

Achmea's SRI Policy | Appendix A

Achmea SRI thematic policy

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Human rights and labour standards

At Achmea, our purpose is sustainable living together. We strive for a sustainable and inclusive society in which we enjoy living together and no one feels left out. This means that we respect human and labour rights, promote equal opportunities and increase inclusiveness. The Achmea Human Rights and Labour Rights Statement reflects our commitment. It sets out our approach to human rights and labour rights in our various roles: as employer, financial services provider, business partner, financier and investor, and as corporate citizen. This policy is dedicated to our role as an investor.

Human Rights

A sustainable society is only possible if countries and companies respect human rights. In this theme, our attention is focused on fundamental human rights, respecting (land) rights of indigenous populations, (gender) equality, combating discrimination and protecting children's rights. In many places in the world, fundamental human rights are still being violated. The human rights of indigenous populations in the areas where companies operate are also regularly violated. Women, ethnic minorities, LGBTQ people, people with disabilities are often treated less well. In addition, child labour still occurs.

The Universal Declaration of Human Rights (1948) drawn up by the United Nations (UN) forms the basis of our human rights policy. This internationally widely accepted declaration of the UN creates the framework within which

the international community must respect human rights. In addition, the UN (2011) published the framework "the Guiding Principles on Business and Human Rights" on how governments and companies should take human rights into account. The UN Global Compact has developed a framework within which companies must take human rights into account within their own sphere of influence.

Achmea contributes to the prevention and/or reduction of human rights violations by companies or countries in our investment portfolios by using the various SRI instruments. In addition to the normative consideration of not wanting to invest in companies that violate human rights, it also contributes to managing the reputational, financial and social risks of our investment portfolios.

Ambitions

Achmea has formulated the following ambitions for this theme. Companies in which we invest should respect:

- Fundamental human rights.
- The rights of population groups to land, water and adequate standard of living in the areas in which they operate. The right to equal opportunities, treatment and appreciation.
- Children's rights.

Exclusion of companies and countries

Achmea does not¹ invest in:

- Companies that violate international human rights standards on a structural basis, as stated in the principles of the UN Global Compact, OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Achmea uses a robust process for this in which the seriousness of the violation, the willingness of the company to enter into dialogue with Achmea and the measures that the company takes to eliminate the violation are taken into account in the decision to exclude a company.
- Countries where those in power systematically destroy or grossly violate fundamental human rights and countries where the non-proliferation treaty is violated. The performance of the countries in the Freedom in the World index, the ITUC Global Rights index and the Corruption Perception Index are used as a starting point for drawing up a country exclusion list.
- State-owned companies affiliated with countries excluded from investment. A company is considered a state-owned company if the state owns more than 50% of the shares.

Achmea excludes companies that produce controversial weapons. Achmea considers weapons controversial if these weapons cause disproportionate suffering and casualties and do not distinguish between civilian and military

targets. Controversial weapons also cause many casualties after the conflict and disrupt the economy and society. This concerns nuclear, biological and chemical weapons, landmines and cluster munitions. See Table 1 for an overview of these criteria.

Achmea follows the relevant international treaties and guidelines that are decisive for determining controversial weapons:

- The 1968 Non-Proliferation Treaty (NPT)
- The 1972 Biological and Toxin Weapons Convention (BTWC)
- The 1992 Chemical Weapons Convention (CWC)
- The 1997 Ottawa Treaty prohibits the use, storage, production of and trade in anti-personnel mines.
- The 2008 Convention on Cluster Munitions (CCM)
- The 2017 Treaty on the Prohibition of Nuclear Weapons (TPNW)

Companies that, directly or through a subsidiary in which > 50% is held or through a joint venture in which a controlling interest is held, are involved in the development, testing, production, sale, trade and maintenance of nuclear weapons and weapons that are considered controversial by the Dutch government. Achmea also does not invest in government bonds of countries where the non-proliferation treaty is violated.

1. The Achmea exclusion list is applied to all segregated investment mandates.

Trade in arms

With regard to arms trade, Achmea expects companies to comply with the criteria of the EU Common Position on Arms Trade (EU Common Military List). These criteria assess the risks of arms transactions and are intended to prevent negative effects of arms trade. Achmea also expects that companies in which it invests do not supply weapons and military goods to fragile states and countries against which a UN, EU or OSCE arms embargo is in force.

Dual use goods

Dual-use goods are goods with a civil application that are also used for military purposes. This includes, for example, chemical products, vehicles or software. Achmea expects companies that trade in dual use goods to treat them as supplies of weapons when the goods have a military purpose. This means that these goods must be assessed against regulations for export licences for military goods as laid down in the EU Common Position on arms trade.

