilities in the corporate income tax base and the Solvency II base. Similar to IFRS, it only reflects a timing difference in recognising profits and losses.

The corporate income tax value of assets and liabilities does not change in Solvency II compared to IFRS reporting. However, as the valuation principles in Solvency II are different to IFRS, the reported amount of

deferred taxes will also deviate. The underlying basic assumption of recognising a deferred tax position in Solvency II is principally the same as in IFRS: deferred tax liabilities are generally fully recognised whereas deferred tax assets are only recognised to the extent they are recoverable. However, when determining the Solvency II ratio, there is a limit to the maximum amount of net DTA that can be accounted for in relation to the total capital position of the company. This Tier 3 restriction limits the amount of net DTA to a maximum of 15% of the Solvency Capital Requirement. Any surplus of net DTA is not taken into account and hence negatively impacts the Solvency II ratio. Limiting the amount of net DTA is therefore a key objective in managing the tax position of an insurance company in Solvency II.

### Loss absorbing capacity of deferred tax

Insurance companies are required to be able to absorb in its capital the financial loss of instantaneous material events (e.g. disasters, pandemics, war). If and when occurring, this loss is also recognised for tax purposes and, therefore, creates a tax benefit reducing the financial net impact of this loss. The tax benefit reducing the gross loss is called the loss absorbing capacity of deferred tax (LACDT).

The amount or value of the LACDT, as for the DTA in the balance sheet, is based on the expected recoverability of this tax asset. Tax authorities do not disburse tax when a tax loss occurs but only reduce a (future) tax payable, meaning that the value of this tax asset is determined by the ability to offset against (deferred) tax

liabilities. This offsetting relates to the same amount, at the same time and within the same tax jurisdictions. Timing of tax positions is therefore another key objective of tax management at an insurance company in Solvency II.

### Dutch corporate income tax in the context of Solvency II

Dutch corporate income tax rules require a life insurance company to value its liabilities at historical cost, using the interest rates and mortality assumptions at inception date of the contract. An increase of the market value of the liabilities is therefore only recognised for tax during the run-off of the portfolio, which can be up to 50 years.

However, whereas investments are also valued at cost, in practice capital gains are taxed over a much shorter period than that of the liabilities, due to their short-term nature. This can cause a timing difference in recognising profits on assets and the matching losses on liabilities.

New regulation on tax losses in the Netherlands as per 1 January 2022 reduces loss compensation to a maximum of 50% of future profits. In a Solvency II context double the amount of taxable profits is required to substantiate a DTA on tax losses in the Solvency II balance sheet.

This is an incentive to actively match the timing of taxable profits and losses in order to create a balanced position. As a result, in a given year only the realised economic net profit of the insurance company is taxed.

### Taxes in the cash flow statement

The total tax contribution of NN Group was EUR 2.407 million for 2022 (see page 22). This amount consists of both taxes collected and taxes borne by NN Group. The taxes borne include the cash CIT paid as reflected in the consolidated statement of the cash flows in the Annual Accounts which amounted to EUR 145 million in 2022 (2021: EUR 397 million). The dissimilarity in CIT paid and the CIT expense as presented in the profit and loss account of the Annual Accounts reflects the difference between tax and accounting rules (including the change in tax rates mentioned earlier), tax losses and tax credit, and other carry-forwards.

To create a stable cash tax income, governments in various countries introduced local legislation that allows tax losses to be offset up to a maximum percentage of the taxable base. This means that even in a situation of tax losses, the relevant entities will pay cash taxes on profits realised in 2022. Whereas Spain, Belgium, Japan, Hungary and Slovak Republic already had such legislation, a 50% limitation was introduced in the Netherlands per 1 January 2022.

It should also be observed that the cash tax amounts are not only impacted by the current tax component as part of the tax expense as reported in NN Group's Income Statement, but also by the current tax

component as reflected directly in NN Group's equity. We provide further details of both the tax charge and the tax cash paid per country in the table below. Reporting a tax provision NN Group's business environment exposes NN Group and its subsidiaries to uncertainties in their tax positions as reported in NN Group's financial statements. Aligned with and inherent to NN Group's Tax Risk Management policy, NN Group continuously identifies and assesses uncertainties of its tax positions relating to all Dutch and international taxes, including, but not limited to, CIT, withholding taxes, VAT, IPT and payroll tax. Based on the applicable (local) accounting policies, a tax provision is

## Corporate Income Tax in the Annual Accounts continued

reported when the uncertainty in a tax position is estimated as 'probable' (more likely than not). NN Group reassesses its judgements and estimates if relevant factors have changed, and correspondingly reassesses its conclusion whether or not to report a (change in) tax provision.

### Principal subsidiaries and geographical information (2022)

The table below provides additional information on principal subsidiaries, the nature of the main activities and employees by country. For the 2022 table of the principal subsidiaries and geographical information, we refer to the Financial Accounts page 96.

Country/Name of principal subsidiaries	Main activity	Average number of employees <sup>1</sup>	Total income	Total assets	Result before tax	Taxation <sup>2</sup>	Income tax paid	Effective tax rate <sup>3,4</sup>
Nationale-Nederlanden Levensverzekering Maatschappij N.V.	Life insurance							
Nationale-Nederlanden Bank N.V.	Banking							
Nationale-Nederlanden Schadeverzekering Maatschappij N.V.	General insurance							
REI Investment I B.V.	Real estate							
NN Re (Netherlands) N.V.	Reinsurance							
ABN AMRO Levensverzekering N.V.	Life insurance							
<b>Netherlands</b>		<b>8,746</b>	<b>10,187</b>	<b>168,243</b>	<b>8</b>	<b>-95</b>	<b>-20</b>	<b>&gt;-100%<sup>5</sup></b>
NN Life Insurance Company, Ltd.	Life insurance							
<b>Japan</b>		<b>937</b>	<b>3,159</b>	<b>18,436</b>	<b>317</b>	<b>90</b>	<b>73</b>	<b>28.1%</b>
NN Insurance Belgium N.V.	Life insurance							
<b>Belgium</b>		<b>659</b>	<b>998</b>	<b>11,281</b>	<b>70</b>	<b>17</b>	<b>-51</b>	<b>24.6%</b>
Nationale Nederlanden Vida, Compania de Seguros y Reaseguros. S.A.	Life insurance							
Nationale Nederlanden Generales, Compania de Seguros y Reaseguros, S.A.	General insurance							
<b>Spain</b>		<b>554</b>	<b>704</b>	<b>4,794</b>	<b>22</b>	<b>4</b>	<b>1</b>	<b>18.2%</b>
Nationale-Nederlanden Towarzystwo Ubezpieczeń na Życie S.A.	Life insurance							
Nationale-Nederlanden Powszechnie Towarzystwo Emerytalne S.A.	Pensions							
<b>Poland</b>		<b>1,125</b>	<b>583</b>	<b>3,198</b>	<b>58</b>	<b>16</b>	<b>59</b>	<b>28.5%</b>
NN Hellenic Life Insurance Co. S.A.	Life insurance							
<b>Greece</b>		<b>500</b>	<b>765</b>	<b>4,155</b>	<b>23</b>	<b>7</b>		<b>30.1%</b>
NN Životní pojišťovna N.V. (pobočka pro Českou republiku)	Life insurance							
<b>Czech Republic</b>		<b>668</b>	<b>219</b>	<b>1,327</b>	<b>12</b>	<b>3</b>	<b>42</b>	<b>20.5%</b>
NN Biztosító Zártkörűen Működő Részvénytársaság	Life insurance							
<b>Hungary</b>		<b>446</b>	<b>253</b>	<b>1,148</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>79.8%<sup>6</sup></b>
NN Asigurari de Viata S.A.	Life insurance							
<b>Romania</b>		<b>488</b>	<b>249</b>	<b>989</b>	<b>34</b>	<b>6</b>	<b>7</b>	<b>17.1%</b>
NN Životná poisťovňa, a.s.	Life insurance							
<b>Slovak Republic</b>		<b>361</b>	<b>164</b>	<b>749</b>	<b>12</b>	<b>3</b>	<b>15</b>	<b>27.5%</b>

