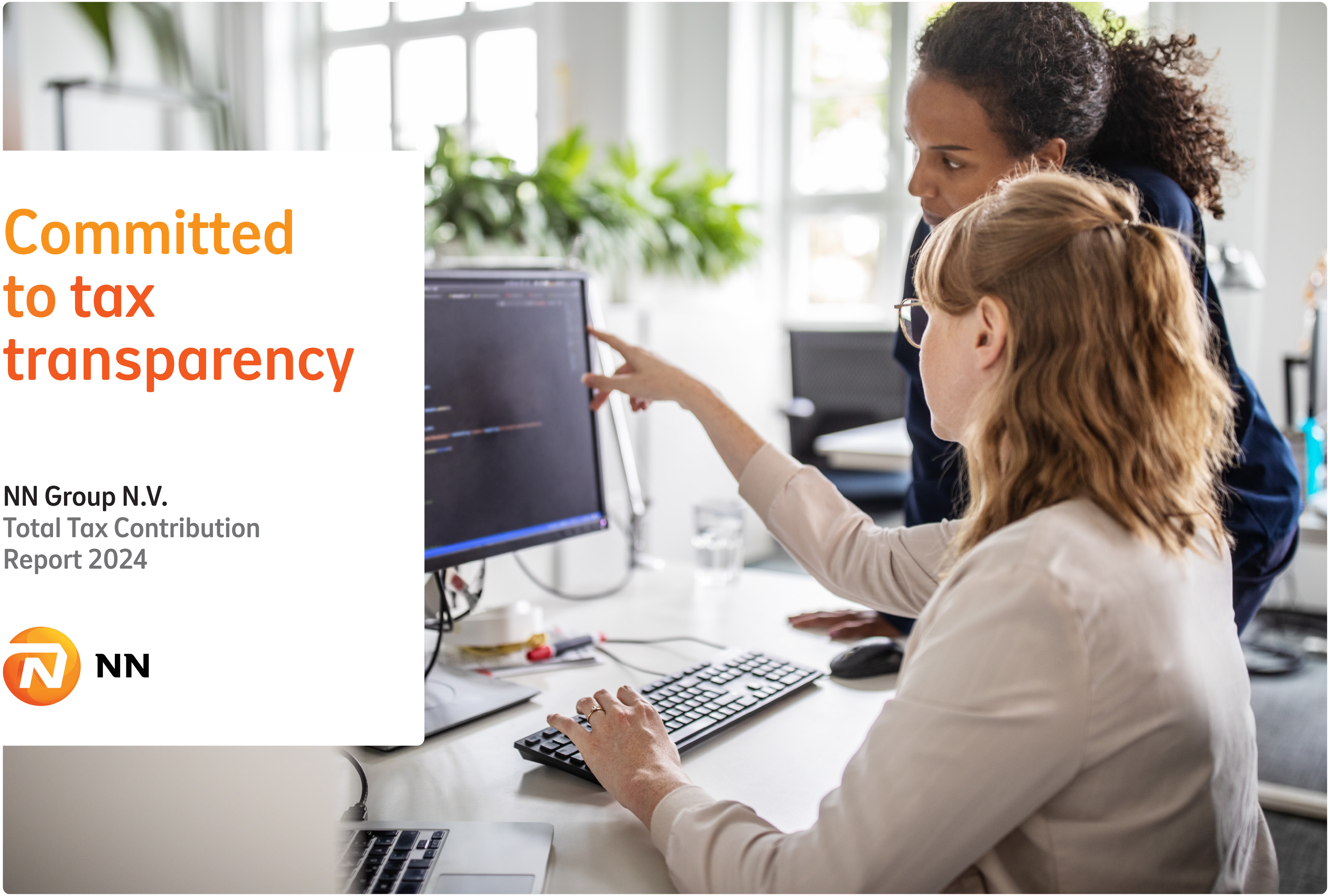
Committed to tax transparency

NN Group N.V.
Total Tax Contribution
Report 2024

NN



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CFO viewpoint

I am pleased to present NN Group's seventh Total Tax Contribution Report. NN Group is recognised by the market for its commitment to tax transparency. This highlights our dedication to transparency and ethical tax practices, demonstrating that responsible tax behavior and corporate integrity are essential for long-term success. Our efforts foster trust and accountability among our stakeholders.

As we continue to uphold these values, we also acknowledge the importance of adapting to the evolving business landscape. At NN Group, we recognise that technology and innovation, including artificial intelligence, are transforming our business. To stay ahead in this dynamic environment, we are continuously evolving our initiatives and operations, including our tax function.

The rapid increase of regulatory requirements around tax, as well as frequent regulatory changes, are considered to be one of the biggest challenges for our tax function. We are investing in digital tools and technologies to enhance our tax reporting and compliance processes in order to fulfill and comply with the emerging reporting requirements, such as Pillar Two, which was implemented on 1 January 2024. By being ready for the future and staying ahead of the curve, we ensure that we are well-positioned to navigate these changes and continue to meet our tax compliance obligations in a responsible and sustainable manner, while still maintaining leadership in tax transparency.

Annemiek van Melick
CFO NN Group N.V.

NN Group commits to tax transparency and tax compliance, leveraging technology for success in a changing world.

Our approach to tax

Taking into account both the letter and the spirit of the tax laws and regulations.

Our approach to tax did not change in 2024 compared to previous years. Taxes are recognised on 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 customers, employees and service providers.

NN Group acknowledges that paying tax is more than a business expense; it is a contribution to society. Our communities benefit when our tax contributions support enhanced public services. Consequently, NN Group adopts a responsible approach to tax, ensuring profits are taxed at applicable rates and in the jurisdictions where they are earned. This principle underpins our tax policy: we structure our tax affairs based on business rationale and refrain from using tax havens or structures to evade taxes.

This chapter delineates our tax strategy and principles, the organisation of tax within our business, and our commitment to compliance with tax laws and maintaining constructive relationships with tax authorities. Subsequent chapters provide details on the taxes NN Group pays as a taxpayer (taxes borne) and the taxes we collect and remit to tax authorities. Collectively, these taxes represent NN Group's total tax contribution, summarized in the table on page five.

Objective and Scope

This report aims to provide information on NN Group's tax contributions in 2024 relevant developments in the tax parameter, and related actions. It encompasses tax information for all ten countries where we operate. NN Group has a strong presence in several European countries and Japan, with headquarters in the Netherlands, our home market. The Dutch life and non-life insurance businesses represent a significant portion of NN Group's total operating result before tax.

This report provides insights per country, covering:

- 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

Our Total Tax Contribution Report focuses on material tax contributions that are particularly relevant to NN, our activities or the countries in which we operate. We do not report all taxes paid, such as municipal taxes, real estate transfer taxes, and motor vehicle tax as these are non-material and part of operating costs. Including these would require disproportionate effort without adding significant insight into our overall tax contribution.

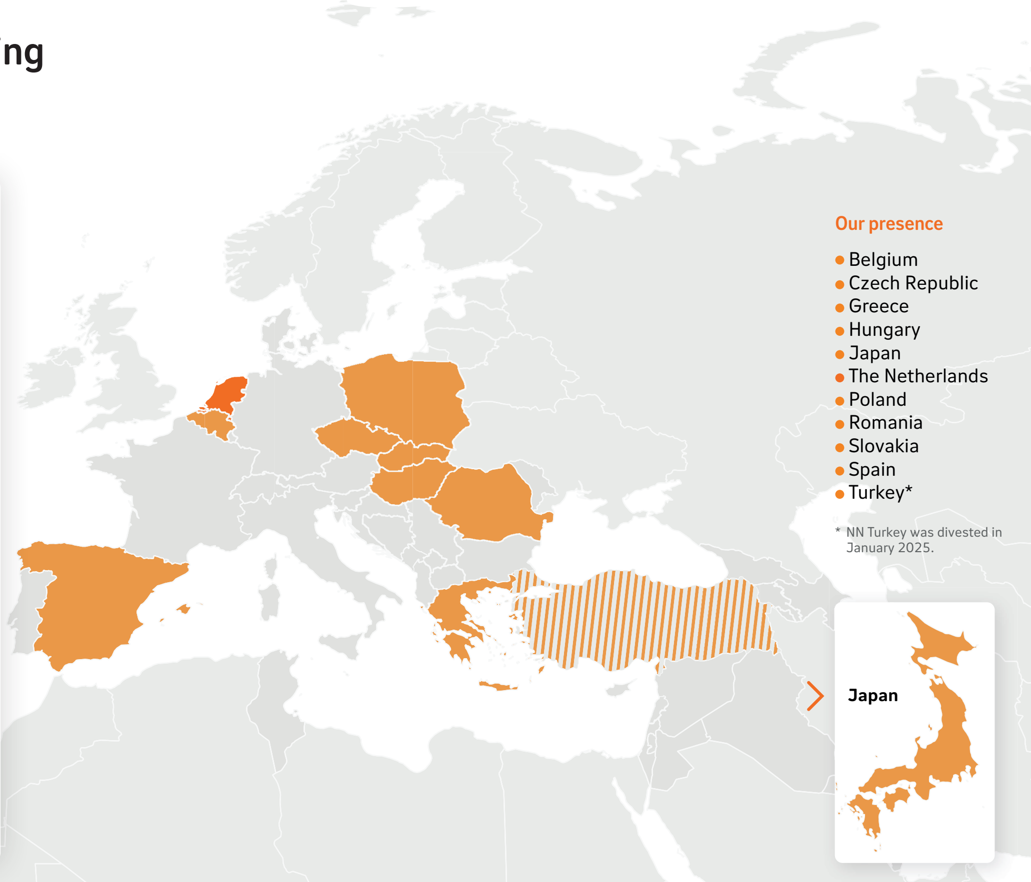
By focusing on material tax contributions, we aim to provide a clear and comprehensive view of our tax impact, demonstrating our commitment to transparency and responsible tax practices. This approach allows stakeholders to better understand how our tax payments support public finances and contribute to the economic development of the regions where we operate.