Table 1: Exclusion criteria for controversial weapons

Weapons	Activities subject to the exclusion criteria
Nuclear weapons	Activities subject to the exclusion criteria: • Development, testing, production and maintenance of nuclear munitions. • Development, production and maintenance of missiles used primarily for the delivery of nuclear munitions. • Development, production and maintenance of submarines equipped with ballistic missiles. Activities not subject to the exclusion criteria: • Development, production and maintenance of launch platforms for conventional munitions that could also potentially deliver nuclear weapons, such as bombers.
Chemical weapons	• Development, production and maintenance of chemical weapons.
Biological weapons	• Development, production and maintenance of biological and toxin weapons.
Anti-personnel mines	• Development, production and maintenance of anti-personnel mines
Cluster munitions	Activities subject to the exclusion criteria: • Development and production of cluster munitions with unguided ‘submunitions’ without back-up self-destruct fuses (rockets, grenades, bombs, etc.) and essential components thereof. • Development and production of unguided submunitions without back-up self-destruct fuses. Activities not subject to the exclusion criteria: • Development, production and maintenance of launch platforms not exclusively intended for cluster munitions, such as aircraft, artillery and rocket launchers.

Engagement with companies

Achmea engages with companies that structurally violate or threaten to violate the principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises or the UN Guiding Principles on Business and Human Rights. This includes themes such as the right to self-determination, respecting the rights of indigenous people and freedom of expression. In addition, Achmea conducts thematic dialogues with companies that are active in specific sectors, chains or regions where the risks of human rights violations are high. In this process, we identify the best practices in the market/sector and encourage stragglers to adopt these best practices (in parts) through dialogue. Our Engagement Guidelines describe our expectations from companies and the criteria which we use in these dialogues in more detail.

Engagement with governments

Achmea also engages with governments. The dialogue can take place via various channels, from direct contact with the government agency that issues government bonds, participating in consultations to making a public statement to multinational organizations. For the theme of human rights, this type of engagement usually takes place via collective initiatives.

Voting at shareholder meetings

Voting at shareholders' meetings is an important way to fulfil the role of an involved investor and to exert influence on companies. In addition to topics such as the appointment of directors, the approval of the annual accounts, remuneration policy and the issuance of shares, shareholder resolutions are

increasingly on the agenda. Shareholder resolutions related to human rights include the call for equal treatment of employees, risk reporting on human rights violations and the establishment of a Commission for Human Rights within the Board. Achmea has in the voting policy pays extra attention to agenda items related to human rights. In addition, where relevant and realistic, we submit shareholder resolutions ourselves (jointly) to companies where material human rights issues are at stake.

Integration into the investment process

Within the internal investment processes, Ecological, Social and Good Governance (ESG) information is taken into account. Human rights are an integral part of the Social pillar. Within the investment categories of equities and corporate and government bonds, ESG information is included in the investment process.

Collaboration and endorsement of initiatives

For our investment activities in the area of financial inclusion, as a theme within our Human Rights core theme, the 'Principles for Investors in Inclusive Finance', an initiative of PRI, are leading. Achmea has signed these Principles.

Achmea also endorses various initiatives (investor statements) in the field of Human Rights. The principles and objectives of these initiatives are, where relevant, included in the dialogues that we conduct. For a current overview, we refer to the latest annual SRI Report.

Labour standards

In a sustainable society, people can live and work without worries. This includes good labour standards, where there are safe and healthy working conditions, legal certainty and fair and just remuneration, now and in the future. And where employees can unite and there is no coercion or exploitation.

There are still many companies worldwide that do not offer sufficient legal certainty, for example in the area of remuneration, working conditions and working hours. There are also companies that prohibit the formation of a trade union or union membership. In addition, companies do not always pay their employees sufficient wages to be able to enjoy human dignity exist. We also call this a living wage.

The 'Declaration of Fundamental Principles and Rights at Work' of the International Labour Organisation (ILO) forms the basis for our labour standards policy. This declaration describes fundamental employee rights, including the right of association, the prohibition of discrimination in the workplace, the prohibition of forced labour and the abolish child labour. The UN Global Compact sets out how companies must respect these labour standards.

Achmea contributes to the prevention and/or reduction of violations of labour standards by companies in our investment portfolios by using various instruments. In addition to the normative consideration of not wanting to invest in companies that violate labour standards, it also contributes to the management of reputational, financial and social risks of our investment portfolios.

Ambitions

Achmea has formulated the following ambitions for this theme. By 2030 at the latest, companies in which we invest should respect:

- International labour standards as described in the ILO conventions.
- The right to a living wage.