## Corporate Income Tax in the Annual Accounts continued

### Global Anti-Base Erosion Rules (Pillar II)

The Global Anti-Base Erosion Model Rules (Pillar II), an initiative by the OECD/G20 Inclusive Framework, introduces a minimum level of taxation for multinationals with consolidated revenue of EUR 750 million or above. As a result, in scope multinationals will at all times pay a minimum effective tax rate of 15% on their worldwide profits.

On 15 December 2022 the Council of the EU reached unanimous agreement to implement the EU Minimum Tax Directive with the requirement to transpose the rules into domestic law by 31 December 2023. The Directive is part of the global effort against tax avoidance and is designed to bring the minimum effective tax paid by multinational enterprises to a minimum of 15% of its income in each jurisdiction where they operate. In its design, the calculation is based on the financial accounts as reported in the annual report of an enterprise but with adjustments to these accounts to better align with minimum tax purposes.

Already in anticipation of this new Directive, the Dutch Government submitted on 24 October 2022 a draft legislative proposal 'Minimum Tax Act 2024' to public consultation.

In 2022, at NN Group's head office a multidisciplinary team of tax experts, accounting experts, data analysts and IT experts assessed the impact of the proposal for NN Group. At this stage, our assessment focuses on the interpretation of the draft legislation, the availability of required data, the internal accounting systems impacted and the reporting structure. Following the assessment NN Group expects that it will be able to report upon the requirements of the proposal, it also confirmed the complexity of the adjustment rules and the severe administrative burden being placed upon enterprises. At this moment it is still too early to reliably estimate a potential financial impact because of the transition of the financial reporting by NN Group to IFRS 9 & 17 and the ongoing process of interpreting the proposed Pillar II legislation.

Being optional in the Directive, the Dutch proposal also include the introduction of a qualified domestic minimum taxation to safeguard a claim on minimum tax payable in the Netherlands. We can expect other EU Member States to introduce a domestic minimum taxation also.

The OECD proposal and the EU Directive build upon the principle of a minimum tax calculation by the ultimate parent entity based on the consolidated financial accounts. However, without alignment, we might expect that the introduction of domestic minimum tax in every Member States will lead to multiple single domestic calculations. This will further increase the administrative burden of Pillar II where we consider as an alternative to accept the calculations made by the ultimate parent entity as being the basis for the domestic tax filings.

## Principal subsidiaries and geographical information continued

Country/Name of principal subsidiaries	Main activity	Average number of employees <sup>1</sup>	Total income	Total assets	Result before tax	Taxation <sup>2</sup>	Income tax paid	Effective tax rate <sup>3,4</sup>
Germany		5	-1	541	-2	-3	3	>100% <sup>7</sup>
France		4	21	1,116	13	31	11	>100% <sup>8</sup>
Italy		3	3	266	3	-1		-31.0% <sup>9</sup>
Denmark			15	215	13	3		23.1%
United Kingdom		7	-9	606	-19	2	1	-11.7% <sup>10</sup>
Turkey		197	19	40	-5	-1		13.2%
Ireland							1	
Singapore		16						
Mexico		1	1	5	-1			
United States		7						
Switzerland		2						
Argentina		2	1	1				
Uruguay		1						
<b>Total</b>		<b>14,729</b>	<b>17,331</b>	<b>217,110</b>	<b>562</b>	<b>85</b>	<b>145</b>	<b>15.2%</b>

1. The average number of employees is on a full-time equivalent basis, including NN IP.

2. Taxation is the taxation amount charged to the profit and loss account.

3. No effective tax rate calculation can be made if a country has no taxation amount.

4. If the rounded taxation amount is reported as 0, then the ETR is based on the actual taxation amount.

5. The ETR is mainly caused by the participation exemption, partly offset by a tax expense following a reassessment of prior year tax liabilities.

6. The ETR is mainly caused by additional local taxes.

7. The ETR is mainly caused by a tax expense following a reassessment of prior year tax liabilities and non recognised deferred taxes.

8. The ETR is mainly caused by a tax expense following a reassessment of prior year tax liabilities.

9. The negative ETR is mainly caused by an exempt gain, combined with a notional interest deduction.

10. The negative ETR is mainly caused by an IFRS loss without recognising a corresponding deferred tax benefit.

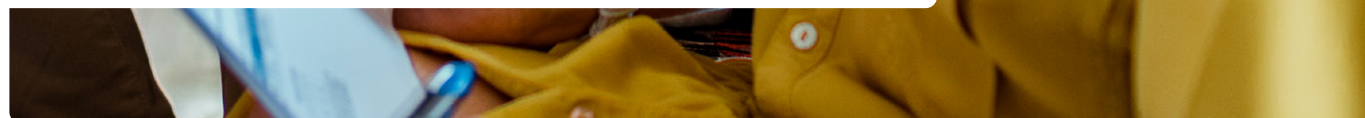


# Total Tax Contribution in 2022



## Taxes paid and collected

Besides taxes that NN Group pays as a taxpayer, we are also responsible for collecting taxes and passing them on to tax authorities. These taxes are related to our business activities and charged to or collected on behalf of our clients, or they relate to taxes collected on behalf of employees or service providers. With the sale of NN IP in April 2022, taxes related to this business unit are no longer included in this report.



