

ACHMEA REMUNERATION POLICY
2022/2023

ART. 5 SFDR STATEMENT



Disclaimer: This is the English translation of the remuneration policy 2022/ 2023 prepared in Dutch. Achmea strives for the most accurate translation and information possible. However, the translation and/or information may not be complete or accurate. In case of discrepancies, the official text of the remuneration policy prepared in Dutch shall prevail.

STATEMENT ON INTEGRATION OF SUSTAINABILITY IN ACHMEA'S REMUNERATION POLICY

In this statement, we explain why and how sustainability and the responsible management of sustainability risks are included in Achmea's general remuneration policy. This statement concerns the business units of Achmea BV to which the Sustainable Finance Disclosure Regulation (SFDR) applies.

Based on its strategy 'The Power of Together', Achmea wants to create sustainable value for all its stakeholders: customers, employees, capital providers and society as a whole. Together with its partners, Achmea wants to help solve major social issues. Achmea focuses on 4 domains that fit its identity and expertise:

- Bringing healthcare closer
- Smart mobility
- Carefree living and working
- Income for today and tomorrow

SUSTAINABILITY IS PART OF THE GENERAL REMUNERATION POLICY

Achmea has a simple, controlled and sustainable remuneration policy, without undesired incentives. This includes simple and transparent reward systems. Therefore, Achmea does not have complex financial instruments, such as options or derivatives, in its remuneration policy. That doesn't fit with her identity. Achmea only uses variable remuneration where it supports performance management based on its ambition of long-term value creation.

Achmea's remuneration policy also includes principles regarding sustainability. For Achmea, a sustainable remuneration policy means a mix of tangible and intangible rewards that align with its vision of Sustainable Living Together.

Achmea's general remuneration policy supports organizational management based on stakeholder value management (SVM). This ensures that creating value for customers, employees, partners, shareholders and society as a whole is an integral part of organizational management. The general remuneration policy does not contain any elements that encourage irresponsible risktaking. Sustainability is part of Achmea's SVM and performance management, in which teams have specific sustainability objectives. Where variable remuneration applies, it is (partly) linked to sustainability objectives. In 2023, the following sustainability targets will be taken into account when assessing the performance of the Executive Board and the related variable remuneration:

Environment:

- Reducing CO2 emissions of Achmea's own buildings
- Reducing CO2 emissions in the investment portfolio

Social:

- Provide a healthier living and working environment (including digital healthcare)
- Increase safe traffic behaviour and safe living
- Sustainable housing by means of private and business services
- A healthy and suitable home for all the elderly

Governance:

- Increase gender diversity within Achmea's senior management

Achmea's general remuneration policy encourages the best possible management of the risks that may impede the achievement of sustainability goals.

INTEGRATION OF SUSTAINABILITY INTO FIXED AND VARIABLE REMUNERATION

Fixed remuneration is related to the relevant work experience and organizational responsibility of the employee, as outlined in a job profile. The pursuit of sustainability objectives and the management of sustainability risks are inherent to the position and are safeguarded in the regular remuneration system.

Variable remuneration reflects a sustainable and risk-adjusted return based on the employee's performance.

For all employees who are eligible for variable remuneration, this does not exceed the statutory maximum of 20% (for persons working abroad no more than 100%) of the total fixed annual remuneration of the regarding the employee in question.

The variable remuneration consists of a monetary reward. Additionally, Achmea imposes stricter requirements on the payment of variable compensation for risk-takers, Identified Staff, and senior management than legally prescribed. The deferred variable compensation is only paid out after a (sustainability) assessment and once it has been demonstrated that the achieved results are consistently realized. This assessment determines whether there have been any incidents during any given year that have led to breaches of the risk appetite and/or are inconsistent with Achmea's General Code of Conduct.

NO UNREASONABLE SUSTAINABILITY RISKS

In this statement, we also want to be explicitly transparent about how (variable) remuneration contributes to mitigating sustainability risks that affect the value of customers' investments.

Integrating sustainability into the remuneration policy supports the achievement of sustainability goals and does not encourage taking irresponsible sustainability risks. By this, we mean risks where, as a result of an event or circumstance in the ecological, social, or governance areas - if it occurs, there may be a real or significant negative impact on the value of the customer's investment.

Specifically, each year during target setting and the achievement of corporate objectives, an assessment is made to determine whether sufficient compliance has been achieved with the Environmental, Social, and Governance criteria, and sustainability risk assessment takes place. For example, CO2 reduction goals are part of this assessment.

HOW IS PERFORMANCE MANAGEMENT CONDUCTED?

Performance management occurs top-down based on Stakeholder Value Management (SVM). Management is achieved by setting balanced qualitative and quantitative objectives, stemming from Achmea's purpose, along the five pillars of its long-term value creation ambition:

- Large customer base
- Skilled employees
- Strong partner relationships
- Expertise in data & digital
- Excellent financial position

Supplemented with:

- Sustainability (including impact on social issues), to ensure the sustainability ambitions of Achmea in this area.

The SVM and performance management occur in an annual cycle based on a top-down 'translation' of goals:

- At the group level, this is done by establishing an annual SVM group card, which applies to the entire group both domestically and internationally.
- At the divisional level – meaning per division, business unit, or Operating Company ('OpCo') – translating these goals into the SVM card of the respective business unit.
- At the individual (employee) level, by aligning with the SVM cards, setting specific individual goals with each manager and employee in the areas of talent, development, and performance.

At all levels, objectives are set shaped as Key Performance Indicators (KPI's), across multiple dimensions and supplemented with the aspect of sustainability. Key Risk Indicators (KRI's) are included on the SVM cards from a risk management perspective. If a KRI is not met, this leads to a downward adjustment on the SVM card. KRI's thus provide counterbalance in performance management and prevent incorrect incentives. To the extent that managers and employees are eligible for a variable compensation scheme based on performance objectives, variable compensation and the objectives agreed upon in this context are integrated into the overall SVM and performance management in a balanced and controlled manner. This naturally also applies to the Executive Board, directors, and senior managers for whom a variable compensation scheme is a standard element in their employment terms.

REVISED SFDR ARTICLE 5 DECLARATION

Article 12 SFDR (version 2) – revision of information on the integration of sustainability into the remuneration policy as of September 30, 2023.

Revision date	Revision	Explanation of the revision
30.09.2023	Expansion of external publication on the website	Integration and further explanation about how Achmea implements its sustainability goals and provides broad guidance through its remuneration policy. It also takes into account sustainability risks, which may include: negative consequences for the investing end customer.
30.03.2021	External publication on the website	Justification of how the remuneration policy contributes to the management of sustainability risks.