a.s.r. de nederlandse verzekerings maatschappij voor alle verzekeringen

Sustainable taxpayer

In line with its mission and Corporate Social Responsibility (CSR) policy, a.s.r. strives to be a sustainable taxpayer.

a.s.r. wants to play the following roles in society:
- being an insurer customers can rely on;
- being a stable financial institution;
- being a people-oriented employer; and
- being a valuable participant of society.

a.s.r. has a responsibility towards society at large, its customers in general and vulnerable groups in particular. This is expressed in its personnel policy, its investment policy, work environment, and the CSR policy, including a.s.r.'s statement that it wants to be a sustainable taxpayer.

The tax strategy contributes to a.s.r.'s mission

a.s.r.'s tax strategy contributes to a.s.r.'s attainment of its mission and corporate strategy.

a.s.r.'s tax policy contributes to the ambition to be a financially reliable and stable organisation to ensure that a.s.r.'s short-term as well as its long-term commitments towards customers and stakeholders can be met, thus creating longterm value. In addition, the outcome of its tax policy is that a.s.r., as a member of society, contributes its fair share to enable and maintain the very society of which it is part.

In line with our general code of conduct, awareness is an important factor. Our employees receive training in a broad sense in order to make them familiar with the principles of the a.s.r. code of conduct and the rules of conduct and to let these principles sink in. This also applies to our tax conduct. The employees within Group Tax are senior specialists who continuously monitor tax legislation and case law and determine the effects of this on our tax strategy, financial results, staff and a.s.r. products, and discuss this during, among other things, the periodic specialist consultations. Group Tax also provides training and workshops to other teams to increase tax awareness within the organisation.

Tax strategy and risk appetite

a.s.r. aims to be a socially responsible taxpayer based on professionally executed tax compliance. a.s.r. does not apply any tax-aggressive positions. In optimising its tax planning, business considerations are always leading.

The tax strategy and risk appetite were approved and endorsed by the Executive Board. The Audit and Risk Committee supervises the tax policy pursued in line with the Dutch Corporate Governance Code. The Tax policy and the tax risks are discussed annually in the Audit and Risk Committee. Tax is a recurring topic on the agenda of the stakeholders' dialogue (see chapter 7.9 Materiality analysis and stakeholder dialogue of the 2022 Annual Report).

In view of its tax strategy, a.s.r. has the following objectives:
- a.s.r. only supports transactions or products with well documented business objectives and within its tax risk appetite;
- The basic premise is that a.s.r. acts in accordance with the spirit and letter of tax legislation and regulations in the countries in which it operates;
- a.s.r. does not use any structures aimed at tax avoidance, nor will it allocate profits to jurisdictions with low tax regimes or make use of tax havens;
- a.s.r. has no products that help customers avoid or evade taxes;
- a.s.r. optimises its fiscal position in order to ease its tax liability. This is done within the framework of making a sustainable contribution to society;
- a.s.r. ensures the timely payment of its tax liabilities;
- a.s.r. presents relevant (tax) positions it has or will adopt as soon as possible to the tax authorities and provides them with active insight into all relevant facts, circumstances, positions, and its view of the associated legal consequences;
- a.s.r. actively manages its tax risks. In view of its open and transparent relationship with the tax authorities, it proactively coordinates the tax consequences of various transactions in advance with the tax authorities.

Tax control

Group Tax a.s.r. is part of the Finance, Risk & Performance Management (FRPM) department. FRPM houses all first-line finance and risk activities of the group, the Life, Non-life and Income product lines, as well as Asset Management and Real Estate.

Group Tax has a central role in a.s.r.'s tax function, and therefore has an important role in embedding the tax strategy in the day-to-day operations of the organisation. Group Tax is responsible for the establishment, maintenance and testing of the Tax Control Framework that is part of the broader a.s.r. Risk Management Framework set out the various processes, risks and existing control measures. Taxation is part of this. The tax key controls are periodically tested and the results are discussed with the relevant teams.

