

Achmea Climate Transition Plan

How we are working to realise
our climate ambitions

January 2023

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Foreword

Our ambition is to create sustainable value for our customers, employees, company and society at large through our ‘Sustainable Living. Together’ vision. Sustainable value creation also means that we assume responsibility in order to contribute to achieving the global climate goals.

Climate change is a key theme containing major social, economic and financial challenges. The effects of climate change are visible all around the world, from bushfires in Australia and California to lengthy periods of drought, extreme precipitation and flooding. It is essential to restrict the increase in global temperatures in order to avoid us facing uncontrollable risks.

Achmea signed the Paris Pledge for Action^I in 2015 and the Dutch Financial Sector’s Climate Commitment in 2019, in which we demonstrate how we implement the Dutch National Climate Agreement^{II} in our role as an investor and lender. In 2021, we joined the Net-Zero Insurance Alliance (NZIA), in which we also commit to making our insurance portfolios climate-neutral no later than 2050.

The national and international climate goals require an enormous transition. Together with our partners, other market parties, the government and our customers, we are working to combat further climate change. By accelerating the

process as much as possible now, we are assuming responsibility and not putting this off till some future date. Previous generations were able to rely on us; future generations can also do so.

In 2021 Achmea formulated its transition strategy for achieving climate neutrality. This is aimed at making our customers and society more resilient to the consequences of climate change and stimulating the transition to a climate-neutral society. We distinguish three roles in which we can have an impact on the climate theme. Firstly in our business operations and as an employer, for example via our buildings and operating assets, mobility and procurement policies. Secondly, via the investments and loans on our balance sheet. And thirdly, via our insurance and services.

Our goal is to achieve climate neutrality in our business operations by 2030, in our investments in companies for our own account by 2040 and in our insurance portfolio no later than 2050.

This document describes our climate transition plan for our business operations, investments and financing, and the insurance business of the Dutch entities. We also set out the governance we use to oversee and report on this.

Developments around us are moving fast. There is a constant stream of new climate insights, new legislation and technological advances. Methods for measuring CO₂ and setting reduction targets are under development. Availability of data is often still a problem though. The amount and quality of available data are expected to improve in the coming years. This will create new insights that could lead us to adjust our targets and plans in the interim. We will therefore update this plan annually.

Bianca Tetteroo
Chair of the Executive Board



1. Dutch Financial Sector's Climate Commitment

Together with other financial institutions, Achmea has committed itself via the Dutch Financial Sector's Climate Commitment to the climate goals contained in the Dutch National Climate Agreement.

In the 2015 Paris Agreement a large number of countries agreed to reduce greenhouse gas emissions (hereafter referred to as CO₂ or carbon emissions). The goal here is to restrict the increase in the average global temperature to well below 2°C (and preferably to 1.5°C) compared to the average global temperature prior to the industrial revolution^{III}.

The international goals of the Paris Agreement have been translated into national plans. In 2019, the Netherlands passed a Climate Act that states that greenhouse gas emissions in the Netherlands must be 49% lower in 2030 compared to 1990 and as much as 95% lower in 2050^{IV}. The targets from the Climate Act were subsequently translated into a Dutch National Climate Agreement for several sectors (the built environment, mobility, industry, electricity and agriculture and land use)^V.

As part of this Climate Agreement the financial sector has drawn up a Climate Commitment. In it, the financial sector has committed to contributing to implementation of the Paris Agreement and Dutch National Climate Agreement. By signing this commitment, the financial sector has agreed the following:

- The parties will participate in financing the energy transition and to this end accept a best efforts obligation within the framework of laws and regulations and risk/return objectives;
- The parties will undertake to measure the carbon footprint of relevant loans and investments. Starting in the 2020 financial year they will publicly report on this;
- No later than 2022, the parties will publish their action plans including reduction targets for 2030. The parties will explain the actions they will take to contribute to the Paris Agreement.

This commitment forms an integral part of the Dutch National Climate Agreement. The parties will organise an annual meeting with all stakeholders to discuss the progress on implementing the agreements.

In the summer of 2022, the Dutch government presented a new Climate policy programme containing climate ambitions that go even further. Carbon emissions need to be reduced by at least 55% in 2030. To achieve this, the government presented the Climate Policy Programme. This aims to realise a 60% reduction in carbon emissions in 2030 and outlines the policy for the coming years. In publishing this policy, the government is providing direction for the transitions needed to achieve climate neutrality in 2050^{VI}.

2. Climate ambitions

Ambitious climate plans are needed if we are to have a chance of restricting global warming to 1.5 degrees. Achmea is well aware of the important role that financial institutions such as insurers, investors and lenders have in the transition to a CO₂-neutral society. We set the bar high for ourselves and have defined ambitious targets:

- Climate-neutral business operations in 2030.
- Climate-neutral property and mortgage portfolios in 2050.
- Climate-neutral investment portfolio in 2040 (equities and corporate bonds).
- Climate-neutral investment portfolio in 2050 (other relevant asset classes).
- Climate-neutral insurance portfolio by no later than 2050.



Our climate transition roadmap

2021

Definition of climate ambitions for business operations, investments and insurance

Exclusion of companies that derive more than 5% of their revenue from coal, shale oil and gas and Arctic oil and gas.

Member of Net-Zero Insurance Alliance

Flood risk from non-primary flood defences insured as standard for retail customers

Achmea announces plans to plant one million trees via Land Life Company

2022

CO₂ roadmaps defined for investments in companies, mortgages and real estate

Climate budget for employees included in the collective labour agreement

Achmea starts using Ecovadis for assessment of sustainability performance of suppliers

Member of Net Zero Asset Manager Initiative

Flood risk from non-primary flood defences insured as standard for businesses

Issue of green bond under the Green Finance Framework

2025

A 32% reduction in CO₂ from investments in companies compared to the market benchmark as of year-end 2020

A 51% reduction in CO₂ from business operations compared to 2019

First CO₂ reduction targets defined for insurance portfolio

Apeldoorn location energy-neutral

2030

Climate-neutral business operations

100% circular and energy-efficient product and service procurement for our internal business operations

A 68% reduction in CO₂ from investments in companies compared to the market benchmark as of year-end 2020

Property portfolio on our own balance sheet minimum energy label A

Mortgage portfolio on our own balance sheet average energy label A

2040

Climate-neutral investments in companies on our own balance sheet

2050

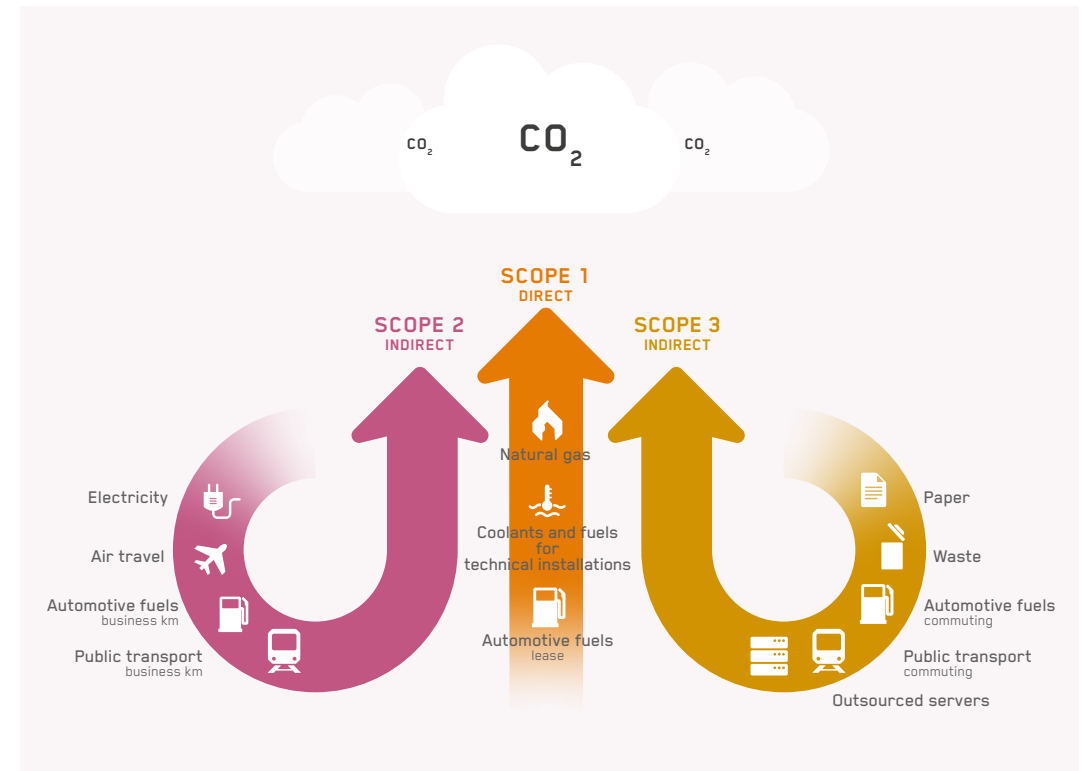
Fully climate-neutral for business operations, investments and insurance

3. Business operations

TARGET

Achmea aims to achieve fully sustainable and climate-neutral business operations by 2030. In tangible terms, this means that as of 2030 the carbon footprint of our business operations will be net zero. We will accomplish this by reducing our emissions as much as possible and offsetting the remainder of our carbon emissions through large-scale reforestation. The target for our business operations is based on our scope 1, 2 and 3 emissions. To realise this we are:

- cutting energy consumption in our buildings and data centres.
- reducing the number of journeys our employees make and making their travel more sustainable.
- cutting paper consumption.
- separating our waste wherever possible;
- conducting sustainable procurement (energy-efficient and circular).



Source: GHG Protocol^{VII}

ACTION PLAN

Cutting energy consumption in our buildings and data centres

We are cutting electricity and gas consumption as much as possible and generating energy locally wherever feasible. One component of this is making our offices energy-neutral. To underline this ambition, on 5 July 2021 we signed the Dutch Green Building Council's ([DGBC](#)) Paris Proof Commitment. In doing so, Achmea is committing itself to the making all existing and new buildings under its direct control and own use Paris Proof by no later than 2040, although we are aiming to do this by 2030. This means that the actual energy consumption of these locations may not exceed 70kWh/m² and relates to our buildings in Leeuwarden, Tilburg and Apeldoorn. Examples of such measures include making the Apeldoorn location energy-neutral as of 2025 and potentially connecting the Leeuwarden location to a geothermal heat network from 2024, as long as this proves to be technically feasible. Other measures involve using:

- LED lighting instead of fluorescent lighting.
- Thermal Energy Storage (TCS).
- heat pumps for heating.
- solar boilers for hot water.
- solar panels for generating electricity.

The migration of Achmea data from separate servers to the cloud will reduce carbon emissions at data centres as well.

Reducing the number of journeys our employees make and making their travel more sustainable

We are making our employees' travel more sustainable by, for example, implementing an electric vehicle lease policy and reducing carbon emissions from commuter and business journeys. We have a range of mobility schemes that encourage the use of public transport and/or bicycles, such as the provision of a public transport chip card including use of rental bikes and an allowance for journeys conducted on the employee's own bicycle. At the same time, we have a clear vision of our new way of working that includes working from home. When it comes to international travel, our policy states that employees will in principle not travel by air within a radius of 700km. We participate in the [Anders Reizen](#) coalition together with over 70 other large organisations. The common ambition of Anders Reizen is to halve carbon emissions from business travel as of 2030 (compared to 2016). Business travel is taken to mean commuter journeys and travel undertaken on behalf of the employer, including flights.