Exclusion of companies

Achmea gives substance to the core theme of Labour Standards by not investing directly in companies and countries that structurally violate international standards, such as in the area of labour rights. This concerns standards as stated in the UN principles Global Compact, OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human rights. Achmea uses a robust process for this in which the seriousness of the violation, the willingness of the company to enter into dialogue with Achmea and the measures that the company takes to eliminate the violation are taken into account in the decision to exclude a company. Within the country exclusion policy, labour standards are included via the assessment of countries in the ITUC Global Rights index. The country exclusion policy is further explained under the theme 'Human rights'.

Engagement with companies

Achmea engages in dialogue with companies that violate or threaten to violate the principles of the UN Global Compact (including the ILO labour standards), the OECD Guidelines for Multinational Enterprises or the UN Guiding Principles on Business and Human Rights. Specific attention is paid to the theme of Labor Standards. For example, it concerns themes such as the right to

collective bargaining and employee safety. In addition, Achmea conducts thematic dialogues with companies that are active in specific sectors, chains or regions where we estimate the risks of violations of labour standards to be high. In this, we identify the best practices in the market/sector and encourage stragglers via the dialogue to adopt these best practices (in parts). Our Engagement Guidelines describe our expectations from companies and the criteria which we use in these dialogues in more detail.

Engagement with governments

Achmea also engages with governments. The dialogue can take place through various channels, from direct contact with the government agency that issues government bonds, participating in consultations to making a public statement to multinational organizations. For the theme of labour standards, this type of engagement usually only takes place through collective initiatives.

Voting at shareholder meetings

Voting at shareholders' meetings is an important way to fulfil the role of an involved investor and to exert influence on companies. In addition to topics such as the appointment of directors, the approval of the annual accounts, remuneration policy and the issue of shares, shareholder resolutions are increasingly appearing on the agenda. Shareholder resolutions related to labour standards include, for example, the call for diversity in the appointment of members of the board, reporting on the number of (fatal) accidents in the workplace and a call for policy and reporting to prevent discrimination in the workplace. In its voting policy, Achmea pays extra attention to agenda items related to labour standards. In addition, where

relevant and realistic, we submit shareholder resolutions ourselves (co-)to companies where material labour standards issues are at stake.

Integration into the investment process

Within the internal investment processes, Ecological, Social and Good Governance (ESG) information is taken into account. Labour standards are an integral part of the Social pillar. Within the investment categories of equities and corporate and government bonds, ESG information is included in the investment process.

Collaboration and endorsement of initiatives

Achmea collaborate with NGO's and other investors through several initiatives:

- Our asset manager Achmea IM has been a member of the 'Platform Living Wage for Financials' since 2018. This is a partnership of financial institutions working together on the theme of 'living wage'. The platform uses a common methodology to assess the performance of a broad group of companies. The members also engage jointly with these companies. Due to the growing popularity of the platform, members are regularly invited to present the platform's work at meetings on human rights and working conditions.
- Achmea also endorses various initiatives (investor statements) in the area of Labor Standards. The principles and objectives of these initiatives are, where relevant, included in the dialogues that we conduct.

For a current overview, we refer to the latest SRI Annual Report.



Biodiversity

Achmea attaches great importance to a liveable environment in which current and future generations can live and work in a healthy, safe and pleasant way. That is why we believe it is important to pay attention to investment policy to be spent on the theme of Biodiversity. In this theme, our attention is focused on, among other things, the preservation and improvement of biodiversity. Biodiversity loss is one of the greatest risks to our economy and society, according to the World Economic Forum, De Nederlandsche Bank (Dutch Central Bank) and the Netherlands Environmental Assessment Agency. Biodiversity and ecosystems are seriously threatened worldwide by the behaviour of companies, including deforestation, water scarcity and intensification of agriculture.

The principles on environment of the UN Global Compact are an important pillar for this theme. Within this framework, it has been elaborated for the business community how they should behave in line with the Rio Declaration on Environment & Development of the United Nations (1992). This includes principles such as the prevention and precautionary principle and the principle that the polluter pays. Other conventions such as the UN Convention on Biological Diversity (1992) and the Kunming-Montreal Global Biodiversity Framework also form a basis for the Biodiversity policy.

Our investment portfolio is exposed to physical, transition and reputational risks due to the loss of biodiversity. This is also why this is an important theme for us. Achmea contributes to the prevention and/or reduction of Biodiversity violations by companies in our investment portfolios by using the various SRI instruments.

Ambitions

Achmea has formulated the following ambitions for this theme. By 2030 at the latest, companies in which we invest should prevent:

- Degradation of biodiversity in highly fragile ecosystems.
- Serious forms of soil pollution and irresponsible management of agricultural land

As a signatory of the Finance for Biodiversity Pledge, we have set the following targets to be completed by the end of 2025:

Initiation targets:

- We will allocate specific resources (FTE) with knowledge, responsibility, and accountability for nature-related issues within Achmea, starting with our corporate investment department.