We operate in 10 countries

We provide retirement services, pensions, insurance, banking and investments to approximately 19 million customers.

NN Group's total tax contribution

Tax borne	Taxes collected	Total tax contribution
EUR 1,011m	EUR 1,706m	EUR 2,717m
These are the taxes that NN Group pays directly to tax authorities.	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.	This is the sum of taxes paid and taxes collected by NN Group.



Our main brands

nationale nederlanden, NN, ABN·AMRO Verzekeringen, azl, BE FRANK, hcs., movir, OHRA, woonnu

NN Group Tax strategy

In 2023, NN Group Tax reassessed the NN Group Tax strategy in response to the evolving environment and the necessity for an efficient, effective and engaging tax function at NN Group. The NN Group Tax strategy supports NN Group's strategy, ambition and strategic commitments. Within that framework, NN Group Tax has redefined the NN Group Tax strategy. The NN Group Tax strategy was reviewed and approved by both the NN Group Management Board and Executive Board, and subsequently presented to the Audit Committee of the Supervisory Board. The NN Group Tax strategy serves as a guiding framework for all NN entities where NN Group holds a controlling interest in the management or capital. This framework outlines our approach to tax planning, compliance and reporting, emphasizing the importance of ethical tax practices and proactive engagement with tax authorities.

The Global Head of Tax reviews the NN Group Tax strategy annually, considering any changes in NN Group's purpose, ambition, strategic commitments, values and the broader tax landscape. Additionally, the NN Group Management Board and Executive Board reviews and approves the NN Group Tax strategy every three years, or sooner if revised earlier. This ensures that our tax strategy remains aligned with our overall business objectives and responsive to the dynamic tax environment.

The 2024 review of the NN Group Tax Strategy by the Global Head of Tax did not result in any significant changes to the overall strategy or strategic commitments. However, the key action items for 2025, derived from the strategic commitments, reflect changes in the legislative environment and business environment. These changes include the introduction of new international tax legislation, such as Public Country-by-Country reporting, the new minimum taxation rules (Pillar Two) and VAT in the Digital Age (ViDA).

In 2025, we will prepare for and set clear standards to guide and coordinate the implementation of new international tax legislation to ensure compliance across all NN countries. This preparation involves developing detailed guidelines, conducting training sessions for our tax teams and investing in technology to streamline compliance processes ensuring that in the field of taxation NN Group remains at the forefront of tax transparency and compliance.

The NN Group Tax Strategy

The NN Group Tax purpose

We enable NN to be a responsible taxpayer.

The NN Group Tax ambition

We want to be a leader known for our expertise, engaged people and contribution to society.

The NN Group Tax's strategic topics

Contribution to society
We ensure that NN acts as a responsible taxpayer and thereby contributes to society

Tax transparency
We are transparent about NN's tax behaviour and we actively engage with our stakeholders

Tax control
We ensure that NN is in control of its tax position via a robust control framework

Trusted business partner
We are a trusted business partner for NN Business Units and Headoffice functions in managing NN's tax operations

Best in class tax team
We want to be an engaging tax team that efficiently and effectively manages tax operations thoughout NN

Tax Policy and Principles of Conduct

The Tax Policy and Principles of Conduct is available on NN Group's website.
The principles of conduct are derived from the NN Group Tax strategy and ultimately from the NN Group's ambition, strategic commitments, values and perspective on tax as a matter of sustainability. NN Group strives to be a responsible taxpayer. With our Tax Policy and Principles of Conduct we lay down the principles of behaving responsibly, at heart this means timely paying our fair share of taxes in the countries in which we operate. The Tax Policy and Principles of Conduct was not updated in 2024.

NN Group Tax Charter

The NN Group Tax Charter is designed to clearly articulate the authority and roles and responsibilities of the NN Group Tax function in relation to the Dutch and International Business Units, as well as Head Office functions with tax impact.

Additionally, it outlines the responsibilities associated with the reporting line to the Chief Financial Officer (CFO). These responsibilities include the approval of the Tax Strategy, Tax Policy and Principles of Conduct, consulting the CFO on relevant matters and informing on relevant developments and key risks that could potentially jeopardise NN Group's Tax position.

In 2024, the NN Group Tax Charter was updated to incorporate a centralised operating model for Pillar Two reporting and compliance processes (see also under 'Pillar Two').

Governance

In accordance with the Dutch Corporate Governance Code 2022, the Executive Board of NN Group is mandated to specifically formulate, record and implement the company's strategy in line with its view on sustainable long-term value creation. This strategy encompasses, among other aspects, (i) paying a fair share of taxes in the countries where NN Group operates and (ii) adhering to responsible tax practices.

Additionally, the Dutch Corporate Governance Code 2022 stipulates that the Supervisory Board is responsible for overseeing the Management Board's implementation of the strategy for sustainable long-term value creation, with a particular focus on the company's tax policy implementation. To enable the Supervisory Board to execute its duties, the NN Group Tax function informs the Audit Committee of the Supervisory Board on an annual basis regarding:

- the implementation of and adherence to the NN Group Tax strategy and Tax Policy and Principles of Conduct;
- changes in the tax landscape, including tax regulations, reporting requirements or expectations, and internal developments that might have an impact on the NN Group Tax function;
- the risk profile per type of tax, including material risk positions and the corresponding risk response;
- the tax positions; and
- developments in relation to tax authorities.

The Audit Committee of the Supervisory Board conducts an annual review of the impact of taxes on NN Group NV and how developments affect the company's tax positions.

The NN Group Tax function is part of the Group Finance function and reports to the CFO. Annually, the NN Group Tax function reviews the implementation and execution of the NN Group Tax strategy and Tax Policy and Principles of Conduct and reports the outcomes to relevant internal stakeholders. In addition to reporting to the Audit Committee of the Supervisory Board, the NN Group Tax function reports internally as follows:

- Frequent updates to the CFO, throughout the year and at least bi-monthly;
- Quarterly updates to the financial committees within NN Group, which include the CFO, the Chief Risk Officer (CRO) and Heads of Finance departments.

Tax risk management

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

Tax risks are monitored through our Tax Control Framework. Tax risks are risks associated with our organisation's tax practices and may negatively impact the goals of the organisation, for example through financial impact, reporting errors or reputational damage.

We recognise several types of tax risk:

- compliance risks (e.g., incomplete, inaccurate and/or untimely reports of tax information, filings and/or payments required by regulatory agencies);
- reporting risks (e.g., wrong application of accounting rules or other regulatory requirements);
- risks arising from changes in legislation; and
- non-optimal tax positions, such as structures leading to double taxation.

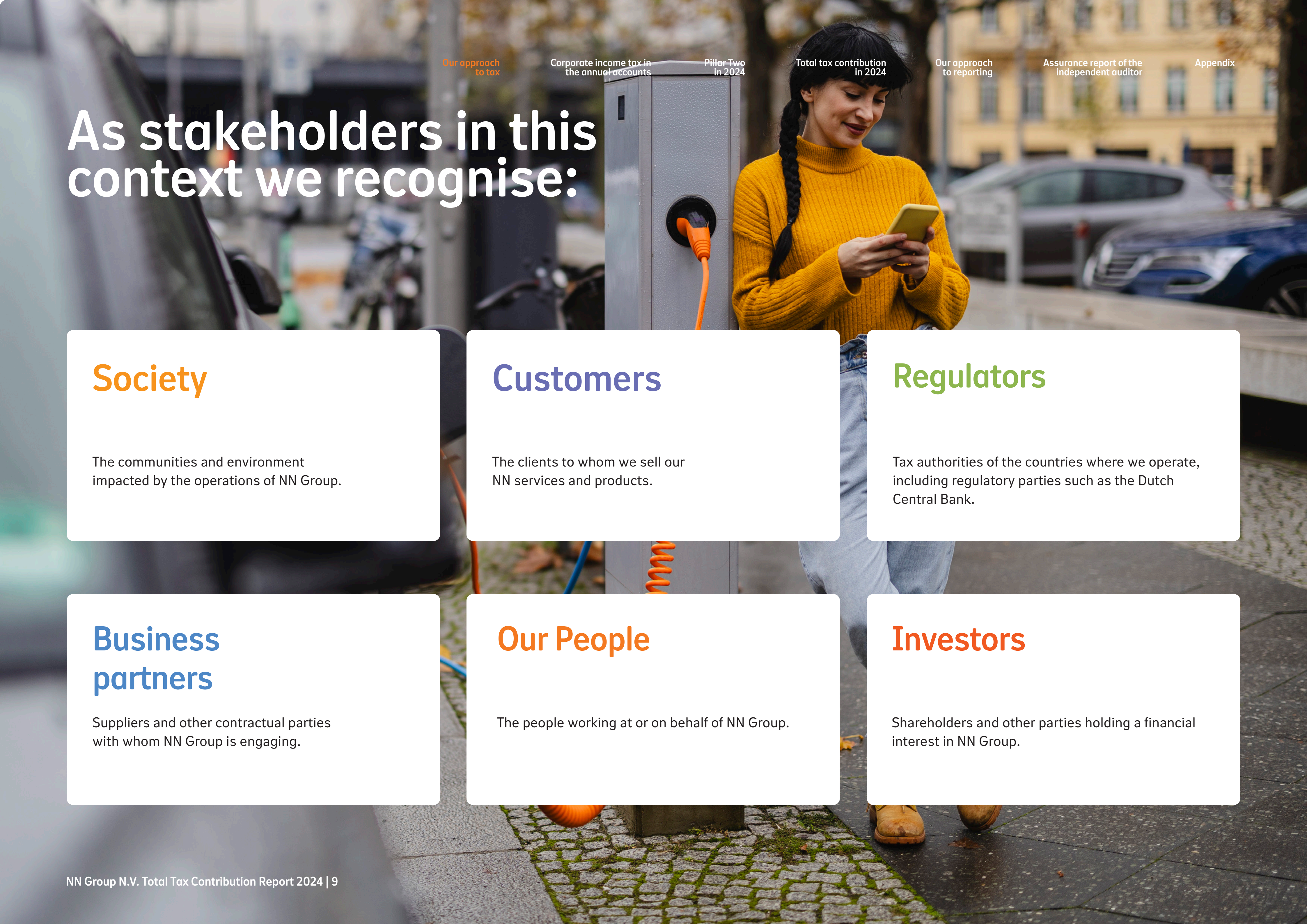
In accordance with our risk appetite statement in the Tax Risk Management Policy, NN is deemed to avoid or eliminate these risks from happening. Our risk response depends on the type of risk and the likelihood and impact analysis in combination with the risk appetite. For instance, compliance risks are mitigated by using automated validation controls and review controls. Reporting risks are mitigated by reviewing tax positions, including reconciliations. Risks arising from changes in legislation are mitigated by various knowledge sessions to keep our tax technical expertise up to date.