Separating our waste wherever possible

Achmea has collected, disposed of and processed separated waste since 2015. We aim to reduce the percentage of residual waste even further in order to create a 'waste-free' office as of 2030.

Cutting paper consumption

The amount of paper consumed at Achmea has fallen dramatically in the past few years. A growing amount of communication with customers takes place via digital channels and, as employees increasingly work from home, far fewer documents are printed out. This is aligned with our ambition to become a digital insurer.

Sustainable (energy-efficient and circular) procurement

The ecological emissions from our products and services are inextricably linked to the business operations of our (outsourcing) partners and suppliers. In 2030 we aim to buy 100% circular and energy-efficient products and materials for our internal business operations.

Together with our partners/suppliers, we are taking measures to combat climate change in the procurement chain. EcoVadis, an international sustainability rating platform for suppliers, gives us insight into the sustainability performance of our (potential) suppliers and enables us to monitor this performance and hold targeted discussions on this topic. In 2025 we want 80% of our impactful suppliers to possess a rating. A supplier is impactful to us if it meets one or more of the following criteria: size of the contract, the contribution the supplier can make to Achmea's sustainability targets and/or sustainability in general. For 2022 we expect to exceed 45% (approx. 70 suppliers). The Achmea [Sustainability statement for suppliers](#) is part of the procurement contracts. Achmea's model

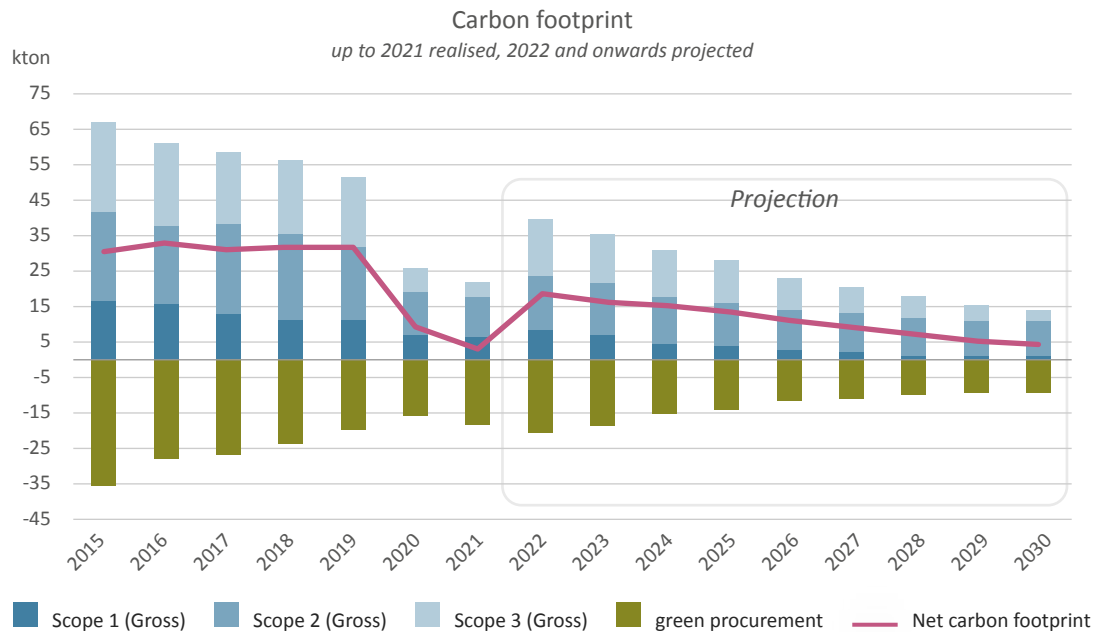
contracts contain a sustainability clause and generic and specific arrangements are laid down in the appendix to the contract.

Climate budget for employees

At the end of 2021, as part of the new collective labour agreement Achmea agreed with unions that from 1 January 2023 until December 2025 each employee would receive a net amount of €2,500 for products and services that contribute to sustainability and thus to improving the climate. Via an internal online shop employees can conveniently buy sustainable solutions and products, such as solar panels, home insulation, a green roof or energy-efficient household appliances. If an employee is unable to spend the budget on making their home or travel more sustainable, they have the option of depositing it into a green investment fund at the end of this period.

CARBON FOOTPRINT

We have generated projections for our plans up to 2030. The figure below shows the forecast carbon footprint from our business operations. This carbon footprint was temporarily lower in 2020 and 2021 because fewer journeys were made and employees stayed away from the office or only came in occasionally.



COMPENSATION

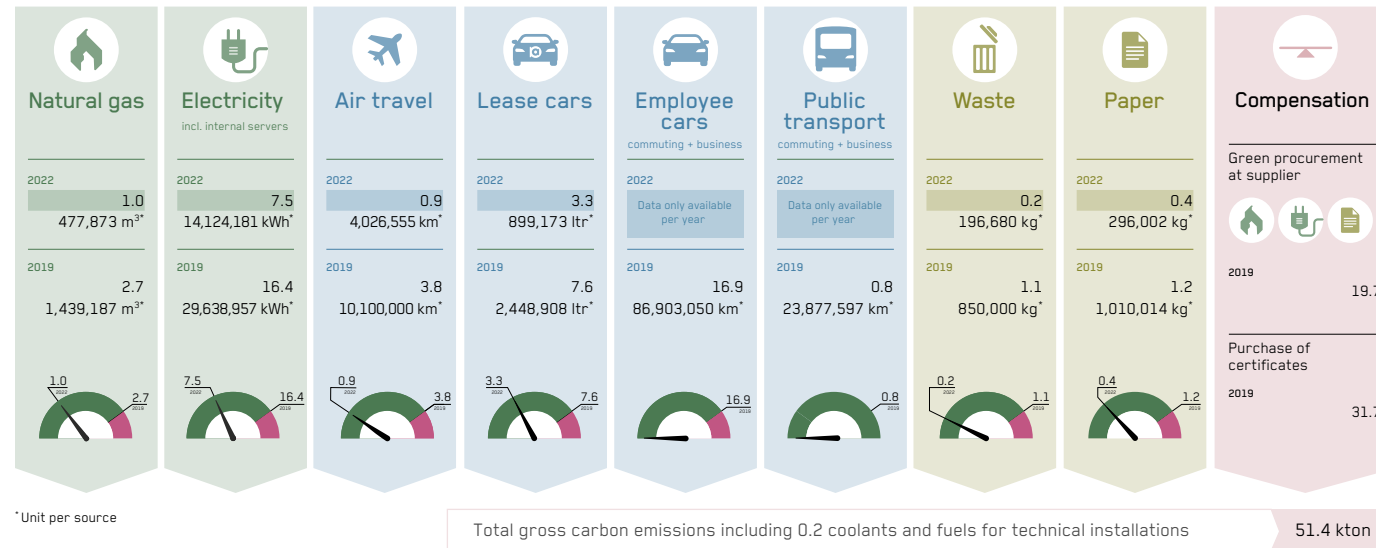
In line with our ambition of having climate-neutral business operations in 2030, we are mainly working on measures to further reduce our carbon emissions. These emissions will fall further thanks to measures that have already been implemented as well as actions scheduled for the coming years. It is technically impossible to bring carbon emissions completely down to zero; in other words there will always be residual emissions. In order to be able to have fully climate-neutral business operations, since 2011 we have offset these emissions by buying Gold Standard certificates^{VIII}, whereby we select projects with clear, quantifiable emissions reductions. For the medium and long term we have opted for compensation via tree planting projects. To do so we have entered into a partnership with Land Life Company^{IX}. Over a three-year period (2021-2024), approximately 1,000,000 trees will be planted on 920 hectares of degraded land in e.g. Australia and Iceland. This enables us to offset our residual carbon emissions for a period of 40 years from 2027. The first 270,000 trees were planted in 2021 and a further 254,000 in 2022. As these are young saplings, it will take a number of years before they can absorb enough CO₂ and be certified.

MONITORING & REPORTING

We monitor our carbon emissions using a dashboard. Each quarter, the carbon emissions are inputted into a dashboard that we can then use as a basis for adjustments. Below you will find an example of this dashboard. We publish our scope 1, 2 and 3 emissions in our annual report and on our [website](#).

Towards CO₂-neutral business operations

Gross carbon emissions in kton CO₂ Q3 2022



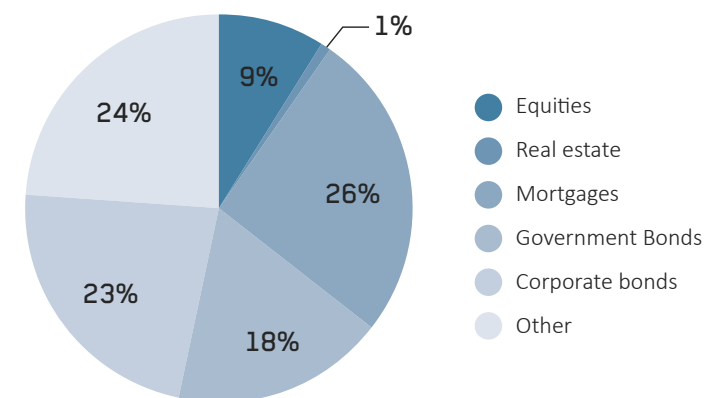
4. Investments and financing

Achmea's role as a large financial service provider means we are also a major institutional investor. In addition to this we are a mortgage lender. We want to use these roles to contribute to the national and international climate goals by reducing the carbon emissions from our investments and loans and facilitating the energy transition. Among other things, we do this by entering into dialogue with the companies in which we invest and by investing in green initiatives. As a real estate investor we make the residential properties we own more sustainable. And as a mortgage lender we help our customers to make their homes more sustainable.

We measure the carbon footprint of the most relevant investments and loans, have set reduction targets and drawn up action plans. Relevant investments are those in which we can make the greatest contribution to restricting climate change. This might be because we ourselves own and control them, such as in the case of real estate, corporate bonds and equities. Yet relevant can also mean that these investments have a large weight in our investment portfolio, such as government bonds and mortgages. As of year-end 2021, Achmea held a total of €78.2 billion in investments and funding on the balance sheets of its Dutch entities¹.

¹ Achmea Annual Report 2021. The investments and funding of our foreign activities amount to about 2% of total investments.

Ratio of relevant investments and funding



EUR 78.2 billion, ultimo 2021

Other categories include investments in private equity, private debt, infrastructure, derivatives and cash. Private equity and private debt have not been included in this plan as these currently form less than 1% of the investment portfolio. Nor are derivatives and cash included as we can have little climate impact with these investments. Infrastructure has been included in this plan because investments in this asset class make a sizeable positive contribution to the energy transition.

4.1 Investments in businesses

By investments in businesses we mean listed equities and corporate bonds. We have set reduction targets and drawn up action plans for these investments. These relate to the investments of the Dutch entities for our own account and for the account of our policyholders. These targets and action plans do not relate to the investment portfolios of our institutional clients, such as pension funds, for which Achmea Investment Management performs asset management. We have no say on these.

TARGETS

A variety of international initiatives have developed strategies for working out carbon reduction targets in line with the Paris Agreement. These methods are based on the scenarios developed by the Intergovernmental Panel on Climate Change (IPCC)^X. These scenarios show that in order to avoid global warming in excess of 1.5°C we need to achieve climate neutrality as of 2050^{XI}. Achmea is more ambitious for its investments in companies and has therefore set itself the target of being climate-neutral in 2040. This means that we will reduce the carbon footprint of the equity and corporate bond portfolios to net zero as of 2040. In setting our targets and drawing up our plans we have made use of the Target Setting Protocol of the Net Zero Asset Owner Alliance^{XII}. Our ambition was given tangible form in 2022 by setting the CO₂ reduction targets for the relevant portfolios. We aim to achieve a 32% reduction in 2025 and a 68% reduction

in 2030 compared to the market benchmark² as of year-end 2020. This will be accomplished by an average reduction of 7% per year up to 2025 and 12.9% per year after that. These targets are based on the scope 1 and 2 emissions of the companies in which we invest. At the moment there is only very limited data available on scope 3. We will adjust our targets accordingly once this data become widely available. The carbon footprint is measured using the EVIC method.