- We will provide adequate education for the relevant employees and managers on nature and the implications of nature related risks and opportunities for the organisation.
- Within the thematic engagement program, at least 1 theme (out of 10) is continuously devoted to biodiversity in addition to the existing climate themes.
- Shareholder proposals related to biodiversity (and/or related topics such as pollution, waste, water and land use, etc.) receive extra attention and support in the voting process.

Monitoring target:

- We will further assess our corporate investment portfolio impact using data from Iceberg Data Lab (IDL) and report our biodiversity footprint in Mean Species Abundance (MSA) in the Achmea annual report and our SRI report.

Portfolio target:

- We aim to explore and define a portfolio target to reduce our biodiversity footprint in our listed equities investments and corporate bond portfolios.

Exclusion of companies

Achmea does not invest in companies that structurally violate environmental standards based on the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises. Achmea uses a robust process for this purpose in which the seriousness of the violation, the willingness of the company to enter into a dialogue with Achmea and the measures the company

takes to remedy the violation are taken into account in the decision-making process to exclude.

Engagement with companies

Achmea conducts a dialogue with companies that violate or threaten to violate the principles of the UN Global Compact or the OECD Guidelines for Multinational Enterprises. Specific attention is paid to the theme of Biodiversity. This concerns, for example, soil and water pollution or threats to biodiversity. In addition, within the thematic engagement programme, specific attention is paid to biodiversity and related topics such as the use of plastics and water. Our Engagement Guidelines describe our expectations from companies and the criteria which we use in these dialogues in more detail. Achmea is also a member of Nature Action 100 and the Farm Animal Investment Risk and Return Initiative (FAIRR) through which we participate in several collective engagement programmes.

Engagement with governments

Achmea also engages with governments. The dialogue can take place via various channels, from direct contact with the government agency that issues government bonds, participating in consultations to making a public statement to multinational organizations. For the theme Biodiversity, this type of engagement usually only takes place via collective initiatives.

Voting at shareholder meetings

Voting at shareholders' meetings is an important way to fulfil the role of an involved investor and to exert influence on companies. In addition to topics

such as the appointment of directors, the approval of the annual accounts, remuneration policy and the issue of shares, shareholder proposals are increasingly on the agenda. Shareholder proposals related to Biodiversity include, for example, a call for the publication of environmental reports, reporting on the cleaning up of environmental pollution or the call for reporting on water use by the company. Achmea pays extra attention to Biodiversity-related agenda items in its voting policy. In addition, where relevant and realistic, we submit shareholder resolutions (jointly) to companies where material Biodiversity issues are at stake.

Integration into the investment process

Within the internal investment processes, Ecological, Social and Good Governance information (ESG) is taken into account. Biodiversity are an integral part of the Ecological pillar. Within the investment categories of shares and corporate and government bonds, we include ESG information in the investment process.

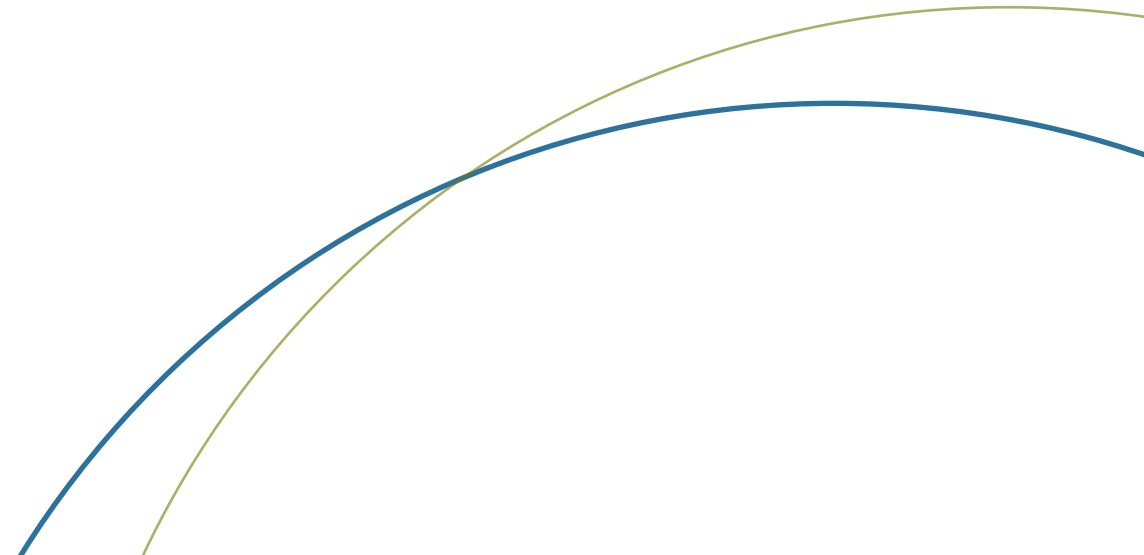
Collaboration and endorsement of initiatives