Tax risks are identified through an end-to end process analysis. The risks and their corresponding risk responses are documented in NN's risk and control matrix. The operational and design effectiveness of controls is tested by internal second line experts based on a testing plan.

Training

The rapidly changing tax landscape requires continuous training of our NN Group Tax team colleagues on tax law and jurisprudence, as well as the adoption of new capabilities and skills. In 2024, the NN Group Tax team joined various educational sessions on technological developments and internally deployed softwares to enhance our understanding of technological capabilities to improve our way of working.

The NN Group Tax team creates tax awareness throughout the organisation by conducting internal training sessions and courses for senior management and for employees involved in tax matters outside the NN Group Tax team who are based in Head office functions or Business units (BUs). Our colleagues are trained amongst other things to execute their responsibilities in accordance with the Tax Policy and Principles of Conduct and to recognise tax risks in their daily operations. We believe that actively sharing tax knowledge with our colleagues is a fundamental component of our Tax Control Framework. In 2024, the NN Group Tax team facilitated several education sessions on payroll taxes, VAT, IPT, Tax Accounting and Pillar Two.



As stakeholders in this context we recognise:

Society

The communities and environment impacted by the operations of NN Group.

Customers

The clients to whom we sell our NN services and products.

Regulators

Tax authorities of the countries where we operate, including regulatory parties such as the Dutch Central Bank.

Business partners

Suppliers and other contractual parties with whom NN Group is engaging.

Our People

The people working at or on behalf of NN Group.

Investors

Shareholders and other parties holding a financial interest in NN Group.

Tax technology

NN Group has updated its strategic framework and committed to being a digital and data-driven organisation. This commitment involves using technology and data responsibly to transform the business and drive operational excellence.

Given NN Group's ambition, it is essential for the NN Group Tax function to adopt tax technology and standardise data and processes to absorb the implementation of new legislation, such as Pillar Two and Public Country-by-Country reporting, within the existing human resource capacity.

As an enabler, the NN Group Tax team has taken the initiative to develop a tax technology roadmap that aligns with the NN strategic framework and our need for process automation.

In phase one of our tax technology project, all applications used by the NN Group Tax function were assessed as part of an 'application portfolio management' process. The goal of this assessment was to ensure that the applications align with the required functionalities and capabilities, become more cost-effective, optimise value and reduce risks associated with the use of the applications. The insights on the functional and technical scores of applications foster discussions and decision-making for both short-term development and long-term application strategy. Furthermore, all processes that run throughout the NN Group Tax function have been analysed to identify improvement areas from a technological perspective. These improvements are classified as 'general way of working' or specific to certain processes. Regarding the NN Group Tax function's general way of working, three main areas of improvement have been identified: data management, workflow management and automated reporting.

In phase two of the project, the prioritization of identified improvements took place in consultation with Group IT Architecture. The NN Group Tax function has, together with Group IT Architecture and IT operational teams, sought solutions that best fit both functional and technical perspectives. During 2024, a solution for automated reporting was developed. This solution is used for automated data retrieval from NN Group Tax team members to capture updates on the topics they are working on, as well as other technical, external or internal developments in a systematic way. The solution also generates various reports for communication purposes. The 2025 tax technology agenda includes the implementation of a workflow manager and the extension of automated reporting.

Highlights 2024

Dutch Budget Day 2024

On Budget Day 2024 ('Prinsjesdag'), the Dutch government presented its 2025 Tax Plan. It includes several measures that impact businesses. NN Group is affected or may be affected in the future by the following new measures.

Share buyback facility

The 2024 Tax Plan Package included a provision to eliminate the withholding tax (WHT) exemption for share buybacks (SBB) by listed companies effective from 1 January 2025. Since NN Group has annual SBB programs, it applies for the SBB facility of Article 4C of the Dividend Withholding Tax Act 1965 every year[1]. However, the 2025 Tax Plan reverses the elimination of the SBB, effectively maintaining the facility. This move enables NN Group to maintain a consistent dividend policy and ensure the value development of shares.

New Dutch entity qualification rules

As per 1 January 2025, new Dutch tax classification rules for Dutch and foreign entities have entered into force. The former Dutch tax classification rules deviated from most other jurisdictions, potentially resulting in classification mismatches caused by the Dutch perspective; a Dutch CV or comparable foreign partnership could be either transparent or non-transparent from a Dutch tax perspective, depending on whether the entry, exit and replacement of limited partners is only possible with consent of all (general and limited) partners. This is known as the 'unanimous consent requirement'. As of 2025, the unanimous consent requirement has been abolished. Consequently, all Dutch CVs and comparable foreign partnerships will in principle be considered transparent for Dutch tax purposes.

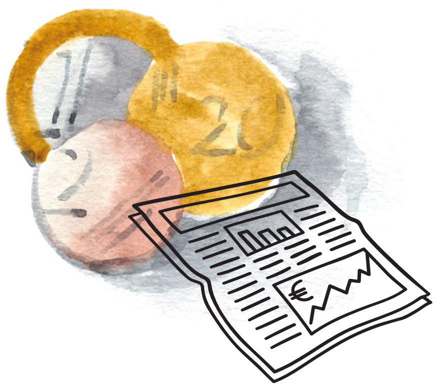
Where the framework of these new qualification rules seemed clear, uncertainty was introduced in October 2024 as the legislator also indicated that, in his opinion, a Dutch CV or a comparable foreign partnership can qualify as a fund for joint account or mutual fund (in Dutch: Fonds voor Gemene Rekening or FGR) An FGR is subject to corporate income tax as a separate taxable entity (non-transparent). In that case, for example, a CV can still be considered subject to taxation. The exact criteria on which the classification as an FGR must be based are still unclear, leading to a grey area which reintroduces uncertainty where clarity was sought.

NN Group's private markets portfolio includes investments made through the entities mentioned. The new legislation has affected NN's tax position, in a few cases after implementation leading to additional or double taxation. These new rules will create an additional compliance burden as the underlying investments of the funds will also need to be reported.

Furthermore, these recent modifications when compared to the FGR have led to additional complexity and ambiguity in the classification of these entities.

Real Estate Transfer Tax (RETT)

A new and lower RETT rate of 8% (down from 10.4%) for residential real estate held by investors will be introduced on 1 January 2026. This measure aims to attract real estate investments. As an institutional investor, NN Group holds a large residential real estate portfolio and will be impacted by this decrease.



[1] For a detailed overview of the share buy back facility, we refer to our Total Tax Contribution Report 2023.

Interview Marieke van Kamp

Could you please outline the activities of NN's Investment Office? For example, for whom does your department invest?

The Investment Office at NN Group serves as a Shared Service and Centre of Expertise on investments. We provide this service to the Group's BUs: That is, all the individual insurance companies within the Group.