## Total Tax Contribution in 2022

### Value Added Tax (VAT)

VAT is normally charged by a company to customers on services provided and products sold. The company collects these taxes and pays them to the tax authorities. In the system of VAT, the company can deduct the VAT it has paid to its suppliers on goods and services purchased from the VAT it has collected before paying to the tax authorities. This means, on a net basis, VAT is only charged and paid on the value added by the company. Financial services such as banking and insurance are in general exempted for VAT. This exemption means that the main financial services (i.e. insurance premiums) provided by NN Group to its customers do not have a VAT charge. However, in the system of VAT, being

exempted also means that the financial institution cannot deduct the VAT it has paid to its suppliers on goods and services purchased, as normally would be the case. VAT charged to NN Group will economically lead to a cost instead of being a benefit to the company, as the wording 'exemption' might suggest. On other business, such as pension administrations, VAT is charged by NN Group and collected and paid to the tax authorities. This report reflects the VAT tax contribution of NN Group in all countries where NN Group has a presence.

### Value-added taxes collected and borne by NN Group

in EUR million	VAT charged to NN	VAT recovery	VAT collected and paid to the Governments	Total VAT contribution
Netherlands	171.6	-23.0	28.6	177.2
Belgium	20.4	-0.5	0.2	20.1
Czech Republic		-5.1	5.8	0.7
France				
Germany				
Greece	9.9			9.9
Hungary	5.6	-1.3	1.1	5.4
Italy				
Japan <sup>1</sup>	26.8	-0.5	0.3	26.6
Poland	10.4	-0.3	0.4	10.5
Romania	1.2		0.1	1.3
Singapore				
Slovak Republic	1.8	-0.2	0.2	1.8
Spain	10.4	-0.2	0.4	10.6
Switzerland				
Turkey	0.9		0.7	1.6
United Kingdom	0.1			0.1
United States				
Uruguay				
<b>Total VAT contribution 2022</b>	<b>259.1</b>	<b>-31.1</b>	<b>37.8</b>	<b>265.8</b>
Total VAT contribution 2021	247.2	-23.5	34.3	258.0

<sup>1</sup> Amount refers to Japanese consumption tax which is comparable with the EU VAT system.

## Total Tax Contribution in 2022 continued

### Insurance premium tax (IPT)

IPT is charged on behalf of the tax authorities on insurance premiums paid by customers directly to NN Group or via insurance intermediaries. Generally, non-life insurances are taxed while health and life insurances are exempted from IPT. Some of the countries where NN operates, such as Belgium, Greece and Romania, tax life insurances at a reduced IPT rate. In 2013, the IPT tax rate in the Netherlands increased to 21% and is now at the same level as the general VAT rate. However, because of the non-deductible VAT in operational costs and in costs of non-life insurance claims, the effective combined tax rate of VAT and IPT is higher than the perceived IPT of 21% and can be more than 35% for individual non-life insurance. This is because non-deductible VAT is part of the cost (price) of the insurance product which makes insurances highly taxed. The IPT in this report is limited to direct payments by NN Group companies

to the tax authorities. In the Netherlands this includes the fully owned insurance agent Zicht; however, NN Group's indirect IPT contributions on insurance products sold via third party insurance agents are not included as this data is not available to NN Group.

### Subsidies

In 2022, NN Group and its business units generally did not make use of any material subsidies or tax incentives provided by the tax authorities.

## Insurance premium taxes collected by NN Group

in EUR million

Country	Insurance Premium taxes collected	
	2022	2021
Netherlands	275.2	233.6
Belgium	47.9	49.9
Czech Republic		
France		
Germany	0.5	0.1
Greece	37.9	21.5
Hungary	0.6	0.6
Italy		
Japan	9.7	11.2
Poland		
Romania	0.6	0.6
Singapore		
Slovak Republic		
Spain	4.6	5.3
Switzerland		
Turkey	0.1	0.1
United Kingdom		
United States		
Uruguay		
<b>Total Insurance premium taxes collected and paid to tax authorities</b>	<b>377.1</b>	<b>322.9</b>



## Total Tax Contribution in 2022 continued

### Payroll taxes (employer and employee)

NN Group had 16,104 employees in 2022 (2021: 15,147 employees). On salary payments to our employees, NN Group withholds payroll tax on salaries and additionally pays social and healthcare premiums and other employment taxes as part of the cost of employment. These taxes are paid to the relevant tax authorities by NN Group. Payroll taxes (on insurance and banking products) On most life insurance claims and some nonlife claims, NN Group is obliged to withhold payroll taxes as part of the claim being paid. NN Group also withholds payroll

taxes on banking products, such as severance payments savings in the Netherlands. Payroll taxes are directly paid to the tax authorities by NN Group. These taxes are withheld as an upfront payment of the client's income tax.

### Withholding taxes on dividends paid by NN Group

NN Group N.V. withholds taxes on cash dividends paid out to its shareholders. These taxes are collected and paid to the tax authorities following the period in which they are withheld. Withholding taxes withheld by

third parties on interest and dividends received by the investment funds managed by NN Group are currently not included in this report.

### Payroll taxes (employer and employee) withheld by NN Group

in EUR million

Country	Payroll taxes (employer and employee) withheld by NN Group	Payroll taxes (on insurance and banking products) collected by NN Group	Total 2022	Total 2021
Netherlands	372.9	989.3	1,362.2	1,380.9
Belgium	29.8	60.0	89.8	88.1
Czech Republic	3.0	11.0	14.0	13.5
France <sup>1</sup>				1.5
Germany <sup>1</sup>				1.0
Greece	4.4		4.4	2.6
Hungary	7.3	0.4	7.7	7.7
Italy <sup>1</sup>				0.7
Japan	21.6	0.5	22.1	23.5
Poland	5.1	0.9	6.0	6.9
Romania	10.6	3.7	14.3	11.2
Singapore <sup>1</sup>				0.1
Slovak Republic	6.5	2.0	8.5	7.8
Spain	14.8	10.6	25.4	29.6
Switzerland <sup>1</sup>				
Turkey	2.3		2.3	2.9
United Kingdom <sup>1</sup>				2.4
United States <sup>1</sup>				0.8
Uruguay <sup>1</sup>				0.1
<b>Total</b>	<b>478.3</b>	<b>1,078.4</b>	<b>1,556.7</b>	<b>1,581.3</b>

<sup>1</sup> With the sale of NN IP in 2022 NN Group no longer report payroll taxes in these countries.