Achmea collaborate with NGO's and other investors through several initiatives:

- Achmea is a signatory to the 'Finance for Biodiversity Pledge'. This is an initiative of European financial institutions that want to contribute together to the preservation and strengthening of nature and biodiversity. In addition, our asset manager Achmea IM is actively involved in the 'Partnership for Biodiversity Accounting Financials' (PBAF). We also follow the work of the 'Taskforce for Nature Related Disclosures' (TNFD) and the 'Science Based Targets for Nature initiative' (SBTN). We are also

a member of Nature Action 100 and the Farm Animal Investment Risk and Return Initiative (FAIRR).

- Achmea also endorses various initiatives (investor statements) in the field of Biodiversity. The principles and objectives of these initiatives are, where relevant, included in the dialogues that we conduct. For a current overview, we refer to the latest SRI Annual Report.
- Through the Dutch Agreement for International Responsible Investment in the Insurance Sector we collaborate with other Dutch insurers to encourage sectors and companies to halt biodiversity loss through knowledge sharing and by incorporating biodiversity in investment policies.





Health

Since Achmea is the largest health insurer in the Netherlands, health is an important theme for us. Based on our vision, we have the ambition to bring health closer to everyone. In this theme, we focus on global access to medicines, food security, healthy nutrition and tobacco. Both good and sufficient nutrition are of great importance for a healthy society. The food sector plays an important role in the availability and accessibility of good and affordable food for everyone.

Medicines, and therefore the pharmaceutical sector, are also of great importance for good health care. The development of good medicines has made effective treatment of a large group of diseases possible. Pharmaceutical companies play a key role in access to medicines for everyone.

Tobacco use causes more than 7 million deaths worldwide each year. Achmea has excluded all tobacco producers from investments since January 2013. We also focus on reducing the sale of tobacco and the implementation of the World Health Organization Framework Convention on Tobacco Control by governments.

The Health theme is a complementary theme to the UN Global Compact. By using various SRI instruments, Achmea contributes to improving health in

the broadest sense of the word, such as a healthy lifestyle and affordable and accessible healthcare.

Ambitions

Achmea has formulated the following ambitions for 2030 for this theme:

- Pharmaceutical companies in which we invest should have a strategy that demonstrably contributes to global access to medicines.
- Food companies in which we invest should have a strategy that demonstrably contributes to more accessible, affordable and healthy food products.
- We do not invest in tobacco producers. We also do not invest in companies that generate a relatively large part of their turnover from the supply of an essential product or service for the manufacture and/or supply of tobacco products.

Exclusion of companies

Achmea does not invest in companies that produce tobacco or e-cigarettes (vapes), either directly or through a subsidiary in which it holds a stake of > 50% or through a joint venture in which it holds a controlling interest.

Engagement with companies

Achmea conducts dialogue with companies for the Health theme. The dialogue can be conducted with companies on various topics, for example with the pharmaceutical industry on accessibility to medicines, with the food industry on reducing sugar in food products, but also with heavy industry on ensuring health and safety of employees. Our Engagement Guidelines describe our expectations from companies and the criteria which we use in these dialogues in more detail.

Engagement with governments

Achmea also engages with governments. The dialogue can take place via various channels, from direct contact with the government agency that issues government bonds, participating in consultations to making a public statement to multinational organizations. For the theme of health, this type of engagement takes place via collective initiatives and Achmea is working on its own initiative.

Voting at shareholder meetings

Voting at shareholders' meetings is an important way to fulfil the role of an involved investor and to exert influence on companies. In addition to topics such as the appointment of directors, the approval of the annual accounts, remuneration policy and the issue of shares, shareholder resolutions are increasingly on the agenda. Achmea pays extra attention to health-related agenda items in its voting policy. In addition, where relevant and realistic, we submit shareholder resolutions ourselves (co-)at companies where material health issues are at stake. Shareholder resolutions at pharmaceutical

companies and topics related to health and safety policy at companies have our special attention.

Integration into the investment process

Within the internal investment processes, Ecological, Social and Good Governance information (ESG) is taken into account. Health is an integral part of the Social pillar. Within the investment categories of equities and corporate and government bonds, ESG information is included in the investment process.