Group Tax is the single point of contact with the tax authorities and has periodically and ad-hoc consultation with the tax authority. External tax advisors will be only consulted after involvement and/or approval by Group Tax.
In the case of important agreements such as product development, acquisitions, internal reorganisations, Group Tax is consulted. This 'sign-off' is used to safeguard the compliance of the tax strategy. In addition, tax issues are regularly discussed with the CFO.

a.s.r. is actively implementing technological solutions to control tax risks, for example by means of data analysis. a.s.r. uses a financial system, in which financial consolidation and reporting, tax accounting and the corporate tax return have been integrated.

a.s.r. strives for an open and honest culture and considers it important that employees and third parties can report in a careful and safe way, (suspicions of) abuses within a.s.r., in accordance with the Whistleblowers Act (see www.asrnl.com). a.s.r.'s whistleblowers' scheme also applies to abuses in the sphere of tax. The individual monitoring plan is in line with a.s.r.'s governance, the resulting tax strategy and objectives. The individual monitoring plan also contains operational elements for which the monitoring activities have been formulated.

Key Tax Risks

On an annual basis Group Tax conducts an extensive risk analysis aimed at identifying the key tax risks within a.s.r. These 'key risks' represent the inherent fiscal risks arising from our business operations. They are determined based on a combination of sector-specific aspects, the likelihood of occurrence, and potential impact. Individually considered, these risks can lead to material inaccuracies in our tax returns and other fiscal statements, and/or the non-payment (or late payment) of owed taxes. To manage these risks, a.s.r. has implemented a set of (tax) control measures.

In addition to a number of generic tax risks, a.s.r. has identified the following (sector) specific tax risks:
- accuracy of the provision for insurance obligations;
- accuracy of the valuation of the investment portfolio;
- completeness of the VAT returns (especially in conjunction with the treatment of VAT insurance claims of policyholders);
- payroll tax on the remuneration of benefits (application of the correct basis and/or rate);
- specific fiscal aspects as a result of mergers & deal activity (e.g. the Business Combination Agreement with Aegon).

Effectively monitoring and mitigating these risks is highly important for a.s.r. while Group Tax plays a central role in this, some risks are also managed within the various business units of a.s.r.

In the past year, a.s.r. made further progress in the area of tax risk management through the 'demonstrably in control' initiative. In this project, emerging from collaboration between Group Tax and various business units such as Real Estate, Life, non-Life and Asset Management, risks per division and/or type of tax were identified and addressed. A risk matrix was used, in which all tax risks were assessed based on likelihood and potential financial consequences. The effectiveness of existing controls was reviewed, and where necessary, adjusted. Additionally, training was provided to non-tax personnel to recognize and manage tax risks.

Our risk analyses are discussed regularly, on a quarterly basis, with the Tax Authorities. Through joint reflections and feedback, the risk analysis is refined in an iterative process.

Tax burden and tax payment

a.s.r. operates almost exclusively in the Netherlands, which means that almost all tax payments are made to the Dutch tax authorities with the exception of:
- Payments relating to insurance tax for, in particular, non-life insurance in respect of which the tax jurisdiction is in other countries;
- Withholding taxes deducted from foreign investment income.

In countries in which a.s.r. is active, a.s.r. pays taxes on profits realised by the economic activities in those countries, in accordance with the OECD guidelines for multinational companies.

(in € million)	2022	2021	2020
Profit before taxes	929	1.209	829
Corporate income tax in p&l	204	270	172
Nominal tax burden	25.8%	25.0%	25.0%
Effective tax burden[1]	22.0%	22.4%	20.7%
The Netherlands			
Corporate income tax and withholding taxes	192	114	59
Domestic and foreign taxes levied at source, offset against Dutch corporate income tax	15	19	13
Dividend tax	52	44	42
Payroll taxes benefits	314	320	307
Employee payroll taxes	148	140	138
Insurance tax	165	159	156
Turnover tax			
- turnover tax not offset	53	46	47
- turnover tax paid	17	15	10
Total of tax payments abroad	**956**	**857**	**772**