### Withholding taxes on dividend collected by NN Group

in EUR million

	Netherlands 2022	Netherlands 2021
<b>Withholding tax on dividends</b>	<b>61.9</b>	<b>61.8</b>

## Total Tax Contribution in 2022 continued

### Total Tax Contribution NN Group

To conclude and to provide an insight into the total impact of all taxes borne and collected by NN Group, we have introduced a total tax contribution measurement. The foundation of this measurement is that NN Group not only pays taxes which reflect a cost for our company (the taxes borne), but is also responsible for collecting taxes and passing them on to the tax authorities (taxes collected). These taxes are related to our business activities and charged to or on behalf of our clients, or they relate to taxes collected on behalf of employees or service providers. The total tax contribution of NN Group therefore includes:

- The corporate income taxes paid by NN Group
- The total of the other taxes collected and paid by NN Group as outcome of its operations in the form of VAT, IPT, payroll taxes, and withholding tax on dividends paid by NN Group.

There may be additional amounts which are paid to local tax authorities as a result of our economic activity which currently have not been taken into consideration in this report (for example, banking tax or contributions to the resolution fund or a rental tax).

NN Group's Total Tax Contribution in 2022 amounted to EUR 2,406.6 million, with 77% of this amount paid to tax authorities in the Netherlands, and 23% to local tax authorities on behalf of our international business.

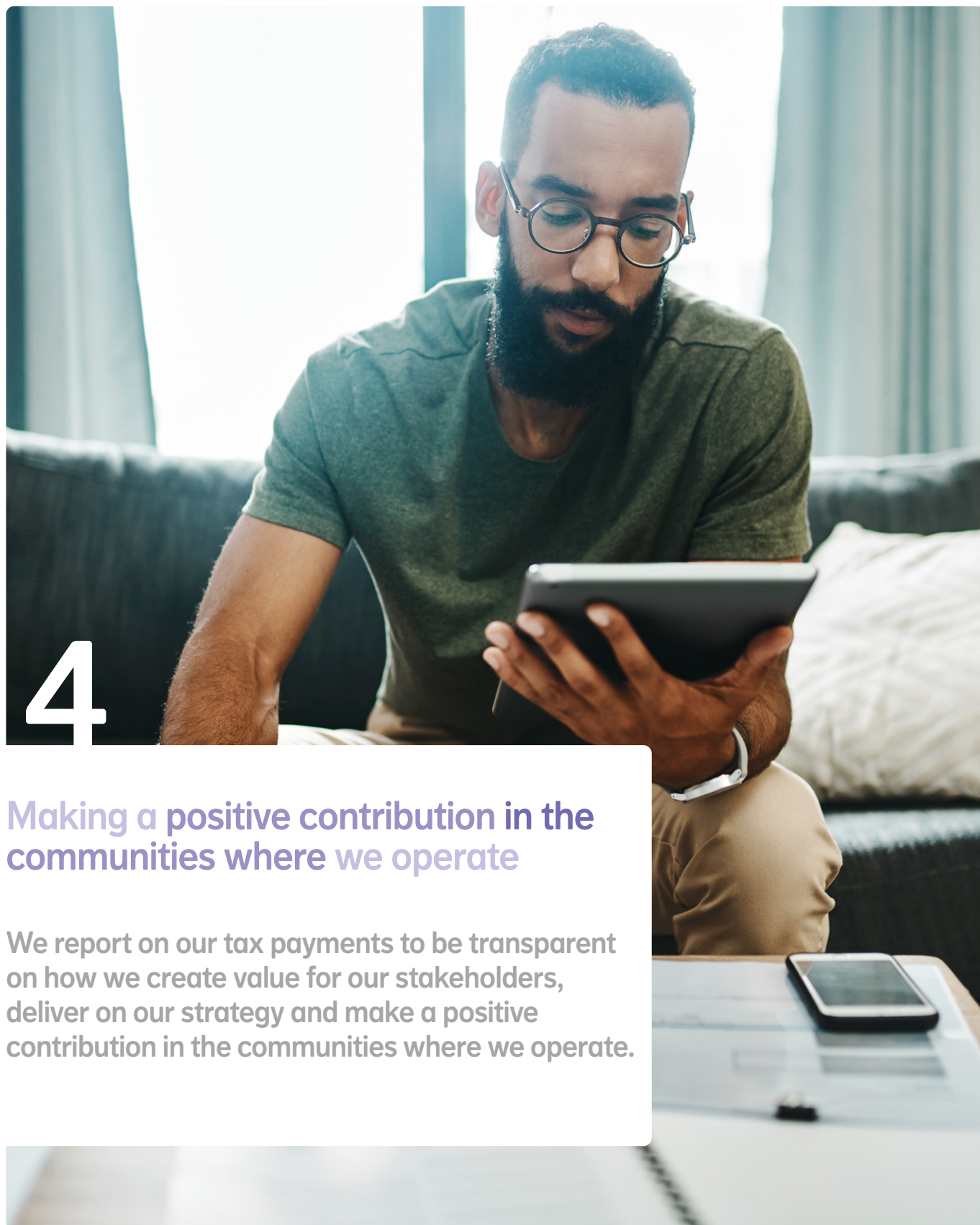
### Total taxes collected and borne by NN Group

In EUR million

Country	Total taxes collected and borne	
	2022	2021
Netherlands	1,856.5	2,096.7
Belgium	106.8	219.8
Czech Republic	56.7	35.6
France	11.0	9.6
Germany	3.5	3.2
Greece	52.2	29.0
Hungary	16.7	14.3
Ireland	1.0	-16.0
Italy		2.8
Japan	131.4	117.1
Poland	75.5	14.4
Romania	23.2	19.8
Singapore		2.1
Slovak Republic	25.4	15.7
Spain	41.6	46.2
Switzerland		1.0
Turkey	4.1	4.3
United Kingdom	1.0	4.6
United States		0.8
Uruguay		0.1
<b>Total</b>	<b>2,406.6</b>	<b>2,621.1</b>



# Our approach to reporting



## Making a positive contribution in the communities where we operate

We report on our tax payments to be transparent on how we create value for our stakeholders, deliver on our strategy and make a positive contribution in the communities where we operate.



## Our approach to reporting

### Structure

The Total Tax Contribution Report is published together with NN Group's Annual Report. The report is published on NN Group's website in the Investors/Annual Report section.

