

Sustainable taxpayer

In line with its mission and Corporate Social Responsibility (CSR) policy, a.s.r. strives to be a sustainable taxpayer and wants to play the following roles in society:

- Being an insurer that customers can depend on;
- Being a stable financial institution;
- Being a people-focused employer; and
- Being a valuable member 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 long-term 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

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

The tax strategy was 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 8.3 Materiality analysis and stakeholder dialogue of the 2023 Annual Report).

During these dialogues, a.s.r. consults both internal and external stakeholders on tax matters, ensuring a comprehensive understanding of their views and concerns. The outcomes of these discussions are used to refine a.s.r.'s tax strategy. The outcomes of the periodic stakeholder dialogue are reported and shared with the Executive Council, the Works Council, dialogue participants and other interested parties. In addition, the dialogue and key outcomes are included in a.s.r.'s annual report and used as input for the sustainability report in the annual report under the CSRD. Also, outcomes may lead to the strategic framework sustainable business practice or policies on sustainability being adjusted, tightened and to initiating or terminating certain activities. More information can be found in the Stakeholder Policy of a.s.r.

a.s.r. subscribes to the Tax Governance Code developed by the employers' organization VNO-NCW.

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. Also when a.s.r. makes use of tax facilities such as incentives and subsidies;
- 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 and/or non-cooperative jurisdictions. a.s.r. pursues a strict exclusion policy for countries that do not respect democratic freedoms or have poor scores on corruption and environmental management. The exclusion list, based on internationally recognised indices, is detailed in the "Overview Excluded Countries 2024" available on a.s.r.'s website;
- 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.

As a result, a.s.r.'s tax risk appetite is conservative (cautious and prudent), focused on compliance, transparency, and responsible tax management without employing aggressive tax strategies or avoidance structures. The emphasis is on minimizing tax risks within a framework of transparency and cooperation with tax authorities.

Tax control

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

Group Tax has a central role in the 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 reorganizations. 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.

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 (Belgium & Germany);
- Withholding taxes deducted from foreign investment income.

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

(in € million)	2024	2023 ¹	2022	2021
Profit before taxes	1.447	1.389	929	1.209
Corporate income tax in p&l	383	303	204	270
Nominal tax burden	28.8%	25.8%	25.8%	25.0%
Effective tax burden ²	26.5%	21.8%	22.0%	22.4%
The Netherlands				
Corporate income tax and withholding taxes	89	57	192	114
Domestic and foreign taxes levied at source, offset against Dutch corporate income tax	16	27	15	19
Dividend tax	42	62	52	44
Payroll taxes benefits	872	565	314	320
Employee payroll taxes	314	226	148	140
Insurance tax	245	208	165	159
Turnover tax				
- turnover tax not offset	178	120	53	46
- turnover tax paid	56	37	17	15
Total of tax payments	1812	1.302	956	857
Abroad				
Foreign insurance tax	1	1	1	1
Total of tax payments abroad	1	1	1	1
Deferred tax asset				
Deferred tax asset (liabilities) as at year-end ³	101	636	119	-69
Number of employees				
Number of employees in FTEs, all of them employed in the Netherlands	4.7374	7.994	4.313	4.155

1 On July 4, 2023, a.s.r. acquired the shares of Aegon Nederland. The figures for Aegon Nederland and its underlying entities have been included in this overview from that date onwards.

2 The effective tax burden differs from the (nominal) statutory tax rate. This is caused, in particular by applying the participation exemption. There is also an effect of the change in corporate income tax rate in 2022. The tax rate then becomes 25.8%.

3 The corporate income tax rate for 2021 is 25%. The 2022 rate is 25.8%. The rate increase was taken into account when valuing the amount of the deferred (net) tax claim at year-end 2021.

If a.s.r. utilize government payments, subsidies, or incentives: these are considered as immaterial for a.s.r. and are therefore not included in the overview.