Collaboration and endorsement of initiatives

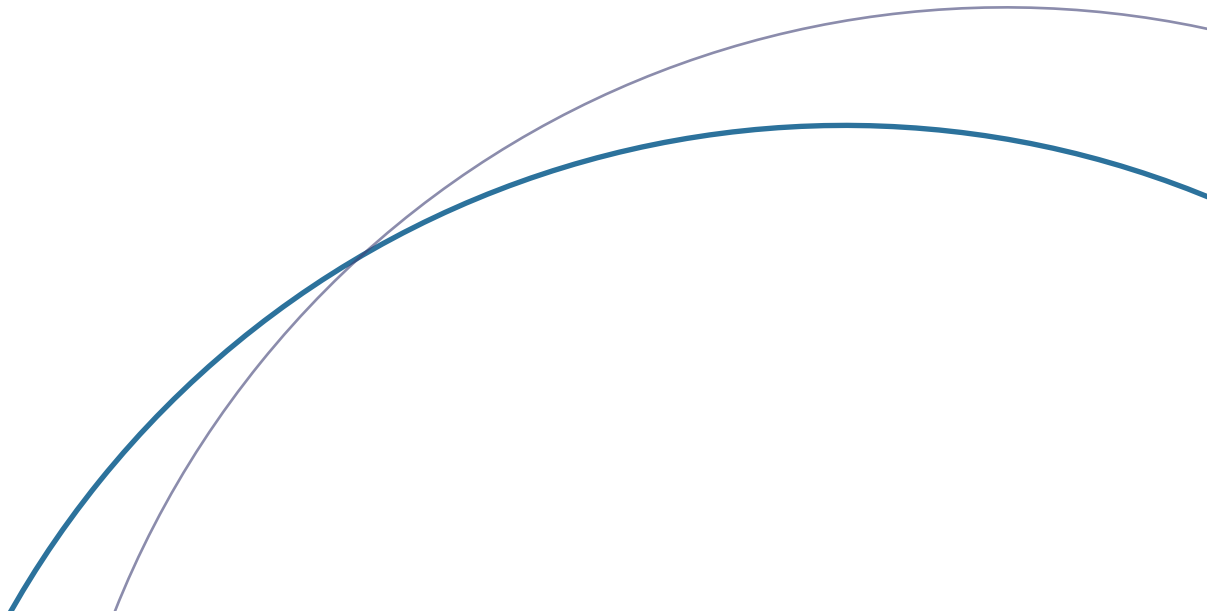
Achmea collaborate with NGO's and other investors through several initiatives:

- Achmea supports the 'Access to Medicine' foundation. Access to Medicine is committed to making medicines accessible worldwide, especially in developing countries. To achieve this, Access to Medicine publishes various rankings in which different pharmaceutical companies are ranked around the theme of developing and making available medicines. The best-known ranking is the Access to Medicine index, which ranks the 20 largest pharmaceutical companies worldwide. The foundation also publishes rankings on what companies are doing to make vaccines available and to combat resistance to antibiotics. The results are used by a broad coalition of investors to encourage pharmaceutical companies to make medicines more available worldwide. Our asset manager Achmea IM is an active member of this coalition and uses the research results to prepare dialogues with pharmaceutical companies. Achmea IM is also the initiator, also on behalf of Achmea, of

investor statements calling on the pharmaceutical industry to behave cooperatively and responsibly in relation to COVID-19 vaccines.

- These statements (issued in 2020 and 2022) have been widely embraced by (international) institutional investors and are an important starting point for intensive dialogue with the pharmaceutical industry. Achmea endorses various initiatives in the field of health.
- Achmea collaborates with Tobacco Free Portfolios and signed the Tobacco-Free Finance Pledge. Through this initiative we promote tobacco-free financing and the implementation of the of the World Health Organization Framework Convention on Tobacco Control (WHO FCTC).
- We collaborate with other institutional investors in the Health Engagement Alliance (Heal). Heal wants companies in the out-of-home sector to provide healthier products and help customers make healthy choices. Our asset manager Achmea IM collaborates with the Access to Nutrition Foundation and the Long-term Investors in People's Health initiative and Healthy Markets Initiative of ShareAction. The Access to Nutrition Foundation is an independent NGO that encourages private companies to contribute to addressing global food problems. The Healthy Markets Initiative is an initiative for institutional investors to engage with supermarkets on promoting healthy food
- Through the Dutch Agreement for International Responsible Investment in the Insurance Sector, we collaborate with other Dutch insurers to promote healthy diets. By sharing knowledge and engaging collectively, we encourage food companies and retailers to modify or cease the production of unhealthy and highly processed foods

The principles and objectives of these initiatives are, where relevant, included in the dialogues we conduct. For a current overview, we refer to the latest SRI Annual Report.