² The emissions from the market benchmark are the average emissions from all the companies in which we could have invested as of that date.

4.1 Investments in businesses

We measure carbon emissions using the EVIC method

There are several methods for defining the carbon footprint.

Wherever possible, for all its investments Achmea uses the standard developed by the Partnership for Carbon Accounting Financials (PCAF). The PCAF recommends the CO₂/EVIC method for measuring and reporting the carbon footprint of investment portfolios. To define a company's CO₂/EVIC, its total carbon emissions are divided by its EVIC (Enterprise Value Including Cash). This is the sum of the market value of the outstanding equities and debt. To define our CO₂/EVIC as an investor, this amount is subsequently multiplied by the market value of the equities and/or bond position we hold in the company. The result of this calculation indicates which portion of the company's emissions can be attributed to Achmea.

Our aim is to reduce the carbon footprint of our investments by as much as possible. We do not expect to be able to reach net zero using reduction alone. The residual carbon emissions will need to be offset via a form of negative emissions. Options for doing this are currently limited. Carbon Capture and

Storage (CCS) is essential to many negative emission technologies. CCS is the technology required to capture and store CO₂ for the long term. The problem is that CCS is still in the developmental phase. We initially expect the companies in which we invest to assume responsibility for this themselves.

ACTION PLAN

Our action plan is based on a number of pillars:

- Via engagement we encourage companies to commit to a net-zero strategy.
- Active use of our voting rights at shareholder meetings (incl. as escalation).
- Exclusion when companies have unsatisfactory policies or make insufficient progress.
- We exclude the most polluting fossil fuels (see page 18).
- Investment in the energy transition via sustainable real estate, green bonds and infrastructure.

Achmea aims to make an impact in the real economy. This is why we do not immediately exclude companies, with the exception of those that derive more than 5% of their revenue from the most polluting fossil fuels. While we could reduce our own carbon footprint by selling the equities of carbon-intensive companies, this would not change anything in the real economy. The equities would simply be bought by a another investor. We initially aim to meet the

4.1 Investments in businesses

carbon reduction targets by reducing greenhouse gases emissions by the companies in which we invest. This means that the companies in the portfolio need to have a credible transition strategy. Via engagement and voting at shareholder meetings we encourage companies to follow this transition pathway and report on their progress.

Instruments

We use a range of instruments to achieve our targets. In future we only want to invest in companies that have a transition strategy that is in line with the Paris Agreement and on which they render account. If companies do not have a transition strategy, we enter into dialogue with them, use our voting rights or resort to exclusion.

Engagement

We exert our influence as an investor to encourage companies to become more sustainable and contribute to the energy transition. It is our conviction that dialogue is the best way of encouraging businesses to reduce their carbon emissions. Our asset manager uses a set approach to periodically assess companies in the most carbon-intensive sectors on their transition plans and progress based on these plans. They need to have a clear transition roadmap and demonstrate that their activities mean they remain within a global warming scenario of a maximum of 1.5 degrees Celsius.

In 2023 we will initiate a new engagement programme involving a minimum of 20 companies. We will select the companies with the highest emissions, such as oil and gas, steel, cement and utility companies. The objective of this programme is to get companies to commit to the target of being net zero no later than 2050 but preferably in 2040. We expect them to have a climate transition plan that forms part of their strategy and is linked to their remuneration policy. Moreover, the companies need to be transparent about how they measure and monitor climate-related opportunities and risks. Finally, the companies must be transparent about the progress made on implemented measures and about results.

In addition to our own engagement programme, we will collaborate with other institutional investors and join collective engagement initiatives. These include participation in existing initiatives such as Climate Action 100+^{XIII}, the Investor Decarbonisation Initiative^{XIV} and the CDP's Science Based Targets Campaign^{XV}.

Voting

In the event that the engagement process yields insufficient results, we can use our voting rights as a shareholder to exert additional pressure on a company. When deciding whether this kind of escalation is necessary, we examine how effective and constructive the engagement process has been. No escalation takes place if a company is open to engagement and enters into dialogue in a constructive manner and we are having an impact. Escalation is an option if the company is not open to engagement or fails to implement enough steps.

4.1 Investments in businesses

CDP Science Based Targets Campaign

To ensure that companies set science-based emission reduction targets in line with the Paris Agreement, the Carbon Disclosure Project (CDP) has created the Science Based Targets Campaign. The campaign, aimed at accelerating action against climate change in the financial sector, gives CDP signatories the opportunity to work together to engage with companies on setting science-based targets for the climate. Achmea is a co-signatory to the CDP letters in which companies that have the biggest impact on the climate are encouraged to do this. The CDP is a non-profit organisation funded by the European Union that manages the global system for environmental reporting for investors, businesses, countries, states and regions.

Achmea pursues an active [voting policy](#) in order to initiate desirable policies or condemn undesirable policies at the companies in which we invest. We take a critical look at the climate plans that these companies present to their shareholders for advice. We expect companies to have a transition plan that is part of their mission, vision and strategy and linked to their remuneration policies. We demand transparency on tangible climate risks to the company, such as carbon pricing. Achmea votes against these plans when they are not in line with the Paris Agreement. We also vote against the remuneration policies of companies if they fail to link these to climate risks. In addition, we support climate resolutions that call for drawing up climate plans in line with the Paris Agreement, such as the climate resolutions that Follow This³ submits at shareholder meetings of a number of major oil companies. We have supported these resolutions over the past few years. A benchmark survey by ShareAction demonstrates that our asset manager Achmea Investment Management supported 92% of all climate resolutions in 2021⁴.

³ www.follow-this.org/all-large-dutch-investors-vote-in-favour-of-the-follow-this-climate-resolution/

⁴ <https://shareaction.org/reports/voting-matters-2021-are-asset-managers-using-their-proxy-votes-for-action-on-environmental-and-social-issues>

4.1 Investments in businesses

Exclusion

The most polluting fossil fuels are excluded. We do not invest in companies that derive more than 5% of their revenue from:

- coal-related activities.
- electricity generation from thermal coal (including brown, bituminous, anthracite and steam coal).
- the extraction and processing of tar sands for extracting oil.
- the extraction and production of shale gas and oil.
- the extraction and production of Arctic gas and oil.

We are aware that not all our engagement efforts will lead to the desired results. In this case we are forced to conclude that our influence as an investor is insufficient to get companies to make the necessary changes. We will then gradually divest ourselves of these companies and remove them from our portfolio. In doing so we ensure that our portfolio follows the desired carbon reduction pathway over the course of time.

Investing in the energy transition

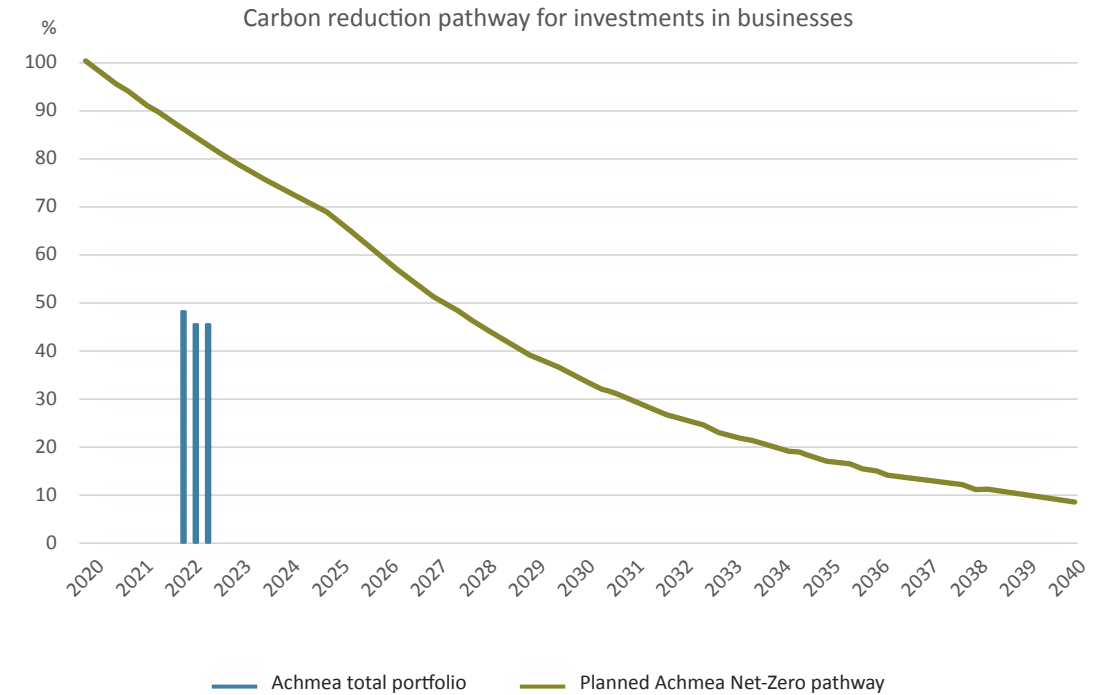
Another way of making an impact is to invest in the energy transition. For instance, Achmea invests in Green Bonds. These are issued by governments, international institutions or businesses, with the proceeds explicitly being used to finance sustainable or green projects. These projects are geared to generating renewable energy, improving energy efficiency in buildings, sustainable transport or sustainable water and waste management. A minimum of 5% of the government bond and credit portfolios are invested in Green Bonds. On top of this, Achmea invests in sustainable real estate and sustainable infrastructure. For more information on this please see the action plans in the sections on Government Bonds, Real Estate and Infrastructure in this plan.

4.1 Investments in businesses

MONITORING & REPORTING

Each quarter we monitor the carbon footprint of our investments in companies and report on this every six months. We measure and report on scope 1 and 2 emissions because the data on scope 3 emissions are still unreliable and not widely available. From 1 January 2023, reporting on scope 3 emissions will be mandatory under article 4 of the Sustainable Finance Disclosure Regulation (SFDR), making it highly likely that more of these data will become available. We will expand our reporting accordingly.

We report on our progress and the results of our engagement programme, voting and the carbon emissions of our investment portfolio via the Socially Responsible Investment half year report and Achmea Annual Report. The voting records can also be found on our website via a 'vote disclosure system'. We also publish a list of excluded companies.