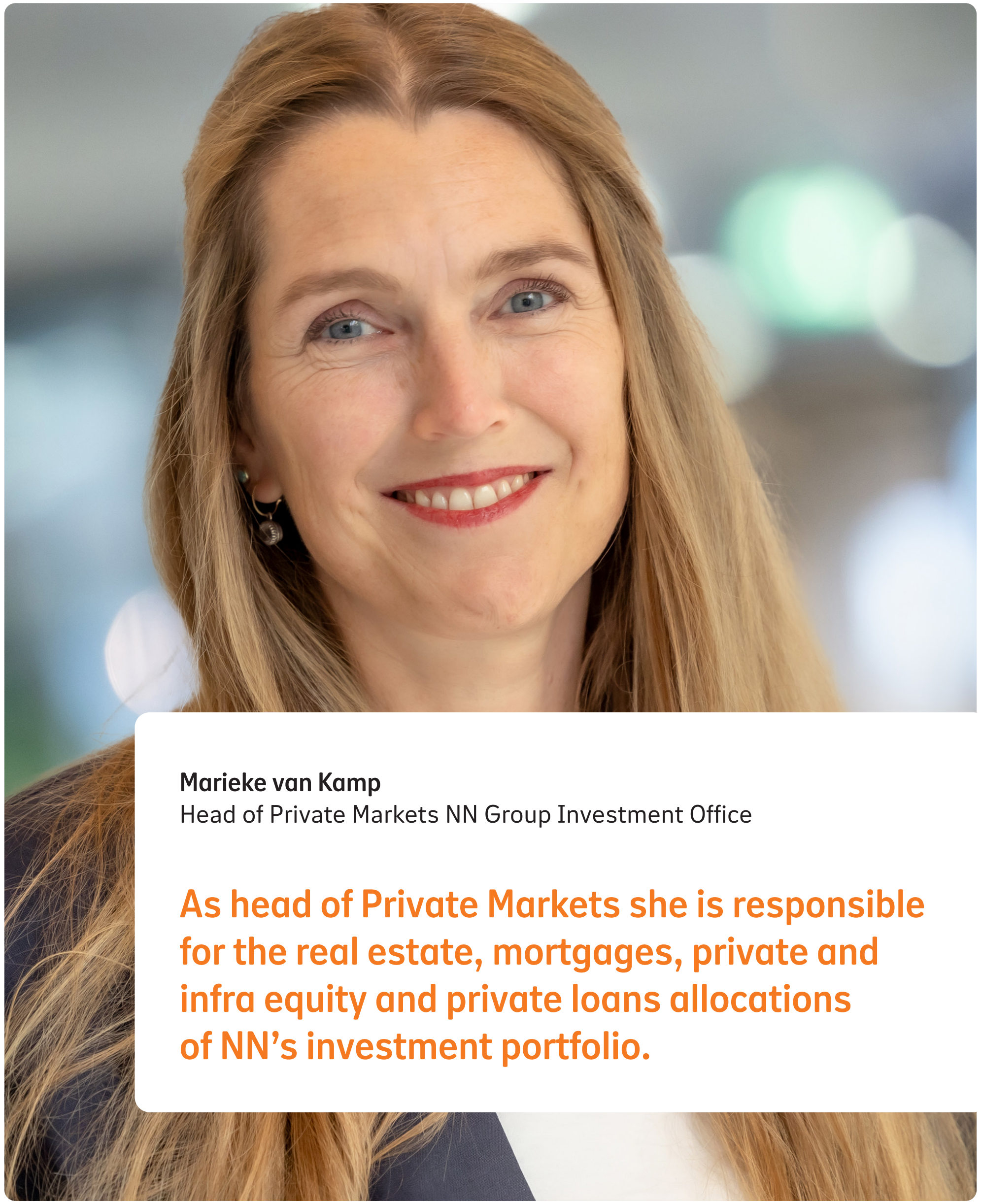
Our primary focus is on optimising the investment strategy and process.
By leveraging economies of scale and synergies, we aim to generate more investment opportunities, implement them faster and more cost efficiently and achieve better investment results. A key aspect in this is ensuring excellent cooperation among the BUs, NN Group and the asset managers who invest on our behalf, while adhering to NN Group's values.

The office works closely with other departments within the company to ensure that all investments are made in accordance with the company's policies and guidelines.

How do you select the right managers for fund investments, what factors are taken into account?

The selection is based on specific selection criteria, which include performance, team capability, investment philosophy and good governance: does the manager have the right checks and balances in place? We also place strong emphasis on the manager's capacity regarding environmental and social aspects; is the manager a frontrunner or willing to become a frontrunner with our support?

Lastly, partnership benefits are crucial. We seek to build meaningful relationships with managers to benefit from scale, attractive fees, thought leadership and operational effectiveness, all tailored to NN's needs.



Marieke van Kamp
Head of Private Markets NN Group Investment Office

As head of Private Markets she is responsible for the real estate, mortgages, private and infra equity and private loans allocations of NN's investment portfolio.

After the selection, the Investment Office continuously monitors and thoroughly evaluates all managers every year, to ensure their compliance with the agreed mandates and to assess whether they are still best placed to manage the investment portfolios effectively.

What are the NN Investment Office's future ambitions regarding its investment policy?

NN Group's investment policy aims for a robust, all-weather investment portfolio with some tactical flexibility to rebalance for opportunities or market dislocation. The Strategic Asset Allocation (SAA) for the BUs is defined through multiple stress tests and sensitivity scenarios to ensure the balance sheet remains strong under various conditions. We strive to continuously optimise this process and continue to seek out the best partners and investment strategies to fit our needs.

Responsible investing is crucial to us and embedded in all investment decisions. We're working with like-minded investors and managers to create long-term value and address climate change impacts. Responsible Investing creates long-term value. Not only for NN as a company but also for society at large.

In the past, we've built specific, tailored strategies with managers in order to support and benefit from energy transition trends and will continue to develop this further.

What role does tax play in general within your investment decisions?

NN Group adheres to its Tax Policy and Principles of Conduct and we need to ensure that investments are aligned with its principles during the investment process. For example, one of the principles of NN Group's Tax Policy and Principles of Conduct is that NN Group does not make use of low-tax rate jurisdictions or so-called non-cooperative jurisdiction[2]. As such, we frequently engage in discussions with fund managers to ensure that they act in line with this principle and do not invest in these kinds of jurisdictions.

Through our partnership strategy with managers, they have been increasingly aligning their fund structures with NN Group's Tax Policy and Principles of Conduct. It's encouraging to see that NN is raising awareness about the importance of our tax principles, and we're working to make an even greater impact in this area. We look forward to continuing our partnerships with managers who share our values and commitment to responsible investing.

Could you elaborate on the collaboration with NN Group Tax?

I'm pleased to see that Investment Office and NN Group Tax are working closely together to ensure that tax considerations are a significant factor in our investment decisions. It's not just a matter for the NN Group Tax department to decide on these matters, but rather a collaborative effort that involves all relevant parties. We also noticed that the recent developments in OECD and EU tax laws and regulations, such as Pillar Two and the new Dutch entity classification rules, have led to a closer working relationship between our departments.

Moreover, Investment Office collaborated closely with NN Group Tax to develop an investment decision process. This tool allows us to make informed decisions about investments by considering both tax-related and non-tax-related factors. By following this process, we can ensure that any investment we make aligns with NN Group's Tax Policy and Principles of Conduct.

In order to make an investment in a fund, we require a sign-off from various departments within NN Group, including NN Group Tax. This sign-off confirms that NN Group Tax agrees and sees no obstacles for this investment from a tax point of view. To provide the tax sign-off, NN Group Tax conducts a thorough review of several key points. One of those is whether the fund will invest in operational companies located in countries that levy a tax at an appropriate rate, while at the same time ensuring that it does not lead to double taxation. Another crucial key point is that the fund does not invest in countries which are on the EU list of non-cooperative jurisdictions or on the Dutch list of low-tax jurisdictions as previously mentioned. Furthermore, NN Group Tax considers the potential implications for various tax regulations such as Pillar Two[3] and ATAD, and ensures that all relevant requirements are met.

Once all of these points have been checked and the tax sign-off has been given, we can proceed with the investment in the fund. We believe this is a highly robust and efficient process. As Investment Office, we are very pleased with the collaborative efforts within NN Group.

[2] To give effect to this principle, we follow the list of non-cooperative tax jurisdictions of the EU, the Dutch list of low-tax jurisdictions or in a country which the investment manager reasonably believes, acting in good faith, facilitates tax avoidance.
[3] Please refer to page 14 for further explanation on these topic.

International Reporting Requirements

In recent years, new European mandatory reporting requirements have been introduced and implemented in the Netherlands. Most of these requirements aim to combat tax avoidance and provide more insight for tax authorities into cross-border transactions.

DAC 6

As a result of the Dutch implementation of the sixth amendment of the European Directive Mandatory Disclosure Rules (DAC6) effective from 1 January 2021, intermediaries and/or taxpayers are required to report potentially qualifying cross-border tax arrangements to the Dutch Tax and Customs Administration. In 2024, NN Group did not report any DAC 6 transactions to 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 (DAC 7). The aim of DAC 7 is to enhance tax transparency and cooperation among EU member states. Specifically, it requires digital platform operators to report information about income generated by sellers on their platforms. This helps tax authorities across the EU to better assess and control taxable income, reducing tax evasion and avoidance. These new reporting obligations were introduced in the Netherlands, effective from 1 January 2023.

DAC 7 primarily targets entities that operate websites, mobile applications or any type of software that connects sellers with users for specific activities. The key activities covered under DAC 7 include:

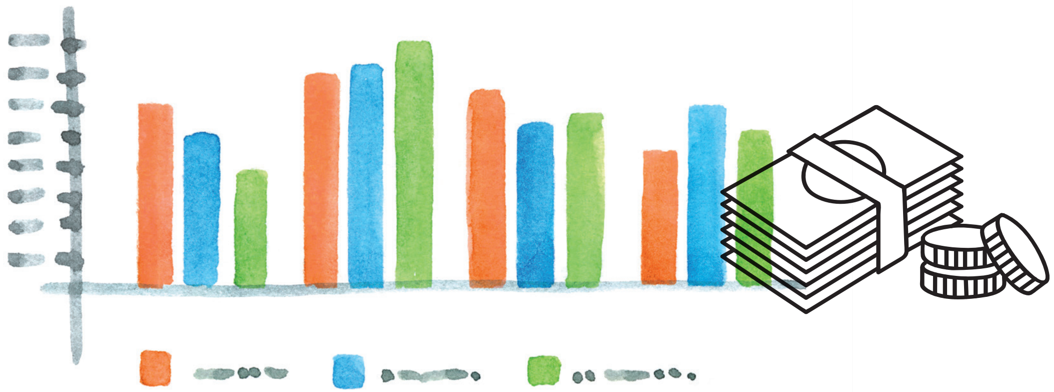
1. **Sale of goods:** Platforms facilitating the sale of tangible items.
2. **Rental of immovable property:** Platforms for renting out real estate.
3. **Rental of any mode of transport:** Platforms for renting vehicles, bikes, etc.
4. **Provision of personal services:** Platforms connecting service providers with customers for tasks like gardening, tutoring or personal training.

