



# Global Tax Policy and Principles of Conduct

October 2023

## **Aegon as a Responsible Taxpayer**

Aegon has adopted a Statement of Global Tax Policy and Principles of Conduct (GTP) which is derived from Aegon's Code of Conduct and the core values and principles of conducting business contained therein. The principles and objectives of the GTP apply to all taxes that Aegon encounters in the course of its business.

Acting as a responsible taxpayer is part of the Aegon value chain and, in the context of the GTP, means that we seek to pay 'fair' taxes. We recognize that the concept of 'fair' taxes is inherently challenging for a complex multinational business such as Aegon's and that, in a global business world with global tax competition among nations, it is not always clear where appropriate lines can or should be drawn.

However, for Aegon, the concept of fair taxes means being a responsible taxpayer that pays the right amount of taxes in the right places. This means we recognize our obligation to pay taxes; however, that obligation does not extend to paying more taxes than required by the law. Thus, our approach to responsible taxpaying will seek to align the long-term interests of all our stakeholders, including customers, employees, business partners, investors and wider society.

## **Aegon's Principles of Responsible Taxpaying**

The following principles will guide Aegon's approach to tax:

### **1. Compliance**

Aegon is committed to tax compliance that is focused on complete, timely, and accurate tax filings in accordance with the legal requirements of the applicable tax laws and regulations in the jurisdictions in which we operate. Additionally, we will seek to take into account not only the letter but also, when clearly discernible, the spirit of the law.

### **2. Relationships with Tax Authorities**

We will seek to develop and maintain open, constructive, and cooperative relationships with Tax Authorities, based on integrity and mutual trust and respect.

### **3. Transparency**

This principle includes developing and maintaining transparency in our relationships with Tax Authorities, but also encompasses broader concepts, including public discussion of and public disclosures around such matters as:

- The policies and principles of how our tax affairs are approached.
- How the GTP is implemented and the overall governance and oversight of our tax position.
- Taxes provided in our financial statements.
- Tax payments by country or region in which we have significant business operations or income.
- We will at least annually re-evaluate the subject of tax disclosures and transparency.

#### **4. Uncertain Tax Positions**

We will seek to avoid uncertainty and unexpected results in our tax position. However, tax laws may be unclear or subject to interpretation. In such cases, we will strive for at least a 'more likely than not' (a likelihood of more than 50%) level of comfort that our tax position will ultimately be upheld. Additionally, our tax approach will consider our corporate social responsibilities, our reputation, and our brand as factors which may override even a more likely than not technical tax position.

#### **5. Tax Avoidance**

We will endeavour to align our tax position with the objectives and undertakings of our business units and with our overall business strategy so as to manage our tax position to provide sustainable outcomes within the parameters of our strategic and commercial objectives. For these reasons, we will not engage in 'artificial' transactions merely to generate tax benefits.

#### **6. Low-Tax Rate or No Tax Jurisdictions**

We may operate in low-tax rate or no tax jurisdictions for legitimate and justifiable non-tax business reasons; however, we will endeavour to allocate profits where value is created through commercial business activity. These so-called 'tax havens' will not be used merely for tax reduction purposes.

#### **7. Transfer Pricing**

Our global transfer pricing policy conforms with international best practices and is based on the arm's-length principle as supported by economic analysis and formal documentation of the commercial nature of the transactions.

#### **8. Tax Incentives**

We may make investments in assets, or engage in transactions, where tax incentives, exemptions, or other tax benefits are specifically authorized by laws and/or regulations of a jurisdiction in which we operate and which do not result in a selective advantage placing us in a more favourable financial position than other similarly-situated taxpayers.

#### **9. Products**

Our products may be designed and priced to achieve tax benefits that are specifically authorized by the government of a jurisdiction in which we operate. However, we will not knowingly provide assistance or encouragement to customers to abuse tax laws and regulations.

#### **10. Tax Rulings**

We may seek rulings from Tax Authorities to confirm the applicable tax treatment of an investment, a restructuring, or a transaction based on a full disclosure of all relevant facts and circumstances. We will not seek special tax treatment that is not specifically authorized by the government of a jurisdiction in which we operate, or which would result in a selective advantage placing us in a more favourable financial position than other similarly-situated taxpayers.

## 11. Tax Lobbying and Advocacy

We will regularly and actively engage with governments and Tax Authorities regarding the constructive development of tax policy, legislation, and regulatory and administrative guidance.

## 12. Risk Management, Accountability, and Governance

Aegon's business principles require identification and prudent management of risk. Accordingly, robust governance practices necessary to the management and control of tax affairs and risks are maintained.

### Tax Risk Management and Governance

An important part of Aegon's Tax Risk Management process is its Tax Control Framework (TCF). The TCF includes control measures to identify, assess and manage the tax risks to which Aegon is exposed. The purpose of the TCF is to ensure that robust documented policies, systems, processes and controls are in place to support required tax filings and payments and, more generally, to support the responsible management of Aegon's tax risks.

Periodic review and testing of processes and procedures takes place to ensure the TCF remains effective and that no material deviations from acceptable practices have occurred.

The GTP is subject to a global oversight and control framework implemented and administered as follows:

- The GTP is approved by the CEO<sup>1</sup> and reviewed with and endorsed by the Audit Committee of the Board of Directors of Aegon Ltd.<sup>2</sup> Implementation and operation of the GTP, as well as reports on our global tax position, are reviewed and discussed with the Audit Committee on a regular basis, no less than annually.
- Aegon Ltd.'s Chief Financial Officer, supported by the Corporate Center Tax function, is responsible for the global tax position. If required Business Unit/Country Unit management will establish Local Tax Policies in line with the GTP. Business Unit/Country Unit management will authorize their local tax functions to execute the GTP or Local Tax Policies and to maintain processes, procedures, and controls necessary to their proper implementation and execution. A GTP Implementation Guide, developed by Aegon's Tax function, supports this requirement.
- The Corporate Center Tax function has oversight of Business Units/Country Units to ensure that the GTP or Local Tax Policies are established and executed. Execution of the Corporate Center Tax function's oversight role involves such governance and reporting structures as necessary and appropriate to conform with Aegon's Global Governance Framework.
- The Aegon Global Transfer Pricing Policy is administered by a Transfer Pricing Committee consisting of members of local and Corporate Center Tax functions that has oversight of and govern transfer pricing for all major local and cross border internal transactions.
- A Tax Risk Oversight Committee exercises governance over certain global tax matters and issues.

<sup>1</sup> The Management Board approved the GTP on March 16, 2016.

<sup>2</sup> The Audit Committee of the Supervisory Board endorsed the GTP on March 23, 2016.