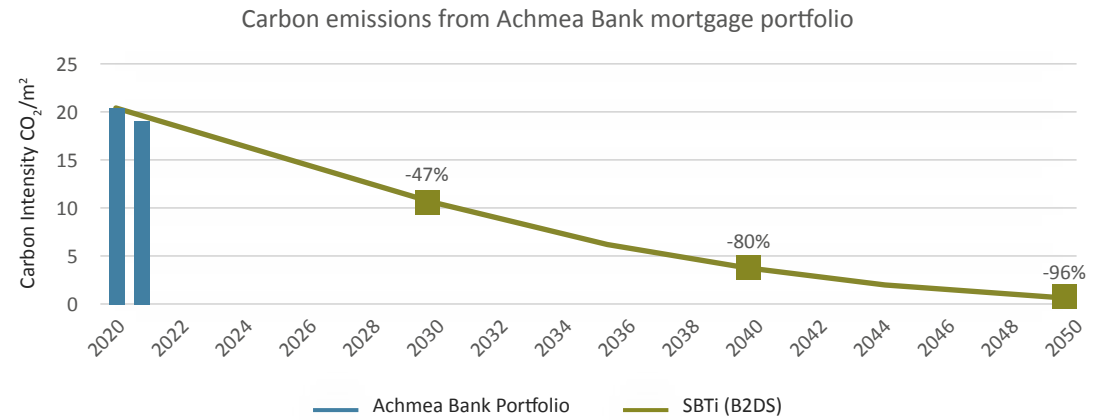


4.2 Mortgages

Achmea is both an investor in mortgages and a mortgage lender. The big difference here is that for the mortgage portfolio in which we invest we have no direct customer relationship and therefore less influence. We have set reduction targets and drawn up action plans for the mortgages on our own (consolidated) balance sheet. These targets and action plans do not relate to the mortgages of institutional clients that we manage.

TARGETS

We have set targets both for energy labels and for reducing carbon emissions for our mortgage portfolio. Our ambition is for our mortgage portfolio to be climate-neutral, with net-zero carbon emissions, no later than 2050. Our target is based on our scope 1 and 2 emissions from homes (energy consumption). We aim to accomplish this by increasing the proportion of green energy labels in our mortgage portfolio, in part by helping customers to make their homes more sustainable. Our goal is to bring the portfolio to an average A energy label as of 2030. When homes receive better energy labels, the carbon emissions from them automatically fall as well.



We have compared our mortgage portfolio to a science-based transition pathway that is in line with the Paris Agreement. Using the Science Based Targets Initiative (SBTi)^{XVI} method we have calculated how much we need to reduce carbon emissions in order to have an almost climate-neutral mortgage portfolio in 2050. In the SBTi method the actual carbon emissions from our portfolios are taken as a starting point for the reduction pathway. The above graph depicts an example of Achmea Bank's mortgage portfolio with 2020 as the starting point.

4.2 Mortgages

The SBTi method, which was developed in consultation with the Partnership for Carbon Accounting Financials (PCAF), still contains a number of constraints. The method uses a below 2 degree scenario (B2DS) because a 1.5 degree scenario is not yet available. In addition, the method takes no account of differences between countries. SBTi is working with the Carbon Risk Real Estate Monitor (CRREM) on a new standard that is expected to be released in 2023. The PCAF measurement method will be further refined and harmonised in 2023 as well. As soon as these new standards are made available, we shall use them to calculate new scenarios and, if necessary, adjust our targets.

Because Achmea does not own the homes on which the mortgages rest, a CO₂ target can only be achieved if the home owner decides to make the home more sustainable or if there is an obligation from the government to make it more sustainable. The extent to which our objective can be achieved depends, among other things, on the (external) factors over which Achmea has no influence. Below we mention a few (non-exhaustive).

How fast the Dutch energy mix is becoming more sustainable

As Achmea has no insight into the individual energy demand and energy mix of homeowners (due to the protection of privacy), our carbon emissions are defined based on the carbon emission factor of the average Dutch energy mix. The electricity mix is becoming increasingly green thanks to e.g. biomass co-combustion, the construction of heat networks, connection to solar and wind

farms and the phasing-out of coal-fired power stations. Achmea has no influence over this but the Climate Act does stipulate that this energy mix needs to be nearly climate-neutral in 2050.

How fast Dutch homes are being made more sustainable

The biggest contribution to carbon emissions comes from heating homes. This can initially be reduced by improving home insulation to a level where it is also possible to switch to a different form of heating (making them net-zero ready), such as a (hybrid) heat pump. How fast homes are being made more sustainable depends in part on external factors, such as energy prices, the cost and availability of alternatives (such as heat pumps), subsidies, regulations and financing options. In the Netherlands there are long waiting times at the moment for making homes more sustainable due to a shortage of materials and technicians, as a result of which this is happening too slowly.

The number of new homes

The government wants to build approximately 900,000 new homes in the years up to 2030^{XVII}. These new homes will mostly be energy-neutral. This will improve the average energy label of the total housing stock but have no impact on existing housing stock. This ambitious construction goal is extremely challenging, in part because of the high price of materials, higher interest rates and slow procedures for obtaining building permits^{XVIII}. Any delay will affect the average energy label of the overall Dutch housing stock.

4.2 Mortgages

Progress on natural gas-free neighbourhoods

The government plans to make 1.5 million existing homes gas-free as of 2030^{XIX}. Municipalities are responsible for planning and implementing this transition. There have been delays in rolling out these plans and as a result it is possible that the emission reduction targets for 2030 for the built environment will not be achieved^{XX}. This will of course also have repercussions for the extent to which Achmea succeeds in accomplishing its targets for the mortgage portfolio.

Legislation and government regulations

There is a real possibility that in future the government will make it mandatory to make homes more sustainable. Measures that have already been introduced by the government include a ban on gas-fired boilers from 2026^{XXI} and interest-free loans for people on low incomes^{XXII}.

Achmea expressly opts not to exclude customers with homes that have poor energy labels. Our focus is on helping these customers to reduce heat and energy consumption, for instance via insulation and solar panels. This makes homes net-zero ready. From 2026 these homes will gradually switch to using a (hybrid) heat pump once the gas-fired boiler ban comes into force. Given that the lifespan of a central heating boiler averages 12-15 years, carbon emission reductions will occur gradually.

ACTION PLAN

For Achmea's mortgage portfolio the aim is to meet targets for energy labels and reductions in carbon emissions. Our ambition is to increase the proportion of green energy labels in our mortgage portfolio and help customers to make their homes more sustainable. The goal is to bring the portfolio to an average A energy label as of 2030.

We do this by helping our mortgage customers to make their homes more sustainable. We provide information on how to do this as well as options for doing so. On the one hand by offering services via Centraal Beheer for making homes more sustainable (insulation, solar panels, green roofs) and on the other by providing the option of financing energy-saving measures as part of the mortgage and offering assistance on subsidy applications. Our approach is based on five pillars:

1. Informing and engaging customers
2. Offering products/financing solutions
3. Providing sustainability services
4. Supporting and engaging mortgage brokers
5. Green funding

These pillars are explained in more detail on the following pages.

4.2 Mortgages

Informing and engaging customers

We inform customers both when they take out a mortgage and during the term of the mortgage about the options and potential savings involved in making their homes more sustainable. A customer arranging a new mortgage is the obvious time to make the mortgage more sustainable. We therefore offer our customers the option of financing energy-saving home improvements as part of their mortgage. Customers do not immediately need to present a plan for how the budget will be spent. The Energy-Saving Budget can be kept in deposit for up to two years. If there is any money left after two years, we deduct this unused budget from the mortgage principal. This extra loan can exceed the property's market value up to a maximum of 106%. Under certain conditions, this additional loan is also excluded from the income assessment. In doing so we adhere to the standards set by the government^{XXIII}. As of 2023, we will pro-actively offer this budget in our mortgage offers. The idea is that customers will immediately be aware that a sustainability budget can be included as part of the mortgage.

Agreeing a new fixed-rate period for the mortgage is another good time for customers to consider issues that are relevant now or in the future, such as making their home more sustainable. Three months before the fixed-rate period expires, our customers receive not only a new interest rate offer but also information on options for making their home more sustainable.

Offering products/funding solutions

In 2023 Achmea plans to add a green loan component to its mortgage products. This is an additional loan for making the property more sustainable being borrowed as part of the mortgage but at a lower interest rate. We also want to make it easier for existing customers to take out an additional loan for energy-saving home improvements. In addition, we are researching options for offering discounts on mortgages for homes with A+ labels or higher.

Providing sustainability services

Via our Centraal Beheer brand we offer complete solutions for sustainable home improvements: from personalised sustainability advice to realisation by skilled technicians. Customers receive personalised advice via an online scan or online appointment with a sustainability advisor. We offer roof, wall and floor insulation and solar panels via a network of partners. Our intention is to expand this products and services. We also assist customers with applications for subsidies or loans.

We also help owners associations to make their building more sustainable, from advice to implementation. Via Centraal Beheer, they can arrange to have their building insulated (roof, façade, floor, windows and frames), generate electricity using solar panels and make their building natural gas-free by switching to a different heating system. They are also given assistance on arranging financing, applying for subsidies and obtaining permits.

4.2 Mortgages

Supporting and engaging mortgage brokers

Mortgage advisors occupy an important role in the mortgage process for our customers. It is therefore important that advisors discuss options for making properties more sustainable during mortgage advice meetings with customers. We encourage this by highlighting the option of including an Energy-Saving Budget in the mortgage offers. Moreover, via the Centraal Beheer Advice Academy we offer training in sustainability advice skills. During this course advisors learn how to introduce sustainability effectively into the mortgage advice conversation with the customer.

Green funding

To attract green financing Achmea has set up a Green Finance Framework (GFF). With this we are offering our investors sustainable investment opportunities in high-quality Dutch mortgages and real estate. Achmea will use the proceeds from the issue of financial instruments in this framework to (re)finance new and existing energy-efficient homes. Achmea was the first Dutch insurer to set up a Green Finance Framework (GFF). This framework is based on the Green Bond Principles^{xxiv} and Green Loan Principles^{xxv} and has been rated positively by ESG rating bureau ISS and CFP Green Buildings. Although the GFF is primarily used for (re)financing existing mortgages, it is an important driver in making the mortgage portfolio more sustainable. The Green Finance Framework can be found on our [website](#).

Energy Efficient Mortgage Netherlands Hub (EEM NL Hub)

Achmea Bank signed up to the Energy Efficient Mortgages NL Hub (EEM NL Hub) in 2021. This is an alliance that includes mortgage providers, investors and service institutions from the mortgage sector. The EEM NL Hub was set up to interpret regulations on sustainability, such as the EU Taxonomy and the goals of the Paris Climate Agreement, and to apply them to the Dutch mortgage and housing market. Its objective is to develop a clear standard for green mortgages. For more information visit the EEM NL Hub [website](#).

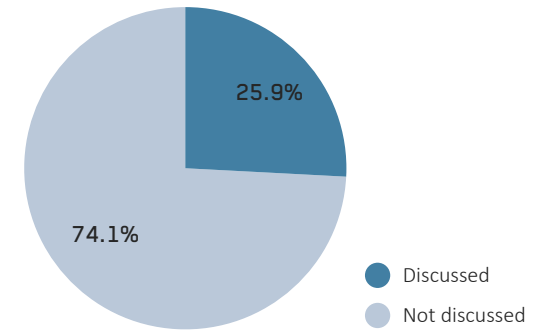
MONITORING & REPORTING

To assess how effective our actions are, we monitor the effect of our activities. We review the energy labels in our mortgage portfolio each quarter. In addition, we measure how often sustainability is discussed in mortgage advice consultations and the number of applications that include energy-saving measures. This information enables us, together with our customers, to work on making homes more sustainable.

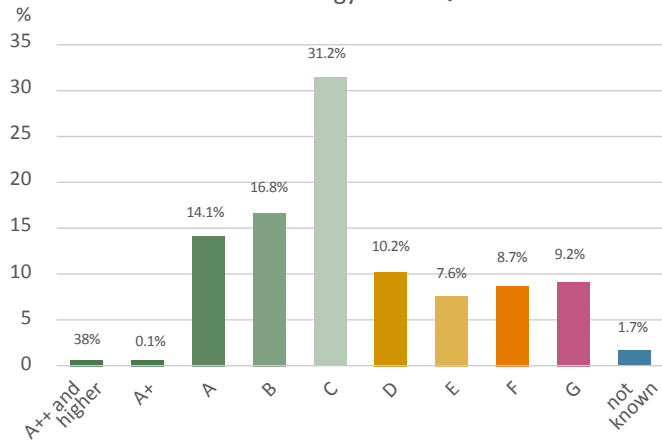
4.2 Mortgages

In 2019 we started measuring scope 1 and scope 2 carbon emissions from the mortgage portfolio (energy consumption of homes). To do so we use the standard developed by the Partnership for Carbon Accounting Financials (PCAF). We report annually on the carbon emissions from our mortgage portfolio in our annual report.