Climate

To ensure that future generations can live and work in a sustainable society in a healthy, safe and pleasant way, limiting global warming is a prerequisite. Climate change affects the environment in many different ways, including rising temperatures, sea level rise, drought, flooding, and more. These events affect things that we depend upon, like water, energy, transportation, wildlife, agriculture, ecosystems, and human health. That is why we are committed to climate change mitigation and climate change adaptation through this theme.

During the United Nations Climate Conference in Paris at the end of 2015 (COP21) the nearly 200 participating countries reached agreement on a binding climate agreement. This should reduce emissions greenhouse gases are reduced and global warming is limited to a maximum of 2°C with 1.5°C as the target. Global greenhouse gas emissions must be reduced by 95 percent in 2050 compared to 1990, based on the climate agreement.

We aim to bring our investment portfolios in line with the objectives of the Paris Climate Agreement . This also includes our mortgage and real estate portfolios. Climate Change mitigation requires a shift from fossil fuels to renewable energies. We therefore have a stringent policy on fossil fuels and aim to contribute to energy transition through impact investing.

Managing climate-related investment risks

Achmea sees climate change as a risk to the value of investments in general and the financial stability of individual companies and objects in particular. In order to identify and manage the investment risks arising from climate change, but also to take advantage of opportunities, Achmea pays specific attention to climate change in its SRI policy. The climate-related investment risks are approached separately for each investment category. For example, MSCI's Climate Value at Risk is used for investments in companies, and for real estate and mortgages data from the climate impact atlas of Climate Adaptation Services is used to map physical climate risks. We also incorporate guidelines by the Dutch Green Building Council (DGBBC).

Promoting climate adaptation and mitigation measures

Achmea, in its role as an investor, wants to contribute to tackling the causes of climate change (mitigation), mitigating the consequences of climate change (adaptation) and promoting the financing of the energy transition with the ultimate goal of achieving a greenhouse gas neutral society. In addition, as an investor we want to contribute to the energy transition by investing in renewable infrastructure, support companies in their transition and contribute to the sustainability of homes and real estate. For our real estate portfolio we also invest in climate-adaptive measures such as green roofs.

Integrating climate measures into the investment process

Achmea pays specific attention to climate change and integrates climate measures into the investment process where possible and appropriate. This is with the aim of taking into account and managing climate-related investment risks and to implement climate-related measures in the real economy.

Ambitions

For the climate theme, our focus is on reducing the carbon footprint of the investment portfolio. Our ambition is to invest only in companies with an effective transition strategy and to contribute to the energy transition for companies and the sustainability of homes and real estate. Achmea has formulated the following ambitions:

- By 2040 at the latest, we aim 'for a net zero corporate investment portfolio'. A company is 'net zero' when it effectively reduced its carbon emissions to as close to zero as possible, while any remaining emissions are counterbalanced by measures that remove an equivalent amount of greenhouse gases from the atmosphere.. We have set the following interim goals²:
 - In 2025: 32% reduction in GHG footprint (Co2e/mio invested) compared to the market benchmark at the end of 2020.
 - In 2030: 68% reduction in GHG footprint (Co2e/mio invested) compared to the market benchmark at the end of 2020.

2. Our targets are based on the Scope 1 and 2 emissions of our investees

- By 2050 at the latest, we aim for a net zero investment portfolio for all other relevant assets¹, including mortgages and real estate.
 - For our real estate investments we aim for a minimum energy label A for all objects in 2030 and a 55% reduction of the CO₂ intensity (CO₂/m²) by 2030 compared to 1990 .
 - For our mortgage portfolio we aim to reduce our CO₂ intensity by 33% in 2030, compared to our portfolio at the end of 2022.

Exclusion of companies

Achmea has a restrictive policy with regard to fossil fuels.

Conventional oil and gas

Fossil fuels are the main cause of global warming. In order to prevent further warming, it is necessary to accelerate the reduction of fossil fuel consumption and to stop expanding it. The International Energy Agency (IEA) indicates that the rapid rise of renewable energy will also prevent there is no longer any need to tap new fossil fuels.

Achmea requires conventional oil and gas companies to invest sufficiently in renewable energy and to have and implement a credible plan for the climate transition. We have a restrictive policy with regard to conventional oil and gas extraction. Achmea does not invest in companies if more than 1% of a company's turnover comes from oil and gas extraction, unless they meet at

least 1 of the following criteria:

- invest a growing share of their capital expenditures (CAPEX) in renewable energy:
 - at least 15% by 2025
 - at least 30% from 2026 onwards
 - At least 50% from 2030 onwards
- have a good combined TPI (Transition Pathway Initiative) score:
 - Management Quality score of minimum 4; and
 - Carbon Performance Alignment score for 2035 and 2050 of less than 2 degrees
- have an Implied Temperature Rise score that shows that the company operate in line with a 2 degree warming path or less.
- is part of an ongoing engagement process with Achmea and meet one of the aforementioned criteria before the end of 2026.