### Reporting profile

This is NN Group's fourth Total Tax Contribution Report. The 2022 Total Tax Contribution Report seeks to provide an overview of the total tax payments made by NN Group to tax authorities in the countries NN Group operates and to reflect the contribution made to public finances by our business. The report is published on 9 March 2023.

### Scope of the data

The report includes all entities over which NN Group has management control. In this report we provide insight into our tax position on a country-by-country basis. We note that the reported tax contribution is a minimum position. The report does not include all taxes and other contributions paid by NN Group to governments. The report is limited to corporate income tax, payroll tax, VAT, IPT and dividend withholding taxes. For the dividend withholding tax position we report on only the withholding on dividends paid by NN Group N.V. Other taxes such as real estate transfer taxes, rental taxes, or dividend taxes paid or withheld at the level of our (indirect) investments are currently not included in this report because the amounts are not material or because of these taxes are not reported to NN group as an investor. The scope of the reported data is presented in each definition hereafter. 'Tax' in this report means any amount of money required to be paid to, or repaid by, a government. In brief, the key information shown is as follows:

#### 1 Taxes borne

These are the taxes that NN Group is obliged to pay to a government on its own behalf, or taxes that NN Group is obliged to pay to a third party and that cannot be recovered from a government. A list of the main taxes we have included in this category are:

- Corporate income tax (CIT) - This comprises any tax on the business calculated on the basis of its profits including rent resource taxes, income, and capital gains. Typically, these taxes are reflected in corporate income tax returns made to governments, and tend to become payable, and are paid, either in the year profits are made or up to one year later, depending on local tax rules as to timing of payments.

- Payroll taxes (employer) - This comprises payroll and employer taxes payable in a company's capacity as an employer. Typically, these taxes are reflected in payroll tax returns made to governments and tend to be payable, and are paid, regularly (often monthly) throughout the year, shortly after the submission of the return. These form part of operating costs.
- Irrecoverable indirect taxes - This comprises VAT that arises on purchases which cannot be recovered from governments as most of the activities of NN Group are VAT-exempted. These taxes form part of operating costs.

#### 2 Taxes collected

These are the taxes that a company is obliged to collect from others and pay to a government. A list of the taxes included in this category are:

- Value-added tax (VAT) - This comprises amounts collected on outgoing services and sales, usually arising when the service is provided, or the sale is executed. These taxes form part of a VAT tax return made to the government and tend to become payable, and are paid, regularly (often quarterly) throughout the year shortly after submission of the VAT tax returns.
- Insurance premium tax (IPT) - This comprises amounts collected on insurances, usually arising when the insurance premium is written. These taxes form part of an IPT tax return made to the government and tend to become payable, and are paid, regularly (often quarterly) throughout the year shortly after the submission of the IPT tax returns.
- Payroll taxes (employee) - This comprises payroll and employee taxes withheld from employee remuneration and paid to governments. These taxes are reflected in payroll tax returns made to governments and tend to be payable, and are paid, regularly (often monthly) throughout the year shortly after the submission of the return.
- Payroll taxes (products) - This comprises taxes withheld from insurance payments and paid to governments. These taxes are reflected in claims paid to insured customers and tend to be payable, and are paid, regularly (often monthly) throughout the year shortly after the submission of the return.
- Withholding tax - This comprises tax charged on payments of dividends or other distributions of profits by NN Group. This tax becomes payable, and is paid, at the point of a distribution of dividend rather than in the year the profits actually arise

### Review and approval

The data provided in our Total Tax Contribution report are based on the Annual Accounts and underlying data prepared by NN Group entities. All information is reviewed by NN Group's Disclosure Committee and is subject to approval by our Executive Board and Supervisory Board before publication.

### Reporting guidelines

For the preparation of the report we have followed the Global Reporting Initiative (GRI) Topic standard for tax (GRI 207: Tax 2019). NN Group's annual reporting is in accordance with the Standards from the GRI (core level). The GRI Index table shows on which GRI topic standards NN Group reports in this report and the Annual Review. Furthermore, for financial reporting, IAS12 Income Taxes, part of the IFRS-EU reporting framework, is the most relevant standard for the Total Tax Contribution Report 2022. We believe that reporting on tax transparency will become part of standardised reporting in the future, for example by the GRI Sustainability Reporting Standards 207 on tax, as effective per 1 January 2021.