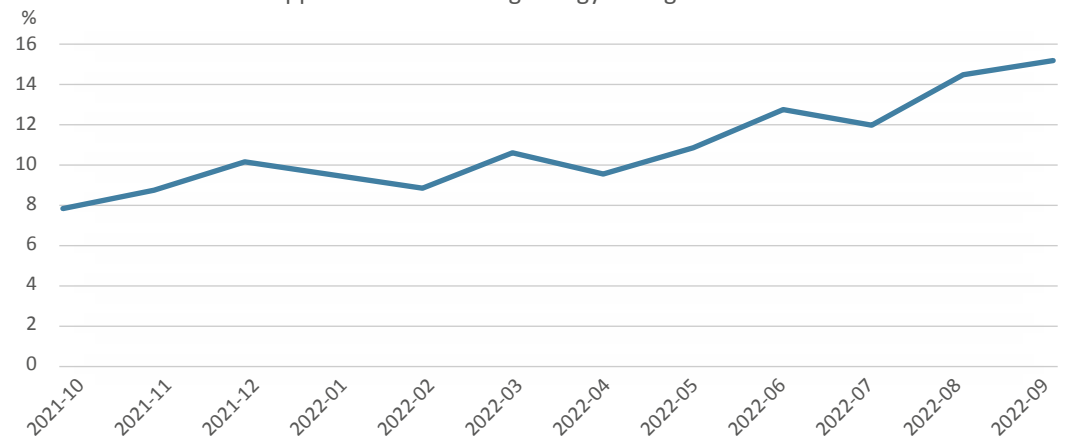
Sustainability is discussed in mortgage advice



Ratio of energy labels Q3 2022



Applications containing energy-saving measures



4.3 Real estate

It is important to us that our property portfolio is sustainable. This is why we invest in real estate that meets high sustainability standards and matches the wishes and needs of our (future) tenants. We buy new sustainable real estate and invest in making our existing property portfolio more sustainable.

In the case of investment properties, sustainability guarantees a high quality of life for current and future generations by making restricted use of natural resources and having a minimum negative impact on the climate. Sustainable real estate means properties with a good energy label and low carbon emissions. In the long term, the properties will also provide comfortable housing for a variety of target groups and make a positive contribution to the immediate (physical) surroundings. The long-term nature of real estate demands a long-term vision on how real estate will evolve in a social context.

Achmea is investing in minimising the impact of the built environment on climate change. There is a chance to make a difference for future generations here. As the built environment is responsible for 40% of carbon emissions, there are significant opportunities and responsibilities for implementing the climate agreement. We have set reduction targets and drawn up action plans for the real estate on our own balance sheet. These targets do not relate to the real estate we manage on behalf of institutional clients.

TARGETS

We have set targets both for energy labels and for reducing carbon emissions for our property portfolio. Our goal is for the property portfolio to hold at least an A energy label by 2030. In doing so we want to achieve at least a 50% reduction in carbon emissions in 2030 compared to 1990. We also aim to have a climate-neutral property portfolio in 2050. Our targets are based on the scope 1 and 2 emissions of the properties (energy consumption).

In 2019 we drew up a carbon emission reduction roadmap for the residential property portfolio and this was updated in 2021. In the roadmap several scenarios were calculated for reducing the portfolio's carbon emissions. The energy performance of buildings is defined using the NTA8800 calculation method for energy labels. Based on the structural features of the individual buildings, five scenarios were calculated that model the demand for energy and in turn the carbon emissions from Achmea's residential properties until 2050.

4.3 Real estate

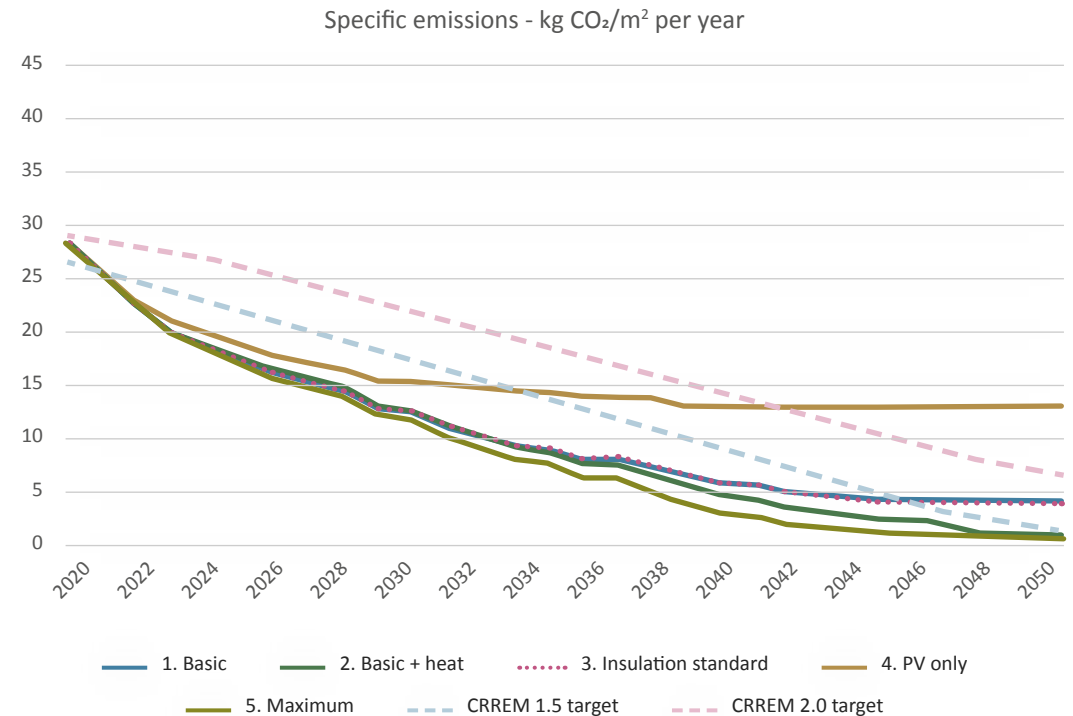
1. **Basic:** under certain conditions, insulate properties to insulation standard. CO₂-powered ventilation, solar panels on effective roof surfaces, electric heat pumps (from 2030 onwards).
2. **Basic + heat:** identical to scenario 1 but with use of theoretical potential for connection to heat networks.
3. **Insulation standard:** identical to scenario 1 but insulate buildings without applying conditions.
4. **PV only:** no insulation and no installations, only solar panels.
5. **Maximum:** insulate to new-build standard, solar panels including part of façade, geothermal heat pumps, all properties treated equally.

We also compared these scenarios to the pathways of the Carbon Risk Real Estate Monitor (CRREM) for maximum temperature increases of 1.5 and 2.0 degrees^{xxvi}.

Our roadmap provides insight into the theoretical carbon emission reduction of the property portfolio over time, in different sustainability scenarios. In all the scenarios we take into account existing plans for making the portfolio more sustainable and any acquisitions or sales.

In nearly all the scenarios carbon emissions are cut by over 50% in 2030. The scenarios do not yet reach net zero as of 2050.

However, developments in making buildings more sustainable are expected to accelerate in the coming years, which will enable us to achieve this target in the future. The roadmap is updated once every two years. The next update is scheduled for 2023.

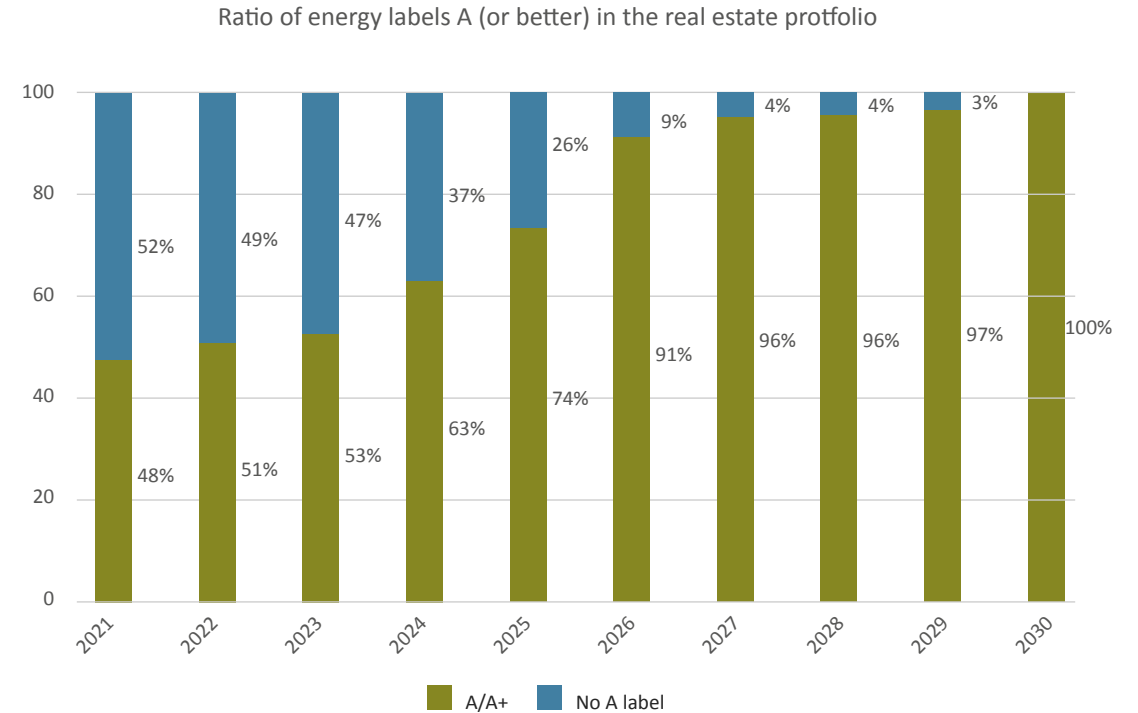


4.3 Real estate

ACTION PLAN

Reducing energy consumption is an important precondition for meeting these carbon emission targets, with the measures for doing so going further than just implementing measures to upgrade the energy labels.