Generally, it was expected that insurers would not be directly in the scope of DAC 7, as the directive primarily targets digital platform operators that facilitate the sale of goods, rental of property, rental of transport and provision of personal services. However, §in our discussions with the Dutch Tax Authorities, it became unclear whether certain supporting activities performed by NN Non-Life, such as repair or prevention services facilitated via our website, fall within the scope due to the nature of how they are organised.

NN is of the opinion that, if this were the case, it would unnecessarily increase the administrative burden, as the risk of tax avoidance and evasion for these type of transactions is very limited. In our opinion, insurance (-related) activities or insurance companies should be excluded from DAC 7, given the highly regulated environment which they are already in.

This comes at a time when the European Commission is actively working to reduce administrative burdens for businesses across the EU. The Commission's efforts include reassessing requirements to ensure that only necessary regulations remain in place, thereby supporting businesses while achieving policy objectives. We propose to explicitly excluding insurance companies and banking from DAC 7 as a first and relatively simple action.

Pillar Two



One of the most impactful changes in recent years, is the introduction of Pillar Two legislation[4]. This legislation, effective from 1 January 2024, introduces a new conceptual approach to taxation. As a main principle, the legislation requires the Ultimate Parent Entity, NN Group N.V., to fulfill the compliance requirements for all constituent NN entities in scope, spanning over multiple (15+) jurisdictions. Additionally, where jurisdictions have implemented Pillar Two locally, further jurisdictional tax compliance obligations are added.

NN Group has implemented a centralised approach for the implementation of Pillar Two legislation, which differs from its decentralised governance model for other taxes. As a result, the NN Group Tax function is responsible for calculating the Pillar Two impact for reporting purposes on behalf of NN Group N.V. and for all jurisdictions within scope. NN was fully Pillar-Two-ready per year end 2024 even when Country-by-Country Reporting Safe Harbour rules apply.
To achieve this, NN Group developed an in-house calculation model that was externally validated[5]. In 2025, the NN Group Tax function will prepare and file global information returns and provide coordinated support to constituent entities within jurisdictions to ensure compliance with jurisdictional obligations.

Pillar Two's challenges

Pillar Two remains a constantly evolving area, with complex legislation and guidance that is not entirely clear on certain aspects. The challenge is further compounded by changing interpretations of the regulations. Moreover, the Pillar Two legislation can lead to unintended outcomes or unnecessary compliance burdens. NN Group has experienced challenges in several areas, including:

Joint venture provision

The implementation of Pillar Two regulations impacts NN Group's investment portfolio, particularly in relation to the Joint Venture provision. This provision defines a Joint Venture entity as an entity where the financial results are reported in the Ultimate Parent Entity's (being NN Group NV) consolidated accounts under the equity method and where the Ultimate Parent Entity's holds an ownership interest of at least 50%.

If an investment entity meets the criteria for a Joint Venture entity under Pillar Two, it must calculate its effective tax rate (ETR) at the Joint Venture level. If this ETR falls below 15%, a Pillar Two top-up tax may apply. Typically, investment funds apply a beneficial (zero) tax regime to ensure no double taxation occurs. NN Group Tax has identified several investments that fall under the Joint Venture provision, meaning that these entities must make a separate ETR calculation, potentially resulting in a Pillar Two levy at the investment entity or NN Group level. While certain provisions in the Pillar Two legislation may mitigate the financial impact, complying with these regulations imposes a significant compliance burden on NN Group or the investment entity.

Foreign real estate

NN Group has a substantial real estate portfolio, which includes real estate held by Dutch companies but located in other EU countries. Part of this foreign real estate is held through so-called tax transparent entities. Real estate is by default taxed in the country where it is located, and NN applies the object exemption in the Netherlands. However, these transparent real estate entities do not qualify as a permanent establishment for Pillar Two purposes[6]. Consequently, the results from foreign real estate are included in the Dutch Pillar Two income of the Ultimate Parent Entity, and the

[4] For a more detailed overview of the Pillar Two legislation, we refer to our TTC Reports 2022 and 2023
[5] The Country-by-Country Reporting (CbCR) Safe Harbour in Pillar Two is a temporary measure designed to ease the administrative burden on multinational enterprises (MNEs) during the initial years of implementing the Global Anti-Base Erosion (GloBE) rules.
[6] Permanent establishment as defined in article 1.2 Dutch Pillar Two Act. Also because the income from the real estate is not allocated to the foreign country based on article 7 (but on the basis of article 6) of the OECD Model Convention

foreign income tax on this real estate must be included in the Dutch Covered Taxes, thereby deviating from the actual tax position.

Tax equalisation reserve

The Deferred Tax Liability (DTL) recapture rule requires that any DTL booked during a fiscal year in which the GloBE rules are applicable must be recaptured if it is not reversed within the subsequent five fiscal years. However, not all DTLs fall in scope of this recapture rule (e.g. DTLs that qualify as Recapture Exception Accruals). One such DTL that falls under this exception is a DTL related to insurance reserves.

Dutch tax regulations[7] allow NN Group to recognise an equalisation reserve for tax purposes. This reserve enables an insurer to manage the impact of significant unforeseen events. In tax accounting the equalisation reserve leads to the recognition of a DTL. NN Group has the view that the DTL recapture exception as provided in the Pillar Two rules is applicable to the Dutch equalisation reserve as it aligns with the purpose and scope of the provision as expressed in the OECD commentary.

Pillar Two; adding a new dimension to tax management

In the pre-Pillar Two era, managing NN Group's corporate tax position involved navigating three dimensions: Solvency II, IFRS ETR and cash tax rates. The introduction of Pillar Two, the new minimum taxation rules, adds not just an additional dimension but a very complex and unpredictable one.

Most corporate tax systems conceptually have two main variables: taxable status and timing. Determining the overall tax impact of business events involves deciding if the event is taxable/deductible and, if so, whether the tax will be due immediately as current tax or in the future as deferred tax. As a rule of thumb, every euro more or less in the taxable base results in approximately 25 cents more or less in effective tax.

Conceptually, Pillar Two introduces far more variables, such as: taxable status under Pillar Two, taxable status for corporate tax, timing, IFRS reporting standards and IFRS tax reporting regulations. Understanding the Pillar Two impact of business events requires evaluating all these dimensions. The outcomes may be counterintuitive and difficult to align with other dimensions, especially in the insurance industry, due to its unique business model, global operations, and the way profits are recognised and taxed.

Peter Paul Boon
Global Head of Tax NN Group

The centralized implementation of Pillar Two presents a new challenge for the NN Group Tax function. The solid foundation we have built in previous years will enable our team to manage this successfully.

[7] Like in many other European countries eg Sweden, Austria, Finland

The insurance industry inherently involves significant deferred taxes on long-term insurance liabilities, related investments and potentially loss carry forwards due to catastrophic risks or high investment losses. Pillar Two requires an adjustment of these deferred taxes from the statutory tax rate to 15%. This can have a significant impact on the outcome of Pillar Two, whereas in practice no low tax position is involved and the long-term ETR exceeds 15%.

Also a large portion of insurance profits arises from investment income on policyholder premiums and reserves. These investments are diversified by geography, by type (e.g. government bonds, debts, real estate, infrastructure, stock) and by duration to match the insurance liabilities. Whereas our experience is that investments are legally structured and taxed according to the jurisdictional regimes where they are situated, Pillar Two sometimes treats profits and taxes differently which can lead to an unfavorable ETR outcome, whilst profits are fully taxed against statutory rates. And finally, the interaction between IFRS accounting for insurance companies and the Pillar Two rules is complex due to the unique nature of insurance accounting, particularly under IFRS 9 (Financial Instruments) and IFRS 17 (Insurance Contracts).

IFRS 9 governs the classification, measurement and impairment of financial instruments, including the investment portfolios that are critical to the insurance industry. IFRS 9 adds complexity under Pillar Two because fair value changes impact GloBE Income differently, based on whether they flow through P&L (included) or OCI (excluded). This leads to volatility in the ETR.

IFRS 17 governs the recognition of revenue, expenses and profits on insurance contracts in a way that reflects the timing of services provided. Also here the treatment of OCI versus P&L under IFRS 17 presents a critical challenge for insurers under Pillar Two. While the OCI option reduces P&L volatility, it can lower the ETR by excluding key adjustments from GloBE income. This exclusion risks triggering top-up taxes under the 15% minimum tax rules, forcing insurers to carefully balance accounting policies, tax compliance, and business reporting objectives.

Whereas NN Group supports Pillar Two's main objective, that companies pay a minimum level of tax on the income they generate in each jurisdiction where they operate, leading to a fairer distribution of tax, increasing revenue to finance public services and creating a level playing field. However, in its current form it has created for every company in its scope a great deal of complexity and legal uncertainty and a disproportionate administrative burden, regardless of the absence of a risk of low or no taxation.

VAT challenges in the financial industry

In 2024, the European Commission-Directorate-General for Taxation and Customs Union (DG TAXUD) launched a study to evaluate the current regime for the VAT for financial services and the potential problems that it causes. It aims to launch a policy reflection towards a more coherent tax framework applicable to the financial sector. This includes not only VAT but also sectoral taxes such as IPT and windfall taxes. The study will provide: (i) a further analysis of the potential problems arising from the current tax framework and (ii) insights supporting the potential development of policy options. NN Group, as member of the Dutch Association of Insurers, participated in this study as we very much welcome the initiative.