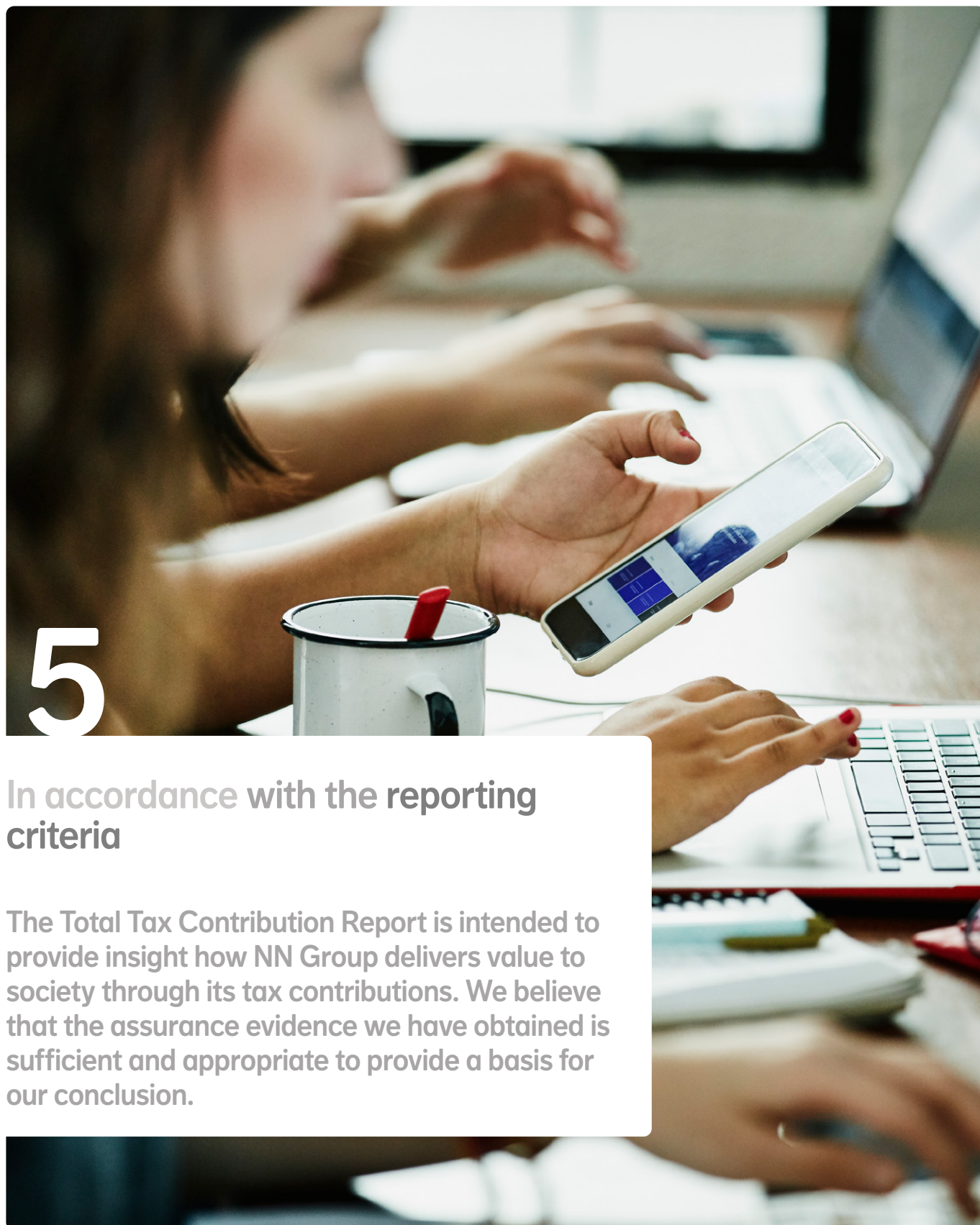
### External assurance

This Report has been subject to review by our external auditor KPMG. We refer to chapter 5 of this Report

The Hague, 8 March 2023

The Executive Board  
D.A. (David) Knibbe, CEO, Chair  
A.T.J. (Annemiek) van Melick, CFO, vice-chair

# Assurance report of the independent auditor



# 5

## In accordance with the reporting criteria

The Total Tax Contribution Report is intended to provide insight how NN Group delivers value to society through its tax contributions. We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.



## **Assurance report of the independent auditor**

To: the General Meeting of Shareholders and the Supervisory Board of NN Group N.V.

### ***Our conclusion***

We have reviewed the Total Tax Contribution Report 2022 ('Total Tax Contribution Report') of NN Group N.V. based in Amsterdam and headquartered in The Hague. A review is aimed at obtaining a limited level of assurance.

Based on our procedures performed, nothing has come to our attention that causes us to believe that the Total Tax Contribution Report is not prepared, in all material respects, in accordance with the reporting criteria as included in the section 'Reporting Guidelines' in the chapter 'Our approach to reporting' (page 24-25) of the Total Tax Contribution Report.

### ***Basis for our conclusion***

We performed our review in accordance with Dutch law, including Dutch Standard 3000A 'Assurance engagements other than audits or reviews of historical financial information (attestation engagements)'. This engagement is aimed to obtain limited assurance. Our responsibilities in this regard are further described in the 'Our responsibilities for the review of the Total Tax Contribution Report' section of our report.

We are independent of NN Group N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

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

### ***Reporting criteria***

The Total Tax Contribution Report needs to be read and understood together with the reporting criteria. NN Group N.V. is solely responsible for selecting and applying these reporting criteria, taking into account applicable law and regulations related to reporting.

The reporting criteria used for the preparation of the Total Tax Contribution Report are:

- GRI Standard 207 - Tax 2019 as issued by the Global Sustainability Standards Board; and
- EU-IFRS as the basis for financial reporting and in particular IAS 12 Income Taxes.

### ***Scope of our review***

The Total Tax Contribution Report is intended to provide insight into how NN Group N.V. delivers value to society through its tax contributions. The Total Tax Contribution Report states that the reported tax contribution is a minimum position and does not include all taxes and other contributions paid by NN Group N.V. to governments.



With respect to the data reported, our procedures are primarily focused on the reconciliation of the reported numbers with the 2022 consolidated annual accounts of NN Group N.V. and supporting underlying documentation. Our review cannot be considered as a tax assessment in respect of compliance of NN Group N.V. with tax legislation.

### ***Materiality***

Misstatements and omissions are material if they, individually or in the aggregate, could reasonably be expected to influence relevant decisions of users taken on the basis of the subject matter information. Materiality is considered in the context of qualitative factors and, when applicable, quantitative factors. Based on our professional judgement, we set the materiality at EUR 100 million.

### ***Limitations to the scope of our review***

The Total Tax Contribution Report includes prospective information such as ambitions, strategy, plans, expectations, estimates and risk assessments. Inherently, the actual future results are uncertain. We do not provide assurance on this prospective information, nor on the assumptions used or the achievability of it.

The reference to external sources or websites in the Total Tax Contribution Report are not part of the Total Tax Contribution Report itself as reviewed by us. We therefore do not provide assurance on this information.

### ***Responsibilities of the Executive Board and the Supervisory Board for the Total Tax Contribution Report***

The Executive Board of NN Group N.V. is responsible for the preparation of the Total Tax Contribution Report in accordance with the reporting criteria as included in the section 'Our approach to reporting' of the Total Tax Contribution Report.

The choices made by the Executive Board regarding the scope of the Total Tax Contribution Report and the Reporting Policy are summarised in the paragraphs 'Scope of the Data' and 'Reporting Profile' of the Total Tax Contribution Report.

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

The Supervisory Board is responsible for overseeing NN Group N.V.'s reporting process.

### ***Our responsibilities for the review of the Total Tax Contribution Report***

Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Procedures performed to obtain a limited level of assurance are aimed to determine the plausibility of information and vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in review engagements with a limited level of assurance is therefore substantially less than the assurance obtained in an audit.





Misstatements can arise from fraud or error and are considered material if they, individually or in the aggregate, could reasonably be expected to influence decisions of users taken on the basis of the subject matter information. The materiality affects the nature, timing and extent of our review procedures and the evaluation of the effect of identified misstatements on our conclusion.

We apply the 'Nadere Voorschriften Kwaliteitssystemen' (NVKS, Regulations for Quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have exercised professional judgement and have maintained professional scepticism throughout the review, in accordance with the Dutch Standard 3000A, ethical requirements and independence requirements.