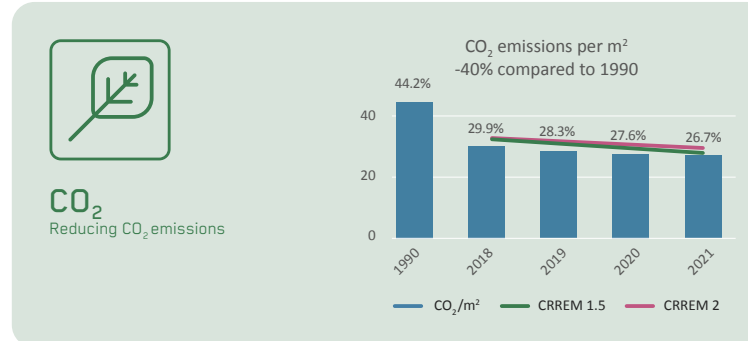
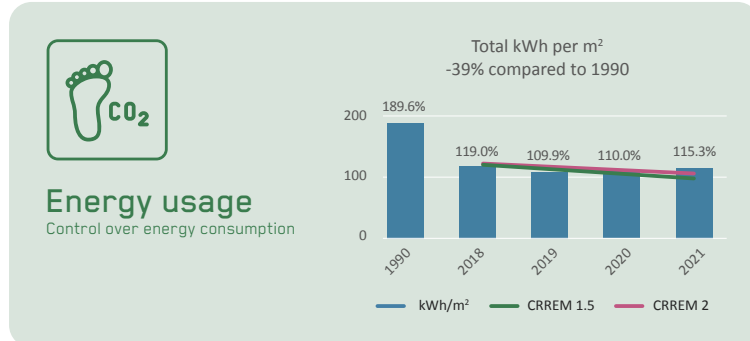
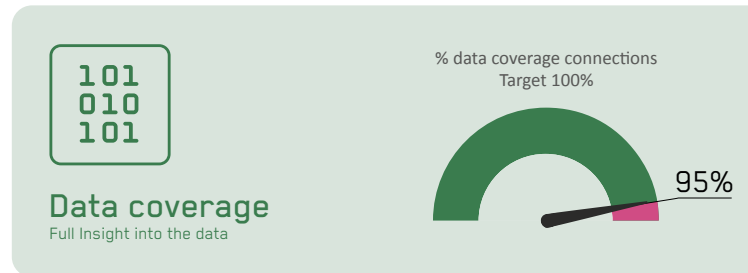
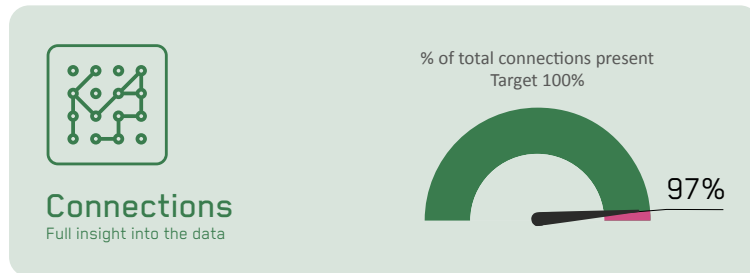
The portfolio's carbon emissions are reduced by making properties more sustainable and by defining sustainability criteria when buying or developing new properties. We have carried out research to identify the most appropriate solution for each property. In doing so, we plan the sustainability improvements in regular maintenance schedules as much as possible. These have been taken as a basis for compiling an investment plan for making properties more sustainable. The percentage of A labels in the portfolio will increase as a result of this sustainability drive. As of 2030, 100% of the portfolio will possess an energy label A or higher.



4.3 Real estate

MONITORING & REPORTING

We monitor both the proportion of A labels in the portfolio and the carbon emissions. A dashboard has been developed to monitor emissions and this is updated annually. We report annually on the carbon emissions from our property portfolio in our annual report.



4.4 Government bonds

A large portion of Achmea's investment portfolio comprises corporate bonds. The bulk of this amount is invested in Dutch government bonds. Furthermore, there are relatively large allocations to German and French government bonds, while we also invest in Austrian and Spanish government bonds, amongst others. All of these countries have signed up to the Paris Agreement.

Top 5 investments in government bonds (€ million)

	31 December 2021	31 December 2020	Rating
The Netherlands	4,808	5,667	AAA
Germany	1,140	1,712	AAA
France	1,082	1,517	AA
Austria	382	429	AA+
Spain	355	361	A-

Source: Annual Report 2021, Achmea

TARGETS

Achmea aims to have a climate-neutral investment portfolio for government bonds as of 2050.

ACTION PLAN

We have very few options for influencing the carbon footprint of this investment portfolio. It would involve convincing governments by means of engagement to reduce emissions, or removing investments in countries with relatively high carbon footprints from the portfolio. Neither action would be likely to contribute much to actual reductions in global carbon emissions. For this reason, we are initially focusing on those investments where we can make the most impactful contribution to the energy transition, i.e. investments in companies.

We are nevertheless taking steps to contribute to the energy transition via these government bond investments. For instance, we invest in government bonds for which the proceeds will specifically be used to contribute to a country's transition to sustainable energy (infrastructure) or for making (public) transport more sustainable. Germany, Sweden, Italy, the UK, Spain and the Netherlands^{xxvii} have already issued this type of green government bond, also known as green bonds. The number of green bond issues is expected to increase sharply in the coming years. As of 30 June 2022, Achmea had invested approximately €361m in green government bonds. Over the next few years we aim to invest a larger portion of the government bond portfolio in green bonds.

4.4 Government bonds

Green, Social and Sustainability Bonds exposure	30-06-2022
Government bond portfolio	€361 million
Corporate bond portfolio	€826 million

Source: SRI half year report H1 2022

Engagement

Achmea has developed a policy for engaging with governments. Under this policy we aim to conduct engagement focused on the country's efforts to contribute to (international) sustainability goals, such as meeting those of the Paris Agreement. Our preference is for initiating collective engagement processes with governments wherever possible: in partnership with other investors and local parties. A coalition of investors has bigger financial resources and more external influence, which means that a collective effort has a greater impact and is more effective than an individual initiative. Another advantage of a collective initiative is that tasks can be shared.

MONITORING & REPORTING

In 2019 we began to measure the carbon footprint of our investments in government bonds. We only include scope 1 emissions here. Scope 2 and 3 emissions are excluded due to the lack of uniform and reliable data. The scope

1 carbon emissions of a country are allocated proportionally to the portfolio's carbon footprint. The portion of a country's total (nominal) sovereign debt held in the portfolio is determined using an 'ownership approach'. This percentage is then used to calculate the portion of carbon emissions financed for that country. We report annually on the carbon footprint of our government bond investments in our annual report.

Global Investor Statement to Governments on the Climate Crisis

One example of a collective engagement process that Achmea has endorsed is the [Global Investor Statement to Governments on the Climate Crisis](#). The goal was to convince governments to enhance their climate plans during the climate conference held in Egypt in November 2022 (COP 27) and ensure that the goals of the individual countries are aligned with each other. This was an initiative of the Net Zero Asset Manager Initiative of which Achmea Investment Management is a member.

4.5 Infrastructure

The goals from the Paris Agreement require the world to switch to sustainable energy. We need to drastically reduce both our dependence on fossil fuels and carbon emissions must be strongly reduced. This switch to sustainable energy is called the energy transition. The energy transition poses enormous technological, economic and financial challenges for society. They demand large-scale investment in sustainable infrastructure, for example.

This involves e.g. generating sustainable energy via wind and solar power, expanding and upgrading the electricity grid, creating network stability and storage solutions. Achmea wants to contribute to this by investing in infrastructure funds. These funds in turn invest in businesses and/or projects that work to generate sustainable energy from e.g. wind and solar power.

Most infrastructure fund managers have also aligned themselves with the net-zero climate goals and are working on making their investment portfolios Paris Proof. There is a clearly-visible trend towards sustainable energy investments.

TARGETS AND ACTION PLAN

Achmea plans to double its allocation to infrastructure and within this more than triple its target allocation to the sustainable energy sector, from 10% to 35%. This will be done in phases over the next few years. Furthermore, Achmea Investment Management has launched a new Climate Infrastructure Fund. This fund aims to accelerate the energy transition in Europe (with a minimum mandatory allocation to investments in the Netherlands) by creating a well-diversified portfolio of investments in proven technologies, mainly relating to wind and solar power and hydro-electric projects. Investment will also be made in energy storage and efficiency. Achmea intends to invest at least €50m of its own investments in this fund in 2023.

MONITORING & REPORTING

Achmea reports on its investments in infrastructure funds in its Socially Responsible Investment (SRI) half year report. In mid-2022, Achmea held an exposure of 6% to sustainable energy via participations in these infrastructure funds. Achmea does not yet measure and report on the carbon emissions from the infrastructure portfolio due to a lack of available data. In 2023 we plan to investigate options for measuring this.

5. Insurance and services

Achmea wants to make sustainable solutions accessible to all. We are developing (new) products and services that help our customers to restrict climate-related loss and damage, adapt to changing (climate-related) conditions and reduce their carbon footprint. As an insurer and service provider we have a facilitating role in enabling and accelerating the transition to a climate-neutral society. With over ten million customers in the Netherlands we see it as our responsibility to contribute to this. We view the carbon emissions that can be associated with our (re)insurance and service portfolios as part of our scope 3 emissions.

TARGET

Our ambition is for our insurance portfolio to be climate-neutral in 2050 or earlier if possible. To this end, Achmea has joined the Net-Zero Insurance Alliance (NZIA). The NZIA is an initiative of the United Nations in which insurers work together on science-based standards and methods for measuring the carbon footprint of insurance portfolios and setting reduction targets. Members of the NZIA commit to achieving net-zero carbon emissions from their business operations and insurance portfolios as of 2050.

Net-Zero Insurance Alliance (NZIA)

Via the Net-Zero Insurance Alliance we have committed to:

- Measuring and reporting on the carbon footprint of our insurance portfolio (in phases from 2023).
- Setting interim carbon emission targets and reporting annually on the progress made on these (in phases from 2023).
- Developing policy and acceptance criteria aimed at reducing the carbon footprint of our insurance portfolio.
- Informing and encouraging (potential) customers to make sustainable insurance choices.
- Developing and adjusting products, services and conditions aimed at reducing the carbon footprint of products and services.
- Promoting and improving sustainable repairs.
- Incorporating climate risks into risk models.
- Supporting a socially just transition to a climate-neutral society.
- Partnering with other organisations, such as other insurers, the government, social organisations in order to promote the goals of the NZIA.

The Partnership for Carbon Accounting Financials (PCAF) has developed a method for measuring the carbon emissions from insurance portfolios^{xxviii}. In addition, the NZIA and Science Based Targets Initiative (SBTi) have drawn up a Target Setting Protocol^{xxix}. Achmea will apply these standards to measuring, reporting on and setting carbon emission reduction targets for its insurance portfolio. In 2023 we will conduct a baseline measurement for the first time for (part of) our retail car insurance portfolio and (part of) our business portfolio. We will set our first interim targets in mid-2023.

ACTION PLAN

Achmea already offers solutions for helping its customers to become more sustainable and in doing so also reduce the carbon footprint of our insurance and service portfolios. Our strategy focuses on assisting retail and business customers in the energy transition. We inform our (potential) customers of the available options for becoming more sustainable. As part of this we also provide support and convenient solutions in order to lower the threshold for acting. We offer our customers, both retail and business, products and services for making the transition. For instance, we help businesses to make their fleets of lease vehicles more sustainable. House and apartment owners are also offered assistance in making their homes more sustainable, from plans to installation and financing.

Examples include the Interpolis Green roofs and Centraal Beheer Duurzaam Woongemak and VvE Verduurzamen services, in which customers are supported in making their homes more sustainable.

Green roofs

Achmea helps both retail and business customers to install green roofs. A green roof leads to e.g. greater biodiversity, lower carbon emissions and a lower ambient temperature. This saves money. The roof will last longer if it is green. It will also cost less to heat the property as a green roof provides insulation. An added advantage is that a green roof makes the property cooler in summer, meaning there is less need to use air conditioning. And if a green roof is combined with solar panels, this can yield as much as 6% greater efficiency. A green roof also stores water. The plants absorb a large amount of water and in doing so spare the drainage system. When installing a green roof, we look at fire prevention and the impact on the building's construction. Not all roofs are suited to being turned into green roofs.