The insurance industry faces several challenges related to VAT. The current VAT rules for insurance services are often seen as complex and difficult to apply, leading to legal uncertainty and making it challenging for companies to ensure compliance. Additionally, insurance services are generally exempt from VAT, which means insurers cannot reclaim VAT on their business expenses.

This results in hidden VAT costs that are ultimately passed on to customers, increasing the cost of insurance. The VAT Directive governing financial and insurance services is considered outdated and not well-suited to modern financial products and services, creating additional compliance burdens and inefficiencies. Furthermore, the inability to reclaim VAT puts EU insurance companies at a competitive disadvantage compared to their counterparts in jurisdictions with different tax regimes, affecting their global competitiveness.

The administrative and regulatory costs associated with managing VAT exemptions and compliance are high, including the need for detailed record-keeping and reporting, which can be particularly burdensome for smaller insurers. Different interpretations and applications of VAT rules by various EU member states lead to inconsistencies and disruptions in the single market, complicating cross-border insurance services. These issues highlight the need for a comprehensive reform of the VAT system as it applies to the insurance industry to reduce complexity, improve competitiveness and ensure fairer taxation.

To manage VAT distortions in the insurance industry, several solutions can be considered. Allowing insurers the option to tax their services could help mitigate hidden VAT costs, enabling them to reclaim VAT on their business expenses and reduce the overall cost burden. However, for (private customers of) insurance companies this can lead to an additional tax burden if the insurance is also subject to IPT. This must be taken into account with an option to tax.

Implementing a simplified system for pro rata VAT deductibility can help insurers manage their VAT liabilities more efficiently by streamlining the process of determining how much VAT can be reclaimed. Ensuring consistent application of VAT rules across EU member states would reduce legal uncertainty and administrative burdens, facilitating smoother cross-border insurance services. Updating the VAT Directive to better align with contemporary financial products and services would address many of the current inefficiencies and compliance challenges. (Re) introducing the use of cost-sharing arrangements among insurers can help reduce the impact of hidden VAT, allowing companies to share costs without incurring additional VAT liabilities. Additionally, cross-border VAT grouping can be a significant solution. This approach allows legally independent entities within a corporate group to be treated as a single taxable entity for VAT purposes, even across different EU member states. This can eliminate VAT on intra-group transactions, reducing the administrative burden and hidden VAT costs associated with cross-border services.

These solutions aim to create a more equitable and efficient VAT system for the insurance industry, ultimately benefiting insurers and their customers. Implementing a simplified system for pro rata VAT deductibility can help insurers manage their VAT liabilities more efficiently by streamlining the process of determining how much VAT can be reclaimed. Ensuring consistent application of VAT rules across EU member states would reduce legal uncertainty and administrative burdens, facilitating smoother cross-border insurance services.

The NN Group Tax team in 2024

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

Self employment and payroll taxes

The lifting of the enforcement moratorium on self-employment in 2024 has garnered significant media attention. The moratorium was established to allow organizations to structure their collaborations with self-employed contractors properly under the Employment Relationships Deregulation Act (DBA Act). When the DBA Act came into force in 2016, NN already screened and revised its processes for hiring self-employed contractors to meet the strict conditions, including the possibility of extension. Additionally, a new hiring policy was introduced in 2023, and measures were taken in specific cases or contracts with third parties to minimize the risk of false self-employment within NN. However, uncertainties around laws, regulations and cost control of hired personnel remain a concern for organizations like NN.

To address potential false self-employment, the Dutch Tax Authorities have published an assessment and decision framework on 1 November 2024. The framework aims to clarify the necessary elements for determining whether a working relationship qualifies as employment. However, arriving at an unequivocal qualification of a working relationship remains difficult, and there is no guarantee that the conclusions of the Dutch Tax Authorities will match that of the organisation. Therefore, it is crucial for companies like NN to conduct their own assessment and document their conclusions based on relevant facts and circumstances.

With the existing processes in place, we feel confident that NN will continue to comply with the new situation in the future.

Future Pensions Act

As of 1 January 2023, the Dutch pension system has undergone a fundamental change with the implementation of the Future Pensions Act (Wet Toekomst Pensioenen or WTP). Under the WTP, the accumulation of old-age pensions is no longer based on collective arrangements and investments, but on individual investments based on collective principles. NN Group's pension operations require significant adjustments to adapt to this change, including investments in new working methods, automated processes and IT systems

In 2024, these adjustments involved extensive and significant projects that will also have implications for future years. Despite these changes, regular activities for pension accumulation and taxable benefits will continue, with new automated solutions being developed to ensure a future-proof pension operation.

Already in 2022, NN, as a major employer in the Netherlands, agreed with labor unions to change the pension plan for its employees. Even though the WTP was not legally in force yet, NN arranged for an Individual Defined Contribution Scheme with BeFrank to implement the pension plan as part of the Collective Labor Agreement starting on 1 October 2022, in anticipation of the WTP. This required obtaining a ruling from the Dutch Tax Authorities.

In 2024, the pension plan was reviewed to ensure compliance with the WTP legislation, resulting in an updated plan effective 1 January 2025. The Dutch Tax Authorities were kept informed throughout the process and were formally notified to maintain the ruling on the pension plan.

Corporate income tax in the Annual Accounts

Our Corporate income tax position

Information on corporate income tax has been published in the 2024 Annual Accounts. This chapter includes tables from the 2024 Annual Accounts. All financial amounts in the tables are in millions of euros, unless in this chapter 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 valuing 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 must relate to income taxes levied by the same taxation authority on either the same taxable entity or on different taxable entities that intend to settle the current tax assets and liabilities on a net basis.

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. Deferred tax assets can also result from 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 occur when a fiscal entity's taxable profit is negative and generally can be offset against the taxable profits of following years. A deferred tax asset is recognised only to the extent that NN Group expects to utilise these losses in the foreseeable future. For each legal entity, a forecast of future taxable profits is made. Where this future taxable profit is sufficient to offset part of the existing tax carry forward balance, a deferred tax asset is recognised. This analysis also considers the amount of the deferred tax liability at the level of the loss-making entities. The amount that was unlikely to be utilised (EUR 217 million) was not recognised.

The income tax charge of EUR 334 million in 2024 represents an ETR[8] of 17.3% on the result before tax from continuing operations. This ETR is lower than the weighted average statutory tax rate of 24.6%. The ETR is impacted due to the fact that 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. NN Group's ETR is slightly lower than the insurance industry average of 19.5% as published by S&P Global[9].

[8] We refer to page 17 of the 2021 Total Tax Contribution Report of NN Group for an explanation of the differences between effective and statutory tax rate
[9] S&P Global Corporate Sustainability Assessment, CSA Companion 2023, page 108 'Average effective tax rate & Cash Tax Rate for each of the 24 GICS® Industry Groups'.

Deferred tax (2024)

	Net liability 2023	Changes through equity	Changes through net result	Changes in the composition of the group and other changes	Foreign currency exchange differences	Net liability 2024
Investments	-2,152	151	-7		2	-2,006
Investments in real estate	1,013		51	-18		1,046
Insurance contracts	594	-129	188		-8	645
Cash flow hedges	990	16				1,006
Fiscal reserves	36		-34			2
Unused tax losses carried forward	-134		11			-123
Other	66	4	-15	43	2	100
Deferred tax	**413**	**42**	**194**	**25**	**-4**	**670**
Presented in the balance sheet as						
Deferred tax liabilities	559					764
Deferred tax assets	146					-94
Deferred tax	**413**					**670**

Deferred tax on unused tax losses carried forward

	2024	2023
Total unused tax losses carried forward	741	757
Unused tax losses carried forward not recognised as a deferred tax asset	-217	-186
Unused tax losses carried forward recognised as a deferred tax asset	**524**	**571**
Average tax rate	23.4%	23.4%
Deferred tax asset	**123**	**134**

Total unused tax losses carried forward analysed by term of expiration

	No deferred tax asset recognised		Deferred tax asset recognised	
	2024	2023	2024	2023
Within 1 year	9	18	7	
More than 1 year but less than 5 years	6	32	135	171
More than 5 years but less than 10 years		5		15
Unlimited	**202**	**131**	**382**	**385**
Total unused tax losses carried forward	**217**	**186**	**524**	**571**

Taxation on result

	2024	2023
Current tax	140	375
Deferred tax	194	-27
Taxation on result	**334**	**348**

Reconciliation of the weighted average statutory tax rate to NN Group's effective tax rate 2024

	2024	2023
Result before tax	1,936	1,532
Weighted average statutory tax rate	24.6%	24.7%
Weighted average statutory tax amount	477	378
Participation exemption	-126	-49
Other income not subject to tax and other	-18	22
Expenses not deductible for tax purposes	8	8
Impact on deferred tax from change in tax rates	2	-4
Tax benefit for previously unrecognised amounts	6	-2
Adjustments to prior periods	-15	-5
Effective tax amount	**334**	**348**
Effective tax rate	**17.3%**	**22.7%**

Taxes in the cash flow statement

The total tax contribution of NN Group was EUR 2,717 million for 2024 (see page 5). 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 304 million in 2024 (2023: EUR 270 million). The disparity 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 case of tax losses, the relevant entities will pay cash taxes on profits realised in 2024.

It should also be noted 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 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 decision whether or not to report a (change in) tax provision.

Principal subsidiaries and geographical information (2024)

The table below provides additional information on principal subsidiaries, the nature of the main activities and employees by country.