Our review included among others the following procedures:

- we performed an analysis of the external environment, and obtained an understanding of relevant social themes and issues, and the characteristics of NN Group N.V.;
- we evaluated the appropriateness of the reporting criteria used and their consistent application;
- we identified areas of the Total Tax Contribution Report with a higher risk of material misstatements, whether due to fraud or error;
- we tested whether the information in the Total Tax Contribution Report reconciles with the annual accounts and underlying documentation. We read and reviewed, on a limited test basis, relevant internal and external supporting documentation;
- we evaluated the presentation, structure and content of the Total Tax Contribution Report; and
- we assessed whether the Total Tax Contribution Report as a whole, including the disclosures, reflects the purpose of the reporting criteria used.

We have communicated with the Executive Board and the Supervisory Board on the planned scope and timing of our review and shared significant findings from our review.

Amstelveen, 8 March 2023

KPMG Accountants N.V.

D. Korf RA

# Appendix



## Appendix

In 2022, the Global Reporting Initiative launched the 207 Tax standard, which is the first global standard for comprehensive tax disclosure at the country-by-country level. As from 2021, the 207 Tax standard is effective and NN Group is guided by this standard in reporting on its tax position.

The below index table serves as a reference from the GRI 207 Tax Disclosure to the relevant sections in our 2022 Total Tax Contribution, Annual Review, Financial Report, and our corporate website.

### GRI 207 : Tax 2019

		Reference
		AR Annual Report
		TC Total Tax Contribution Report
		NN NN Group Website
Indicator	Description of indicator	Reference
<b>207-1 Approach to tax</b>		
207-1 a	A description of the approach to tax, including:	
207-1 a i	Publicly available tax strategy	TC Our Approach to tax; NN In society/NN's Approach to tax/Group Tax charter
207-1 a ii	Approval and review of tax strategy	TC Our Approach to tax; NN In society/NN's Approach to tax/Group Tax charter
207-1 a iii	The approach to regulatory compliance	TC Our Approach to tax; NN In society/NN's Approach to tax/Group Tax charter
207-1 a iv	Link between approach to tax and the company's business and sustainable development strategies	TC Our Approach to tax; NN In society/NN's Approach to tax/Group Tax charter
<b>207-2 Tax Governance, control and risk management</b>		
207-2 a	Description of the tax governance and control framework, including:	
207-2 a i	Internal governance of compliance with the tax strategy;	TC Our Approach to tax; NN In society/NN's Approach to tax/Group Tax charter
207-2 a ii	Embedding of approach to tax within the organisation;	TC Our Approach to tax; NN In society/NN's Approach to tax/Group Tax charter
207-2 a iii	Description of Tax risk policy	NN In society/NN's Approach to tax/Group Tax charter
207-2 a iv	Evaluation of compliance with the tax governance and control framework	NN In society/NN's Approach to tax/Group Tax charter
207-2 b	Whistleblower policy	NN Who we are/Corporate Governance
207-2 c	A description and reference to the assurance process for disclosures on tax	AR Our approach to reporting, Assurance report of the independent auditor
<b>207-3 Stakeholder engagement and management of concerns related to tax</b>		
The reporting organisation shall report the following information		
207-3 a	A description of the tax governance and control framework, including:	
207-3 i	The approach to engagement with tax authorities	NN Our Approach to tax; NN In society/NN's Approach to tax/Group Tax charter



## Appendix Continued

207-3 ii	The approach to public policy advocacy on tax	TC Our Approach to tax; NN In society/NN's Approach to tax/Group Tax charter
207-3 iii	The processes for collecting and considering the views and concerns of (external) stakeholders	TC Our Approach to tax; NN In society/NN's Approach to tax/Group Tax charter
<b>207-4 County by Country reporting</b>		
	The reporting organisation shall report the following information	
207-4 a	All tax jurisdictions where the entities included in the organisation's audited consolidated financial statements are resident for tax purposes.	TC Corporate Income Tax in the Annual Accounts
207-4 b	For each tax jurisdiction reported in Disclosure 207-4-a:	TC Corporate Income Tax in the Annual Accounts
207-4 b i.	Names of the resident entities;	TC Corporate Income Tax in the Annual Accounts
207-4 b ii.	Primary activities of the organisation;	TC Corporate Income Tax in the Annual Accounts
207-4 b iii.	Number of employees, and the basis of calculation of this number;	TC Corporate Income Tax in the Annual Accounts
207-4 b iv.	Revenues from third-party sales	Not specified
207-4 b v.	Revenues from intra-group transactions with other tax jurisdictions	Not specified
207-4 b vi.	Profit/loss before tax	TC Corporate Income Tax in the Annual Accounts
207-4 b vii.	Tangible assets other than cash and cash equivalents	TC Corporate Income Tax in the Annual Accounts
207-4 b viii.	Corporate income tax paid on a cash basis	TC Corporate Income Tax in the Annual Accounts
207-4 b ix.	Corporate income tax accrued on profit/loss	TC Corporate Income Tax in the Annual Accounts
207-4 b x.	Reasons for the difference between corporate income tax accrued on profit/loss and the tax due if the statutory tax rate is applied to profit/loss before tax	TC Corporate Income Tax in the Annual Accounts
207-4 c.	The time period covered by the information reported in Disclosure 207-4.	TC Corporate Income Tax in the Annual Accounts
<b>207 -4 Reporting recommendation</b>		
2.3.1.	Total employee remuneration	AR Facts and figures
2.3.2	Taxes withheld and paid on behalf of employees;	TC Total Tax contribution 2022
2.3.3.	Taxes collected from customers on behalf of a tax authority;	TC Total Tax contribution 2022
2.3.4	Industry- related and other taxes or payments to governments	Banking tax currently not in scope of the TTC
2.3.5.	Significant uncertain tax positions	Not applicable
2.3.6.	Balance of intra-company debt held by entities in the tax jurisdiction, and the basis of calculation of the interest rate paid on the debt	Not available