The transition to a climate-neutral insurance portfolio means that we need to reduce carbon emissions from the businesses and things we insure, such as cars and homes. This also means that, together with other insurers, we need to consider how to insure new technologies, such as hydrogen and bio-based construction. And that the sharing of belongings is also insured, because this also reduces carbon emissions. Depending on the product and chosen cover, sharing of a boat, belongings or home is insured under certain conditions. Our traffic legal assistance insurance and car insurance policies also provide cover if the car is shared.

Focus on prevention

Sustainable insurance primarily means focusing on prevention, because it is more sustainable to prevent damage than to repair it. Prevention is therefore an important element of our sustainability strategy. Each fire that is prevented represents a large amount of carbon that has not been emitted. Fires often generate an enormous amount of smoke. This smoke contains many substances that are harmful to the environment. As far as we know no research has been conducted into how much CO₂ is emitted by the average fire. Prevention has

always formed the core of our strategy and continues to be important, including in new technologies in the energy transition such as:

- (high-rise) timber construction: use of fire-resistant façade materials from 20m.
- solar panels: use of SCIOS scope 12 (certification after installation)^{xxx}.
- prevention guidelines and quality standards for installing charging stations (electricity storage).
- (prevention) knowledge about risks of new technologies, such as hydrogen and bio-fermentation.

Prevention services for businesses

Sustainability is important to many businesses. A growing number of businesses are investing in solar panels in order to generate electricity sustainably and keep their electricity bills affordable. A positive trend, in which a focus on insurability and making properties more sustainable safely is also important. This is because all these sustainable - primarily electric - applications, such as solar panels, involve new risks. These include fires caused by unsafe or outdated electrical systems, leaking roofs caused by roofing material that does not meet the correct safety standards or storm damage. We support these businesses by offering prevention services so that they can become more sustainable safely. Together with businesses, partners and experts, we are developing solutions that help to create a safe and sustainable working environment, such as electric wiring inspections, construction advice and green roofs.

In addition to prevention, as a property & casualty insurer our key themes are:

- sustainable repairs
- sustainable mobility
- sustainable living

We want to help our customers to restrict climate-related damage or loss (adaptation) and to reduce their carbon footprint (mitigation).

Climate adaptation means adapting to climate change in order to increase resilience to the effects of climate change. Our insurance policies cover the flood risk from non-primary flood defences as standard for both retail and business customers. Via the Dutch Association of Insurers and in partnership with the government, Achmea is actively working on the development of flood insurance for primary flood defences. Rising sea levels and increased river discharge could raise the flood risk unless the government takes adequate adaptation measures. Insurance that covers breaches in primary flood defences will give policyholders better protection against floods from the sea, inland waterways and major rivers.

Retail and business customers insured in the event of flooding in the Netherlands

Climate change means that flooding is a more frequent occurrence. This can sometimes have enormous repercussions for our customers. As we wish to insure our customers properly against this risk, we were one of the first insurers to provide insurance cover against flooding from non-primary flood defences. This applies to insurance policies for buildings, tenant's fixtures and fittings, homes, plant and equipment, contents and stock. By flooding we mean an overflow of water from rivers, lakes, ditches or canals due to the unforeseen collapse, overtopping or failure of dykes, embankments, locks or other non-primary flood defences. In 2022 we also included cover for flood risk from non-primary flood defences for businesses. The summer of 2021 saw major flooding in the province of Limburg. We provided assistance to all those customers affected (both retail and business) by the 2021 floods.

Climate mitigation means reducing greenhouse gas emissions. This might include insuring new energy generation and storage methods, but also offering services that enable customers to make their homes more sustainable. We tell the outside world about our services and insurance policies that actively contribute to a sustainable society. And we are constantly adjusting our insurance terms and conditions. For example, sustainable improvements that form part of the home, such as solar panels, solar water heaters, heat pumps or a home battery, are insured as standard. And electric cars and e-bikes are properly insured as well.

Sustainable repairs

Together with our partners we are working to make the repair chain more sustainable. We do this by setting criteria when contracting our repair companies and by repairing the damage as sustainably as possible. With the aid of a digital intake, we conduct a distance damage assessment so that our repair companies have to travel less to do their intakes on location. In doing so we save on carbon emissions and restrict the amount of traffic.

Our network partners agree to adhere to Achmea's sustainability declaration and to possess ISO 14001 certification. ISO 14001 is the internationally-accepted standard that sets out criteria for an environmental management system. This means that these companies implement a sustainability policy.

In 2023 it is our ambition that:

- All relevant repair companies in the field of buildings and furnishings have obtained ISO 14001 certification.
- All relevant repair companies in the field of mobility have obtained the BOVAG quality mark 'Erkend Duurzaam' or the 'GroenGedaan' quality mark of the 'Stichting Duurzaam'
- The industry (incl. BOVAG, FOCWA) has drawn up a more detailed and tangible common set of terms and conditions for sustainable repairs. This includes the carbon footprint.

When a customer submits a claim we examine how we can resolve this as sustainably as possible. And this often means that we repair things rather than replacing them. We only replace things that are irreparable. One example of a sustainable repair is a spot repair. Here, we only repair the damaged part of e.g. a floor, kitchen worktop or sanitary facilities. The idea is not to waste raw materials unnecessarily. In addition we try to recycle defective products wherever possible. For example, we ask our customers to send us their defective phones so that those components that still work can be reused.

Repair is not always an option. In this case, we examine whether the item can be recycled. For instance, we have damaged smartphones sent to us for assessment.

Those that are irreparable are recycled in an environmentally friendly manner. Cars that are total loss are sold to certified buyers that recycle over 99% of the vehicle's total weight sustainably.

Sustainable living

Achmea is a large retail property & casualty insurer, owners association insurer and mortgage lender. We offer a growing range of services that help our (potential) customers to make their homes more sustainable and all adaptations are insured as standard. We also assist owners associations on this. This cuts energy bills for homeowners and makes homes more comfortable. At the same time it reduces the carbon footprint of our home insurance portfolio.

The Centraal Beheer Duurzaam Woongemak service arranges complete solutions: from personalised sustainability advice to realisation by skilled technicians. Customers receive personalised advice via an online scan or online appointment with a sustainability advisor. We offer roof, wall and floor insulation, solar panels, charging stations and green roofs via a network of partners. We intend to expand this range of services to include heat pumps among others. We also assist customers with applications for subsidies or loans.

Achmea is also a major insurer of owners associations. A great deal is involved in making an apartment complex more sustainable. This is why Centraal Beheer supports owners associations in compiling, implementing and funding a sustainability plan. The Centraal Beheer VvE Verduurzamen service helps apartment owners to work together to make their building more sustainable. Owners associations are given assistance from advice to implementation. Via Centraal Beheer owners associations can insulate their building (roof, façade, floor, windows and frames), generate electricity using solar panels and make their building natural gas-free by switching to a different heating system. They are also given assistance on arranging financing, applying for subsidies and obtaining the necessary permits. A Centraal Beheer risk expert reviews the plans in order to ensure that the buildings are insurable (this might include prevention measures) and safely made sustainable.

Centraal Beheer has received an EU subsidy to support owners associations in becoming more sustainable (ELENA^{xxxxl}), co-funded by the EU's Horizon 2020 programme. This means that we can partially subsidise the compilation of sustainability plans for owners associations.

Sustainable mobility

Achmea insures fleets of lease vehicles. In addition we have our own lease company via a joint venture with Athlon: WagenPlan. Business travel by car

is a major source of carbon emissions. We want to help employers to restrict emissions from our lease company cars as much as possible. We do this by:

- Preventing carbon emissions: We confer with employers on the travel habits of their employees. Is the trip really necessary? Working from home and online meetings are possible in many jobs these days. You can also look at alternative modes of transport. Or encourage employees to use a bike for short journeys.
- Reducing carbon emissions: Use of hybrid cars or car-sharing schemes can yield a substantial reduction in the amount of CO₂ emitted, especially if the car-sharing scheme uses electric vehicles. Yet you achieve even more by giving employees a personal mobility budget. They then have a fixed budget and can decide for themselves how to travel for business purposes. They can choose from all kinds of modes of transport, including public transport and bike-sharing schemes.
- Compensating carbon emissions: A fleet of lease cars will always emit some carbon. We assume responsibility for compensating the residual carbon emissions. Since 2007 we have offset the carbon emissions for all the WagenPlan business lease car drivers. In 2021 this amounted to a total of 11,500 tons. To offset the carbon emissions, in 2021 we invested in the Asahan Hydroelectric Power Plant project in Indonesia⁵.

5 [www.wagenplan.nl/over-wagenplan/kwaliteit-en-milieuzorg/kosteloos-CO₂-uitstoot-compenseren](http://www.wagenplan.nl/over-wagenplan/kwaliteit-en-milieuzorg/kosteloos-CO2-uitstoot-compenseren)

If businesses switch to a 100% electric fleet of lease vehicles, this means that over the course of time more and more electric cars will come onto the second-hand market, making these available to a broader group.

Retail customers can also opt for an electric car via our lease company. The fact that a lease contract is a long-term obligation that involves a large amount of money puts a lot of people off. For this reason, in 2022 Centraal Beheer started a pilot in which customers can drive an electric car on the basis of a subscription. This flexible construction enables (potential) customers to switch easily to an electric car without immediately having to pay a large amount of money for it. All the costs (excluding charging) are included and customers can alter or cancel the subscription in any month. We also arrange for an electric charging station to be installed at the customer's home. Here, we help the customer select the correct charging station and take care of installation. The charging station is insured as standard under Achmea's property insurance policy.

Embedded insurance for solar electric vehicle Lightyear

Lightyear is the world's first family car that runs entirely on solar energy. This car, which was launched on the market in 2022, is completely covered in solar cells and can charge up to 70 kilometres a day on solar energy alone. On a fully-charged battery the car can drive 800 kilometres. Achmea has developed an embedded insurance policy for Lightyear. This policy only looks at the risks of the insured Lightyear car and not at the policyholder. This is unique in the Netherlands. This insurance policy is offered to Lightyear customers via Interpolis.

GREEN DEAL ON SUSTAINABLE HEALTHCARE

The healthcare sector emits an enormous amount of carbon. It also creates a large amount of waste owing to the single-use equipment it uses. A growing number of healthcare providers and health professionals want to make a bigger contribution to a healthy living environment. This is why in 2022 a number of healthcare organisations collaborated on creating a new Green Deal (Green Deal on Sustainable Healthcare 3.0).

Achmea has signed up to the Green Deal. This contains more tangible and more ambitious targets. It also contains a stronger commitment to promoting good health and prevention, as well as to improving awareness and knowledge of the impact healthcare has on the climate and environment and vice versa. The five themes of the Green Deal are:

1. A more active commitment to promoting good health.
2. Improving knowledge & awareness.
3. Reducing carbon emissions, with the target of climate neutrality in 2050.
4. Reducing use of primary raw materials, with the target of maximum circular healthcare in 2050.
5. Reducing the environmental impact of (the use of) medication.

The parties in the healthcare sector are collaborating to translate the targets and agreements into sector plans. These clarify how to implement the agreements in the Green Deal and what is needed for doing this. This process is being facilitated by the Ministry of Health, Welfare and Sport^{xxxii}.