Country/Name of principal subsidiaries	Main activity	Average number of employees[1]	Total revenues[2]	Total assets	Result before tax	Taxation[3]	Income tax paid	ETR (IFRS)[4,5]
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							
The Netherlands		9,215	15,989	167,455	1,156	153	268	13.2%[6]
NN Life Insurance Company, Ltd.	Life insurance							
Japan		1,005	840	13,033	131	36	-16	27.1%
NN Insurance Belgium nv	Life insurance							
Belgium		641	758	10,473	126	34	1	27.2%
NN Hellenic Life Insurance Co. S.A.	Life insurance							
Greece		567	639	4,627	86	21		24.6%
Nationale Nederlanden Vida, Compania de Seguros y Reaseguros. S.A.	Life insurance							
Nationale Nederlanden Generales, Compania de Seguros y Reaseguros, S.A.	General insurance							
Spain		594	669	4,577	88	19	2	22.0%
Nationale-Nederlanden Towarzystwo Ubezpieczeń na Życie S.A.	Life insurance							
Nationale-Nederlanden Powszechne Towarzystwo Emerytalne S.A.	Pensions							
Poland		1,100	655	3,484	152	24	13	15.6%[7]
NN Biztosító Zártkörûen Mûködõ Részvénytársaság								

Country/Name of principal subsidiaries	Main activity	Average number of employees[1]	Total revenues[2]	Total assets	Result before tax	Taxation[3]	Income tax paid	ETR (IFRS)[4,5]
Hungary		515	302	1,375	15	5	2	31.7%[8]
NN Životní pojišťovna N.V. (pobočka pro Českou republiku)	Life insurance							
Czech Republic		710	233	1,300	29	7	-10	22.4%
NN Asigurari de Viata S.A.	Life insurance							
Romania		546	253	1,117	43	8	7	19.2%[9]
NN Životná poisťovna, a.s.	Life insurance							
Slovak Republic		402	208	829	48	14	27	29.9%[10]
France			27	808	20	1	-3	5.9%[7]
Germany			11	696	8	4	6	49.7%[7]
Italy			12	265	12	4	2	31.2%[7]
Denmark			20	234	18	4	2	20.8%
Turkey		182	28	47				
United Kingdom			4	46	4		1	10.9%[11]
Mexico		1	1	9			2	
Total		**1,478**	**20,649**	**210,375**	**1,936**	**334**	**304**	**17.3%**

[1] The average number of employees is on a full-time equivalent basis.
[2] Total revenues reconciles with the sum of insurance income, net investment result and fee and commission result, as presented in the consolidated income statement.
[3] Taxation is the taxation amount charged to the profit and loss account.
[4] No effective tax rate calculation can be made if a country has no taxation amount.
[5] If the result before tax amount and the taxation amount are both nil, no ETR is calculated.
[6] The ETR mainly reflects tax-exempt investment results.
[7] The ETR is mainly caused by prior year adjustments.
[8] The ETR also includes local business taxes.
[9] The ETR is mainly caused by a mixture of non-deductible costs and non-recognised losses.
[10] The ETR is mainly caused by an additional insurance tax and tax rate changes.
[11] The ETR is mainly caused by non-recognised tax losses.

Pillar Two in 2024

Whereas NN Group supports the ambition of the Pillar Two initiative, we also conclude that currently the rules are too rigid in their "one size fits all" approach. One of the elements we want to highlight is the ETR within the Pillar Two context.

Pillar Two country table

	Safe Harbour			Pillar 2	
	ETR%	Pass		ETR%	Top-up tax
Belgium	26.0%	✓		19.5%	0
Czech Republic	22.4%	✓		36.1%	0
Denmark	20.8%	✓		15.4%	0
France	42.3%	✓		30.7%	0
Germany	15.6%	✓		15.0%	0
Greece	24.6%	✓		18.8%	0
Hungary	31.8%	✓		31.8%	0
Italy	31.2%	✓		24.5%	0
Japan	27.1%	✓		18.8%	0
The Netherlands	15.0%	✓		-51.8%	0
Poland	15.6%	✓		14.9%	0
Romania	19.2%	✓		19.3%	0
Slovakia	29.9%	✓		40.5%	0
Spain	22.0%	✓		19.2%	0
Turkey	-124.6%	✓	*	0.0%	0
United Kingdom	0.0%	✗		15.0%	0

* Safe Harbour is based on Routine Profits Test

Effective Tax Rate

The ETR represents the actual average rate at which a corporation is taxed on its taxable income. It is calculated by dividing the total tax expense by the earnings before taxes.

The ETR includes (amongst others) the tax effects from tax exemptions, -credits or limitations. Therefore it often differs from the Statutory Tax Rate (STR), which is the legally imposed tax rate, being 25.8% in the Netherlands.

The ETR is often seen as a valuable metric for assessing a company's tax effectiveness. An ETR that is consistently lower than the STR can indicate (a combination of) effective tax management or that the company is entitled to tax incentives as laid out in (European or domestic) law. These tax incentives are generally fiscally (e.g. to prevent double taxation) or economically (e.g. to support innovation) motivated. Pillar Two's minimum taxation rule is to address effective tax management resulting from tax avoidance schemes and the overuse of these tax incentives.

Whereas the concept of the ETR is simple, all ratios and percentages have the inherent risk of counterintuitive outcomes, particularly in cases with a low denominator or negative numbers. Additionally, even though Pillar Two has introduced specific rules to "normalise" both the numerator (tax expense) and the denominator (total income), simply dividing two measures does not always adequately reflect the underlying complexity.

Income from shareholdings

An example of an exemption imposed by European and domestic laws is the so-called participation exemption, which aims to prevent double taxation on dividends and capital gains. Income, already taxed at the level of the participation, is exempted from tax when distributed to the shareholder. Pillar Two rules have a similar concept. When aligned with the (domestic) corporate tax this should basically eliminate the effect of the tax-exempted income. But as the definitions of a qualifying participation in many countries' domestic tax laws differ from the Pillar Two definition this normalisation is only partly realised.

Additionally, Pillar Two also applies its 'participation exemption' on tax transparent investments. Although these investments are fully taxed for corporate tax purposes, the misalignment between Pillar Two and corporate tax can result in additional top-up tax with economically double taxation.

Deferred tax recast

The other Pillar Two rule with major impact is the recalculation of deferred taxes. Pillar Two requires the IFRS deferred taxes from its original rate[10] to the minimum tax rate of 15%, adjusting the covered tax amount in the denominator while the numerator remains unchanged.

Deferred taxes are meant to spread out the difference in timing between the accounting and tax treatment. Recalculating the deferred tax for Pillar Two purposes to the minimum tax rate is required to avert distorting effects between years.

Due to the nature of their business, insurance companies have substantial deferred tax positions, hence leading to a material impact from the recalculation. In the basis recalculation could only reduce the ETR to 15%. Yet, in combination with other factors where IFRS and Pillar Two are misaligned, the deferred tax recast can lead to a top-up tax. When Pillar Two was introduced the OECD recognised this industry's specific position by granting it an exception to the 5-years deferred tax recapture rule for almost all of their long-term deferred tax positions, most prominently on insurance reserves. Because these amounts are governed by regulatory requirements and specific accounting regulations, these amounts are not prone to manipulation and certain to reverse over a definite period. Not granting this exception would distort the insurance industry's ETR too much. Based on this same argument an exemption of the recalculation of deferred taxes should also be implemented for the insurance industry.

[10] Which is generally the future year's statutory tax rate

Total tax contribution in 2024

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 relate to taxes collected on behalf of employees or service providers.

Value Added Tax

A basic principle of the VAT system is that a company providing services has to charge VAT to its customers but can also reclaim the VAT it has paid to its suppliers. This VAT collected with deduction of the reclaimed VAT is paid to the tax authorities in the country of the transaction. This means that, on a net basis, VAT is only charged and paid at the value added by the company. Financial services such as banking and insurance are in general exempted for VAT. As a result no VAT is charged on for example insurance premiums or mortgage interests paid by its customers to NN Group.

Being exempted for VAT also means that NN Group is not allowed to reclaim the VAT it has paid to its suppliers where these supplies in any way relate to the VAT-exempted services. This is the case for most of the supplies to NN Group. This non-reclaimable VAT is economically a cost to the company, contrary to what the wording ‘exemption’ might suggest. VAT taxable business at NN Group, such as pension administration services, rental of commercial real estate or head office costs charged to NN’s international business units, is charged by NN Group including VAT and paid to the tax authorities. For supplies purchased that fully relate to this VAT taxable business, the VAT is deductible by NN Group the same as at any other company. Here the basic rule applies. The numbers in this report reflect 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 millions of euros	VAT charged to NN	VAT recovery	VAT collected and paid to the Governments	Total VAT contribution
The Netherlands	153.8	30.5	34.1	157.4
Belgium	18.6	0.1	0.1	18.6
Czech Republic	5.2	5.2	6.6	6.6
Denmark				
France				
Germany				
Greece	7.0		0.1	7.0
Hungary	5.1	1.4	1.2	4.9
Italy				
Japan	12.9	0.3	0.7	13.2
Mexico				
Poland	12.3	0.0	0.8	13.0
Romania	1.8	0.2	0.1	1.8
Slovak Republic	2.1	0.0	0.1	2.1
Spain	11.2	0.2	0.4	11.4
Turkey				
United Kingdom				
Total VAT contribution 2024	**230.1**	**38.0**	**44.1**	**236.1**
Total VAT contribution 2023	**247.8**	**68.9**	**40.1**	**219.0**

Insurance premium tax

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.