(in € million)	2022	2021	2020
Abroad			
Foreign insurance tax	1	1	1
Total of tax payments abroad	**1**	**1**	**1**
Deferred tax asset			
Deferred tax asset (liabilities) as at year-end[2]	119	-69	177
Number of employees			
Number of employees in FTEs, all of them employed in the Netherlands	4.313	4.155	4.042

1 The effective tax burden differs from the (nominal) statutory tax rate. This is caused, in particular by applying the participation exemption and there is an effect of the change in corporate income tax rate to 25.8% (2022).
2 The corporate income tax rate for 2021 is 25%. The 2022 rate is 25.8%. The rate change has taken into account the valuation of the amount of the deferred (net) tax liability as at year-end 2021.

Affiliation nominal tax expense with effective tax expense

The table below shows a reconciliation between expected and actual profit tax.

Reconciliation of expected income tax expense with the actual income tax expense	2022	2021
Result before tax	929	1.209
Current tax rate	-25.8%	-25%
Expected income tax expense	**-240**	**-302**
Effects of:		
Tax-exempt interest	3	3
Tax on interest on other equity instruments	12	12
Tax-exempt dividends	5	5
Taks-exempt capital gains	24	12
Changes in impairments	-3	-2
Adjustments for taxes due on previous financial years	0	5
Other effects	-6	-3
Total income taks gain / (expenses)	**-204**	**-270**

Relationship with the Dutch Tax Authorities

In January 2013, a.s.r.'s Executive Board and the Dutch tax authorities signed the Horizontal Monitoring Covenant. This sets out how a.s.r. and the tax authorities should engage with one another: with mutual trust and in an open, transparent manner.

By signing this covenant, a.s.r. undertakes to develop and maintain a system of internal mangement, together with internal and external controls relating to tax (Tax Control Framework). The Horizontal Monitoring has been further developed by the tax authorities into an Individual Monitoring Plan (IMP). The IMP replaced the covenant in 2020.

Tax rulings

In some cases, it is desirable for a.s.r. to obtain certainty from the tax authorities in advance concerning the application of (often complex) tax legislation and regulations. In such cases, a.s.r. will ask the tax authorities for a prior tax ruling on a tax position a.s.r. has adopted. All such rulings, consulting in an early stage with and other arrangements with the tax authorities are always in line with a.s.r.'s tax strategy. Doing so ensures that the tax position in the financial statements contains fewer uncertainties, which in turn adds to the confidence that stakeholders can derive from a.s.r.'s tax position. Since a.s.r. operates almost exclusively in the Netherlands, there are no international tax rulings.

Tax and investments

Direct investments

For the investments (equities and corporate bonds) in companies, a.s.r. uses ESG (environment, social, governance) research from the research firm Vigeo Eiris. The assessment of companies also includes tax criteria, in particular on the basis of (inter) national guidelines. In this way, a.s.r. avoids possible ESG risks in its investment portfolio in relation to e.g. tax havens and offshore financial centres. More information on this can be found on a.s.r.'s website: www.asrnl.com

Investments via external funds

Investments through external funds are never prompted by tax considerations. A business case is assessed on the basis of the strategy of the investment fund and the quality of the asset manager. The tax assessment from an a.s.r. perspective only serves to avoid any possible double and/or unnecessary taxation.

a.s.r. has a preference for regulated funds in the European Union because of the relevant expertise for institutional investors combined with a responsible and transparent tax policy. In addition, a.s.r. can invest in funds offered from other OECD countries, provided their legislation and regulations are comparable to those in the EU, and the fair-share principle is met. a.s.r. avoids investments in countries with reputational relating to tax, a relatively weak legal system and insufficient regulation and/or transparency.

a.s.r.
Archimedeslaan 10
3584 BA Utrecht
www.asrnederland.nl

ASR Nederland N.V. KvK 30070695 Utrecht

79713EN_0823