Affiliation nominal tax burden with the effective tax burden

The table below shows a reconciliation of the expected income tax expense with the actual income tax expense.

Reconciliation of expected income tax (expense) / gain with the actual income tax (expense) / gain	2024	2023
Result before tax from continuing operations	1.447	1.389
Current tax rate	25.8%	25.8%
Expected income tax expense	-373	-358
Effects of:		
Tax on interest on other equity instruments	15	12
Tax-exempt dividends	11	9
Tax-exempt capital gains	-1	1
Tax-exempt associates and joint ventures	2	1
Tax-exempt other income	-3	6
Changes in impairments	-2	-6
Adjustments for taxes due on previous financial years	-15	-
Other effects	-16	32
Total income tax (expenses) / gain	-383	-275

Relationship with the Dutch Tax Authority

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 management, 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), and the IMP replaced the covenant in 2020.

In addition to the individual relationship with the Dutch Tax Authorities, sector-wide consultations also take place via the Dutch Association of Insurers. In these consultations, a.s.r. acts jointly with other insurers to further the practicability of tax supervision and the promotion of the quality of tax legislation, in consultation with the Tax Authorities and other stakeholders (such as the Ministry of Finance). For example, a.s.r. contributed, via the Dutch Association of Insurers, to a vision document promoting the (quality of) future tax legislation for insurers. a.s.r. does not engage in individual lobbying activities in tax matters.

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 its investments in equities and corporate bonds, a.s.r. uses ESG data provided by its external data vendors. 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 when made through external funds in countries with reputational risks relating to tax, a relatively weak legal system, and insufficient regulation and/or transparency.

ESG & a.s.r. investments

Taxation is one of the ways in which businesses contribute to the societies whose legal and financial infrastructure they rely on for the orderly execution of their activities. Aggressive tax practices undermine the effectiveness of tax systems and may expose investors to reputational and financial risks. This is why a.s.r. asset management (AVB), as a subsidiary of ASR Nederland N.V., has incorporated the element of taxation into its ESG framework within its investments. Through this approach, companies in which AVB invests, or potential investees, are required to be responsible taxpayers, from governance to disclosure and transparency regarding their tax affairs. AVB expects companies to adopt appropriate and prudent tax policies and to be transparent about where they generate economic value. Through this, AVB aims to change attitudes to acceptable behaviours in tax (the 'S' in ESG), to increase transparency and robust tax governance structures (the 'G' in ESG) to ensure that tax policies aligned with wider sustainability goals are integrated into organizational structures.

Taxes as Part of Sustainability Reporting

a.s.r. applies various sustainability regulations, including the Corporate Sustainability Reporting Directive (CSRD), the Sustainable Finance Disclosure Regulation (SFDR), and the EU Taxonomy Regulation.

The EU Taxonomy Regulation addresses taxation as part of the Minimum Safeguards, which require public disclosure and external verification. Articles 3 and 18 of the Regulation require compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. These safeguards cover:

- Human rights, including labour rights;
- Corruption and tax fraud;
- Taxation;
- Fair competition.

a.s.r. fulfils these requirements by:

- Publishing its tax policy. The (audit) committee oversees the tax policy and ensures that tax considerations are appropriately integrated into a.s.r.'s broader strategic decision-making processes.
- Providing transparency about its (fair) tax contribution. a.s.r. does not view tax merely as a cost item but as a meaningful contribution to society. This aligns with expectations to pay taxes in countries where economic activities are conducted and profits are generated, thereby contributing to a fair distribution of tax revenues.
- Implementing a Tax Control Framework, in which tax governance and compliance are embedded as core components of risk management.

For financial products classified under Article 8 SFDR (promoting environmental and/or social characteristics) and Article 9 SFDR (having a sustainable investment objective), a.s.r. applies—pursuant to the SFDR and Commission Delegated Regulation (EU) 2022/1288—the requirement that investee companies meet criteria for good governance practices, particularly regarding sound management structures, employee relations, fair remuneration, and compliance with tax legislation.