## Appendix Continued

## Tax Governance Code

	Reference
	<p>TC Total Tax Contribution Report</p> <p>NN NN Group Website</p> <p>SO NN Group Solvency and financial condition report</p>
	Reference
<b>A. Approach to Tax: Tax Strategy &amp; Tax Principles</b>	
The company sees tax not as a cost factor only, but as a means for social economic cohesion, sustainable growth and long-term prosperity.	
1. The company's approach to tax is based on a tax strategy and set of principles approved by the board of directors, the supervisory board, or delegated sub-committee (the board).	NN In society/NN's Approach to tax/Group Tax charter
2. The company reports at least annually to the board on tax risks and adherence to the tax strategy and principles.	TC Total Tax Contribution Report
3. The company's tax strategy and principles apply to all group entities.	NN In society/NN's Approach to tax/Group Tax charter
4. The company's tax principles apply to how the company operates in its relationships with employees, customers and contractors.	NN In society/NN's Approach to tax/Group Tax charter
<b>B. Accountability &amp; Tax Governance</b>	
Tax is a core part of corporate social responsibility and governance and is overseen by the board.	
1. The board is accountable for the tax strategy, principles and tax risk management.	TC Total Tax Contribution Report
2. The company has a tax control framework that sets out the tax controls and risk management.	NN In society/NN's Approach to tax/Group Tax charter
3. Internal or external auditors regularly review the company's tax controls as part of the audit of its financial results	NN In society/NN's Approach to tax/Group Tax charter
<b>C. Tax Compliance</b>	
The company is committed to comply with the letter, the intent and the spirit of the tax legislation of the countries in which it operates and to pay the right amount of tax at the right time.	
1. The company prepares and files all tax returns required, providing complete, accurate and timely disclosures to all relevant tax authorities.	NN In society/NN's Approach to tax/tax principles
2. The company's responsible tax planning is based on reasonable interpretations of applicable law and is aligned with the substance of the economic and commercial activity of its business.	NN In society/NN's Approach to tax/tax principles
3. The company will not undertake transactions or engage in arrangements of which the sole purpose is to create a tax benefit that is in excess of a reasonable interpretation of relevant tax rules.	NN In society/NN's Approach to tax/tax principles
4. The company will only claim tax incentives in line with the policy intent of such tax incentives and provided such incentives are generally available.	NN In society/NN's Approach to tax/tax principles
5. If the company seeks certainty in advance from tax authorities to confirm an applicable tax treatment, it does so based on full disclosure of all relevant facts and circumstances.	NN In society/NN's Approach to tax/tax principles

## Appendix Continued

### D. Business Structure

The company will only use business structures that are driven by commercial considerations, are aligned with business activity and have genuine substance.

- |   |    |  |
|---|----|--|
| 1. The company does not use so-called tax havens for tax avoidance.<br>All entities in tax havens exist for substantive and commercial reasons.                           | NN | In society/NN's Approach to tax/tax principles |
| 2. The company pays tax on profits according to where value is created within the normal course of commercial activity.   | NN | In society/NN's Approach to tax/tax principles |
| 3. The company uses the arm's length principle, in line with guidelines issued by the OECD, and applies this consistently across its businesses, contingent on local laws | NN | In society/NN's Approach to tax/tax principles |

### E. Relationships with Tax Authorities and Other External Stakeholders

Mutual respect, transparency and trust drive the company's relationships with tax authorities and other relevant external stakeholders.

- |   |    |  |
|---|----|--|
| 1. The company seeks to develop cooperative relationships with tax authorities, and relevant other authorities, based on mutual respect, transparency and trust   | NN | In society/NN's Approach to tax/tax principles |
| 2. The company seeks to engage constructively in national and international dialogue with governments, business groups and civil society to support the development of effective tax systems, legislation and administration.   | NN | In society/NN's Approach to tax/tax principles |
| 3. The company will work collaboratively with tax authorities to achieve early agreement on disputed issues and certainty on a real-time basis, wherever possible. Where there is controversy, the company will strive to resolve the controversy by applying these principles. | TC | Total Tax Contribution Report                  |

### F. Tax Transparency & Reporting

The company regularly provides information to its stakeholders, including investors, policy makers, employees, civil society and the general public, about its approach to tax and taxes paid. The company will therefore publish the following information:

- |  |    |   |
|--|----|---|
| 1. A tax strategy or policy and its tax risk management strategy.  | NN | In society/NN's Approach to tax/Group Tax charter   |
| 2. A list of entities, with ownership information and a brief explanation of the type and geographic scope of activities.  | NN | Group Solvency and financial condition report, FSCR 'S.32.01.22 Undertakings in the scope of the group' |
| 3. Annual information on the corporate income tax the company accrues and pays on a cash basis at a country level.   | TC | Total Tax Contribution Report   |
| 4. The total tax borne and collected by the company, globally or per country, including corporate income taxes, property taxes, (non-creditable) VAT and other sales taxes, employer/employee-related taxes, and other taxes that constitute costs to the company or are remitted by the company on behalf of customers or employees, by category of taxes | TC | Total Tax Contribution Report   |
| 5. Information on financially material tax incentives (e.g. tax holidays), including an outline of the incentive requirements and when it expires.   | TC | Total Tax Contribution Report   |
| 6. An outline of the advocacy approach the company takes on tax issues, the channels through which the company engages in regard to policy development, and the overall purpose of its engagement  | NN | In society/NN's Approach to tax/Group Tax charter   |

## Appendix Continued

### Glossary

In this report the following terms have the meanings shown below:

#### Corporate income tax

All taxes that are based on the taxable profits of the company for which the accounting is governed by International Accounting Standard IAS12.

#### Current tax

The corporate income tax due in respect of taxable profits of an accounting period, as defined in the International Accounting Standard IAS12.

#### Deferred tax

The corporate income tax due in respect of temporary differences between accounting values and tax bases, as defined in the International Accounting Standard IAS12. We refer to page 14 for a detailed description.

#### Effective tax rate

The tax charge in respect of an accounting period divided by the accounting profit before tax. We refer to page 15 for a detailed description.

#### Government

Any governing body of a nation, state, region or district, but not including any commercial enterprises or financial institutions that may be controlled by a government.

#### NN Group

NN Group N.V. and its subsidiaries which are consolidated in the Annual Accounts.

#### Indirect tax

Tax that is required to be paid to a government by one entity on behalf of another entity.

#### Nominal tax rate

The statutory corporate income tax rate on profits in the different countries where NN Group operates.

#### Profit before tax

Accounting profit for a period before deducting a charge for corporate income taxes.

#### Tax

Any amount of money required to be paid to a government, whether by law or by agreement, including without limitation, corporate income tax, property taxes, insurance premium taxes, employment taxes, VAT, sales taxes, stamp duties, dividend taxes and any other required payments.

#### Tax avoidance structure

Created structure that makes legal use of tax laws to reduce the effective tax rate of the company.

#### Tax borne

Tax that an entity is obliged to pay to a government, directly or indirectly, on that entity's own behalf.

#### Tax charge

The amount of tax included in the income statement of a company for an accounting period.

#### Tax collected

Tax that an entity is obliged to pay to a government on behalf of another entity.

#### Tax Compliance Agreement

Agreement between taxpayer and Dutch tax authorities in which the fundamentals of their cooperation on basis of the Horizontal monitoring principle are expressed.

#### Total Tax Contribution

The sum of all taxes borne by NN Group (as a taxpayer) and taxes collected by NN Group on behalf of our clients, our employees, and our service providers.



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