6. Governance

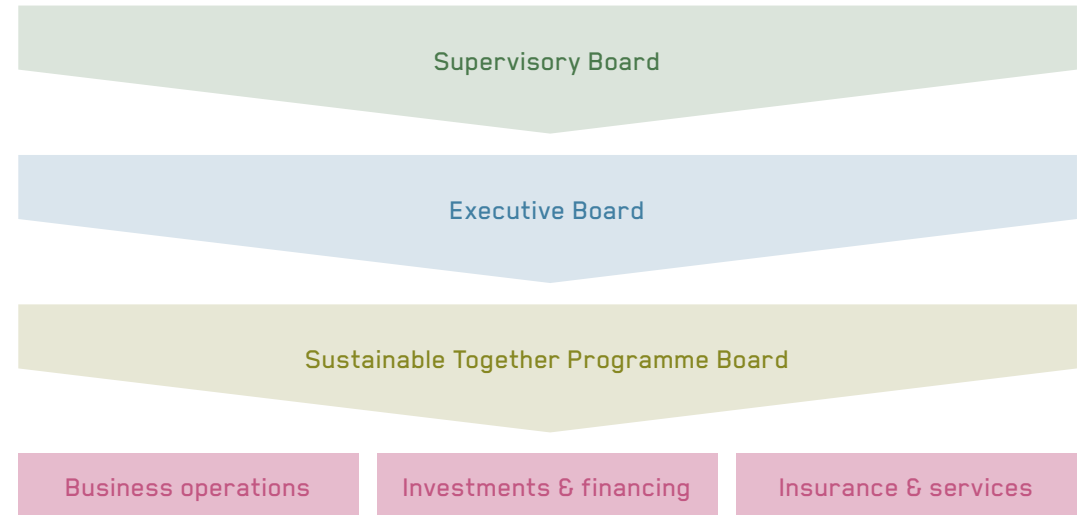
End responsibility for our sustainability policy, ambitions and climate transition plan lies with the Executive Board. The Supervisory Board supervises this.

In 2021, Achmea's Executive Board set up the Achmea Sustainable Together programme to implement Achmea's sustainability ambitions and corresponding plans and activities. The programme contains separate workflows for the segments described in this plan:

1. Internal business operations
2. Investments and financing
3. Insurance and services

In addition there are separate workflows involving the implementation of sustainability legislation, Achmea's foreign operating companies and internal awareness. All the relevant business units are represented in the workflows. Each workflow has defined long-term ambitions and translated these into annual targets and activities. Responsibility for each workflow lies with a member of the Achmea Directors' Council.

The programme is under the direction of a Programme Board which supervises the implementation of the sustainability ambitions and monitors the progress. This supervises implementation of the sustainability ambitions and monitors progress on these. The Programme Board, which comprises the workflow chairs,



directors of a number of business units and two members of the Executive Board, takes decisions on sustainability policy and plans. The Chief Risk Officer heads the Programme Board on behalf of the Executive Board and reports to it on a quarterly basis. All impactful decisions made by the Programme Board are presented to the Executive Board for adoption. A range of consultative bodies advise and support implementation of the workflows.

In addition, the Sustainability Laws and Legislation steering committee works to ensure Achmea's timely compliance with (future) legislation governing sustainability. There is also a separate Sustainable Mortgage steering committee that monitors and supervises the realisation of action plans for mortgages. All parts of the Achmea mortgage chain are represented in this steering committee at director/senior management level. These are Syntrus Mortgages, Achmea Bank, Centraal Beheer Financial Services and Achmea's Pension & Life division. This steering committee coordinates and decides on the action plans for making the mortgage portfolio more sustainable.

Incorporating sustainability into investment policy

The Balance Sheet Management department manages the Socially Responsible Investment (SRI) policy and monitors its implementation. This is done in close cooperation with the Corporate Social Responsibility (CSR) department and Achmea Investment Management. The directors of these departments form the SRI Table that weighs up proposals for policy development. This guarantees expertise and coordination from a range of perspectives. There is also coordination with the Achmea Sustainable Together programme from a broader sustainability perspective.

Incorporating sustainability into the remuneration policy

Achmea's general remuneration policy focuses on encouraging effective and sustainability-oriented risk management. The incorporation of sustainability into the remuneration policy underpins achieving the sustainability targets and does not incite Achmea to take irresponsible sustainability risks. It includes key performance indicators (KPIs) relating to reducing carbon emissions from the investment portfolio and business operations. More information on incorporating sustainability into the remuneration policy can be found in this [document](#).

Incorporating sustainability into the product development process

Sustainability is also incorporated into the product development policy and process. Here, an assessment is made as to whether a product contributes to Achmea's environmental or social objectives, taking into account relevant laws and legislation such as the European Union's taxonomy and transparency directive.

Glossary

Carbon Capture and Storage (CCS)

CCS stands for Carbon Capture and Storage. CCS means the capture and permanent storage of CO₂ (carbon dioxide). Use of CCS ensures that less CO₂ enters the atmosphere or that CO₂ is extracted from it.

Carbon dioxide (CO₂)

Carbon dioxide, or CO₂, is a gas that is naturally present in the atmosphere. However, human activity has resulted in the amount of CO₂ in the atmosphere increasing extremely sharply in the last 150 years. This is mainly from burning fossil fuels, such as coal, oil and gas. CO₂ is the principal greenhouse gas. The steep rise in the amount of greenhouse gases is causing the earth's climate to change.

Carbon footprint

This is the amount of greenhouse gases relating to all the activities of a person or entity (e.g. a building, business, country). It includes direct and indirect emissions expressed in scope 1, 2 and 3 emissions.

- Scope 1: direct emissions from the organisation's own sources. These are emissions from the organisation's own buildings, transport and production-related activities.
- Scope 2: indirect emissions from the generation of purchased and consumed electricity or heat.

- Scope 3: indirect emissions from another organisation's business operations. These are emissions from sources that are not owned by the organisation itself and over which we are unable to exert direct influence. Scope 3 also includes the financed emissions from our investment, mortgage and property portfolios and the insured emissions from our insurance portfolio.

The carbon footprint often also comprises the emissions of other greenhouse gases, such as methane, nitrous oxide or chlorofluorocarbons (CFCs). To be able to add up the impact of the individual greenhouse gases, emissions data are converted into CO₂ equivalents.

Carbon Risk Real Estate Monitor (CRREM)

The Carbon Risk Real Estate Monitor is an EU-funded science-based model that defines specific threshold values and carbon emission reduction pathways for real estate. It is an internationally recognised standard that provides a sound basis for selecting a scenario for cutting the carbon emissions from our property portfolio.

Climate Act

The Climate Act states that the Netherlands must reduce greenhouse gas emissions by 49% in 2030 and by 95% in 2050 compared to 1990. This has been laid down in law. The Climate Act does not stipulate how these targets need to be met. The specific measures were agreed in the Dutch National Climate Agreement with those social partners that participated in consultations. Here, greenhouse gases other than CO₂ are converted into CO₂ equivalents.

Climate compensation and CO₂ compensation

Climate compensation and CO₂ compensation are terms that indicate that the greenhouse gas emissions, such as CO₂, from an organisation, activity, product or process are being offset.

Climate-neutral (net zero or CO₂-neutral)

By climate-neutral we mean that specific activities do not exacerbate the greenhouse gas effect, in other words that the activities do not contribute to the amount of CO₂ and other greenhouse gases in the atmosphere. This can be achieved by sharply reducing greenhouse gas emissions and by extracting these gases from the atmosphere, e.g. by planting trees. Climate-neutral, net zero or CO₂-neutral are terms that are often used as synonyms.

CO₂ equivalents (CO₂e)

There are other greenhouse gases besides CO₂. To be able to add up the impact of the individual greenhouse gases, these gases are normally converted into carbon dioxide equivalents (CO₂e). The greenhouse gases included under international treaties are methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and nitrogen fluoride (NF₃).

Dutch National Climate Agreement

The Dutch National Climate Agreement is a package of measures and agreements between companies, social organisations and authorities to work together to halve greenhouse gas emissions in the Netherlands as of 2030 (compared to 1990).

Energy label

The energy label of a property tells us how energy-efficient it is and what you can do to make it even more so. Possession of an energy label is mandatory on selling, leasing or completing construction of a residential property. Energy labels are registered in an online public nationwide database in which energy advisors can register energy performance indicators and energy labels. Homeowners need to register their labels themselves.

Engagement

The term engagement is mostly used in the context of Socially Responsible Investment (SRI). It constitutes an active dialogue between investors and companies on the environment, society and corporate governance with the goal of achieving a positive change in behaviour. The term can also be used in a customer-supplier relationship or in the financial service provider relationship between e.g. the insurer and customer. Here it likewise refers to an active dialogue with the aim of achieving a positive change in behaviour with respect to the environment or society.

Enterprise Value including Cash (EVIC)

As the name suggests, Enterprise Value (EV) is the value of a company. It is an alternative valuation method that gives the market value of a company. EVIC is the sum of:

- the market capitalisation: this is equal to the company's current equity price multiplied by the number of outstanding shares.
- total debt: this is the sum of all the company's short-term and long-term liabilities.
- cash and cash equivalents: this is cash, foreign currencies and cash equivalents (bank accounts, short-term bonds etc.) and is equal to the company's liquid assets but potentially excluding tradeable securities.

Financed emissions

Financed emissions are the greenhouse emissions that banks and investors finance via their loans and investments. An attribution factor is used to define the portion of the emissions that can be attributed to the bank or investor. The methods for this are described in the Partnership for Carbon Accounting Financials (PCAF) standard.

Insured emissions (insurance-associated emissions)

These are greenhouse gas emissions that can be associated with (re)insurance policies. An attribution factor is used to define the portion of the emissions that can be attributed to the insurer. The methods for this are described in the Partnership for Carbon Accounting Financials (PCAF) standard for insurance-associated emissions.

Net zero ready

Net zero ready means that homes are so well insulated that the primary heat source can switch to an alternative to gas and therefore be electrified.

Partnership for Carbon Accounting Financials (PCAF)

The Partnership for Carbon Accounting Financials has developed a standard for measuring and reporting on the carbon emissions from loans and investments. The PCAF standard is the most commonly used standard internationally for measuring and reporting on financed carbon emissions from loans and investments.

Science Based Targets Initiative (SBTi)

The Science Based Targets Initiative (SBTi) is a partnership between the Carbon Disclosure Project (CDP), United Nations Global Compact, World Resources Institute (WRI) and World Wide Fund for Nature (WWF). SBTi is developing standards for defining science-based carbon reduction targets and reduction pathways. The SBTi also validates CO₂ targets and plans of businesses.

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Colophon and disclaimer

This is the Climate Transition Plan of Achmea B.V. This plan will continue to evolve as new climate insights, methods and standards become available. The quantity and quality of data are also expected to improve over the coming years. This will create new insights that could lead us to adjust our targets and plans. We will therefore update this plan annually.

Colophon

Achmea Climate Transition Plan

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Disclaimer

This report contains climate-related declarations, such as emission reduction targets and statements on Achmea's current intentions in relation to its climate targets. These are based on the information, knowledge and opinions as of the date of this report's publication.

Although Achmea is of the opinion that the targets and plans have a sound basis and have been stated in good faith and to the best of our ability, they involve uncertainty and depend on a variety of known and unknown risks. The targets, plans and actions may, for instance, be affected by the following (non-exhaustive list):

- Changes to government policy, regulations and legislation and their interpretation and application.
- The availability of reliable data, such as data on greenhouse gas emissions or energy labels.
- Uncertainties and changes to and in the use of (emission) calculation methods and models for measuring greenhouse gas emissions or setting reduction targets by e.g. the PCAF, SBTi, CRREM or NZIA.
- New or altered scientific insights regarding climate change.

Despite the constant care and attention Achmea has devoted to compiling this plan, it is possible that the information is incomplete or inaccurate. The information in this plan is updated at least annually. Amendments may be made at all times with immediate effect and without any notice being given. If inaccuracies are nevertheless found in the data or if the information is no longer up-to-date, this is regrettable but Achmea will not accept any liability for these. This report has not been audited by an external auditor.