Insurance premium taxes collected by NN Group

in millions of euros	Insurance premium taxes collected
The Netherlands	341.5
Belgium	47.5
Czech Republic	
Denmark	
France	0.1
Germany	0.3
Greece	42.0
Hungary	9.2
Italy	
Japan	5.0
Mexico	
Poland	
Romania	0.7
Slovak Republic	
Spain	6.1
Turkey	
United Kingdom	
Total Insurance premium taxes contribution 2024	**452.4**
Total Insurance premium taxes contribution 2023	**427.3**

Payroll taxes (employer and employee)

NN Group had around 16,000 employees in 2024. 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 non-life 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 collected by NN Group

in millions of euros	Payroll taxes (employer and employee) withheld by NN	Payroll taxes on insurance products collected by NN	Total payroll taxes contribution
The Netherlands	369.2	996.2	1,365.5
Belgium	34.8	64.4	99.2
Czech Republic	3.8	13.6	17.5
Denmark			
France			
Germany			
Greece	9.8	14.9	24.7
Hungary	10.9	0.7	11.6
Italy			
Japan	19.4	0.3	19.7
Mexico			
Poland	23.3	0.7	24.0
Romania	15.1	2.1	17.3
Slovak Republic	9.4	2.7	12.2
Spain	19.3	11.4	30.6
Turkey			
United Kingdom			
Total payroll taxes contribution 2024	**515.2**	**1,107.1**	**1,622.2**
Total payroll taxes contribution 2023	**493.9**	**1,105.1**	**1,599.0**

Withholding taxes on dividend collected by NN Group

in millions of euros	Withholding tax
The Netherlands 2024	**102.1**
The Netherlands 2023	**63.3**

Total tax contribution NN Group

In conclusion 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 that are paid to local tax authorities as a result of our economic activity and that have currently not been taken into consideration in this report (e.g. banking tax or contributions to the resolution fund or a rental tax). NN Group's Total tax contribution in 2024 amounted to EUR 2,717 million, with 82% of this amount paid to tax authorities in the Netherlands and 18% to local tax authorities on behalf of our international business.

Total taxes collected and borne by NN Group

	Total taxes collected and borne	
in millions of euros	**2024**	**2023**
The Netherlands	2,234.3	2,004.6
Belgium	166.4	159.8
Czech Republic	13.9	20.0
Denmark	1.5	0.1
France	-2.5	4.7
Germany	6.5	3.0
Greece	73.7	79.2
Hungary	27.9	27.7
Italy	2.2	1.4
Japan	22.2	140.0
Mexico	2.3	0.1
Poland	49.8	35.2
Romania	26.5	23.4
Slovak Republic	40.9	17.2
Spain	50.4	58.1
Turkey		3.4
United Kingdom	0.6	0.1
Total	**2,716.6**	**2,578.1**

Our approach to reporting

Making a positive contribution in the communities where we operate.

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

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 seventh Total Tax Contribution Report. The 2024 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 13 March 2025.

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 only report on 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 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:

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 – 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) - 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 – 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.

Taxes collected

These are the taxes that a company is obliged to collect from others and pay to a government. They include:

- Value-added tax - 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 – amounts collected on insurances, usually arising when the insurance premium is written. These taxes form part of an IPT tax return made to the governments 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) - 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) - 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 - 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 in 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 2024. 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. See Chapter 6 below.

The Hague, 12 March 2025

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

Assurance report of the independent auditor

KPMG

Limited assurance report of the independent auditor on the Total Tax Contribution report

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

Our conclusion

We have performed a limited assurance engagement on the Total Tax Contribution report 2024 ('Total Tax Contribution report') of NN Group N.V. ('NN Group') based in Amsterdam and headquartered in The Hague.

Based on the procedures performed and evidence obtained nothing has come to our attention that causes us to believe that the Total Tax Contribution report is not, in all material respects, in accordance with the applicable criteria as included in the section 'Criteria'.

Basis for our conclusion

We performed our limited assurance engagement on the Total Tax Contribution report in accordance with Dutch law, including Dutch Standard 3000A 'Assurance-opdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie' (attest-opdrachten) (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 assurance engagement on theTotal Tax Contribution report' section of our report.

We are independent of the Group 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). Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

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

Criteria

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

The criteria applied for the preparation of the Total Tax Contribution report are:

- GRI Standard 207 - Tax 2019 as issued by the Global Sustainability Standards Board; and
- International Financial Reporting Standards as adopted by the European Union (EU-IFRS) as the basis for financial reporting and in particular IAS 12 Income Taxes.

Scope of the assurance engagement

The Total Tax Contribution report is intended to provide insight into how NN Group 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 to governments.

With respect to the data reported, our procedures are primarily focused on the reconciliation of the reported numbers with the 2024 consolidated annual accounts of NN Group and supporting underlying documentation. Our limited assurance engagement cannot be considered as a tax assessment in respect of compliance of NN Group 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.

We have agreed with the Audit Committee of the Supervisory Board that the misstatements which are identified during the assurance engagement and which in our view must be reported on quantitative or qualitative grounds, would be reported to them.

Limitations to the scope of our assurance engagement

The Total Tax Contribution report includes prospective information such as ambitions, strategy, plans, expectations, estimates and risk assessments. Prospective information relates to events and actions that have not yet occurred and may never occur. We do not provide any assurance on the assumptions and achievability of prospective information.

The references to external sources or websites in the Total Tax Contribution report are not part of the Total Tax Contribution report itself as included in the scope of our assurance engagement. We therefore do not provide assurance on this information.

Our conclusion is not modified in respect to these matters.

Responsibilities of the Executive Board and Supervisory Board for the Total Tax Contribution report

The Executive Board of NN Group is responsible for the preparation of the Total Tax Contribution report in accordance with the criteria as included in the section 'Criteria', including the identification of stakeholders.

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 controls 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's reporting process.

Our responsibilities for the assurance engagement on the Total Tax Contribution report

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

The procedures performed in this context differ in nature and timing and are less extent as compared to reasonable assurance engagements. The level of assurance obtained in a limited assurance engagement is therefore substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

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

Our examination included among others the following procedures:

- performing an analysis of the external environment and obtained an understanding of relevant themes and issues and the characteristics of NN Group;
- evaluating the appropriateness of the criteria used and their consistent application;
- identifying areas of the Total Tax Contribution report with a higher risk of material misstatements whether due to fraud or error;
- testing whether the information in the Total Tax Contribution report reconciles with the 2024 consolidated annual accounts and underlying documentation. We read and reviewed on a limited test basis, relevant internal and external supporting documentation;
- evaluating the presentation, structure and content of the Total Tax Contribution report; and
- considering whether the Total Tax Contribution report as a whole, including the sustainability matters and disclosures, is clearly and adequately disclosed in accordance with applicable criteria.

We communicate with the Executive Board and the Supervisory Board regarding, among other matters, the planned scope and timing of the assurance engagement and significant findings that we identify during our assurance engagement.

Amstelveen, 12 March 2025

KPMG Accountants N.V.

J.N. Vos RA

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Appendix

Global Reporting Initiative

In 2021, 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. NN Group is guided by this standard in reporting on its tax position. The table on this and the following pages shows where the various GRI 207 Tax Disclosure to the relevant sections in our 2024 Total Tax Contribution Report, Annual Review and our corporate website.

GRI 207 : Tax 2019

Reference
AR Annual Report
TC Total Tax Contribution Report 2024
NN NN Group Website

Indicator	Description of indicator	Reference
207-1 Approach to tax		
207-1 a	A description of the approach to tax, including:	
207-1 a i	Publicly available tax strategy	TC Our Approach to tax
207-1 a ii	Approvement and review of tax strategy	TC Our Approach to tax
207-1 a iii	The approach to regulatory compliance	TC Our Approach to tax
207-1 a iv	Link between approach to tax and the company's business and sustainable development strategies	TC Our Approach to tax

Indicator	Description of indicator	Reference
207-2 Tax Governance, control and risk management		
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
207-2 a ii	Embedding of approach to tax within the organisation;	TC Our Approach to tax
207-2 a iii	Description of Tax risk policy	TC Our Approach to tax
207-2 a iv	Evaluation of compliance with the tax governance and control framework	TC Our Approach to tax
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
207-3 Stakeholder engagement and management of concerns related to tax		
	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	TC Our Approach to tax
207-3 ii	the approach to public policy advocacy on tax	TC Our Approach to tax
207-3 iii	the processes for collecting and considering the views and concerns of (external) stakeholders	TC Our Approach to tax

Indicator	Description of indicator	Reference
207-4 County by Country reporting		
	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 statementsare 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

Indicator	Description of indicator	Reference
207 -4 Reporting recommendation		
2.3.1.	Total employee remuneration	AR Section Facts and figures
2.3.2	Taxes withheld and paid on behalf of employees;	TC Total tax contribution 2024
2.3.3	Taxes collected from customers on behalf of a tax authority;	TC Total tax contribution 2024
2.3.4	Industry- related and ther 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 applicable

Dutch 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.

Tax Governance Code

	Reference
	AR Annual Report
	TC Total Tax Contribution Report 2024
	NN NN Group Website

A. Approach to Tax: Tax Strategy & Tax Principles	
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).	TC Our approach to tax
2. The company reports at least annually to the board on tax risks and adherence to the tax strategy and principles.	TC Our approach to tax
3. The company's tax strategy and principles apply to all group entities.	TC Our approach to tax
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/tax principles

B. Accountability & Tax Governance	
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 Our approach to tax
2. The company has a tax control framework that sets out the tax controls and risk management.	TC Our approach to tax
3. Internal or external auditors regularly review the company's tax controls as part of the audit of its financial results	TC Our approach to tax

C. Tax Compliance

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

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. 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 Our approach to tax

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.	TC Our approach to tax
2.	A list of entities, with ownership information and a brief explanation of the type and geographic scope of activities.	SO 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 Corporate income taxes in the annual account
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/employeerelated 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 in 2024
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	TC Our approach to tax

Glossary

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.
Effective tax rate	The tax charge in respect of an accounting period divided by the accounting profit before tax.
Government Any	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 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.

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