Coal policy

The Paris Climate Agreement objective of reducing greenhouse gas emissions and limiting global warming to a maximum of 2°C with a target of 1.5°C requires, among other things, accelerated decarbonisation of the global energy sector. Energy scenario models suggest that the coal power plants must be phased out almost entirely by 2030 in OECD countries and by 2040 in developing countries. Current global coal plans are not in line with the Paris Agreement goals and highlight the significant risks that economies and societies face if they were to implement current plans.

To achieve the goals of the Paris Climate Agreement, countries must implement early retirement of power plants, reduce the percentage of coal in the energy mix and refrain from building new capacity. The necessary reduction of dependency on coal lead to the belief that mining companies and electricity producers that focus primarily on (thermal) coal do not have future-proof business operations.

Achmea has a restrictive policy with regard to coal. The coal policy is aimed at the mining and use of thermal coal (including lignite, bitumen, anthracite and steam coal). Companies are excluded from investment if:

- More than 1% of a company's turnover comes from Mining of coal. The mining of thermal coal (including lignite, bituminous, anthracite and steam coal) and its sale to external parties are relevant in determining coal-related turnover. Revenues from coal trading are not yet included in this calculation due to data limitations.
- More than 5% of a company's turnover comes from electricity generation from thermal coal (including lignite, bituminous, anthracite and steam coal).

Tar sands

Tar sands are used to extract tar sand oil (bitumen). Tar sand oil is mainly extracted on a large scale in Alberta, Canada. There are two different methods for producing oil from tar sands: open-pit mining and by using so-called in situ technology. Bitumen is mined close to the surface. Bitumen deep underground is produced using specialized in situ extraction techniques (heating with

steam and then pumping the liquefied bitumen up). The average production of tar sands is considerably (40%) more CO₂-intensive than conventional methods.

In practice, the transition to a low-carbon economy means switching from high- carbon activities to low-carbon activities. This not only reduces the dependency on coal for energy production, but also ultimately the dependency on fossil fuels should be reduced (even if they have well-functioning carbon capture and storage technologies). From this perspective, exclusion of tar sands production is a logical complement to our policy next to coal.

Achmea has a restrictive policy with regard to tar sands. Companies are excluded from investment if:

- More than 1% of a company's turnover comes from the extraction of tar sand oil.

Shale gas and oil

Shale gas and oil are extracted from rock by means of fracking. In this method, a mixture of water, sand and chemicals is pumped into a well under high pressure and small explosions are caused. This allows the gas and oil to be forced out of the rock and pumped up. This method of oil and gas extraction also requires a lot of energy, which makes the extraction of these fossil fuels energy intensive. Due to the energy intensity and high costs of the technology, this form of oil and gas extraction is only interesting when the oil and gas price is high. The reserves that can potentially be extracted are enormous. Disadvantages of shale gas and oil are the use of large quantities of water

and the use of large amounts of chemicals.

Achmea has a restrictive policy with regard to shale gas and oil. Companies are excluded from investment if:

- More than 1% of a company's turnover comes from extraction of shale gas and oil.

Restrictive policy on Arctic gas and oil

According to the United States Geological Survey, the Arctic region is home to about 13% of the undiscovered oil reserves and 30% of the undiscovered gas reserves in the world. Due to the protected status of several parts of the Arctic and the inhospitable circumstances, relatively little oil and gas is currently being extracted from the Arctic region. However, oil and gas have been sought in this area for some time. Drilling for oil and gas in the Arctic region is unwanted because:

- Allegedly greater risk of accidents due to the difficult conditions under which drilling takes place;
- Disruption of pristine nature and vulnerable biodiversity; and
- Very difficult conditions for clean-up operations in case of leaks.
- In addition to this environmental impact, the question also arises whether it is appropriate to invest in new technologies to be able to drill under inhospitable Arctic conditions, while climate change actually requires a reduction in the use of fossil fuels.

Achmea has a restrictive policy regarding oil extraction and gas in the Arctic. Companies are excluded from investment if:

- More than 1% of a company's turnover comes from oil and gas extraction in the Arctic region.

Engagement with companies

Achmea engages from both a social and financial perspective companies with a high GHG footprint or with high capital investments in fossil energy supplies. We do this by entering into a dialogue with GHG-intensive companies in particular. The aim of the dialogue is to achieve a positive social change in the real economy.

Achmea positions itself as an involved investor and puts climate change forward as a core theme in our engagement policy. We have therefore expanded our engagement activities to persuade companies in the investment portfolio to commit to net zero in 2040, including monitoring of the progress.. The dialogue with companies is also aimed at increasing awareness of climate risks and the agreements from the Paris climate agreement, achieving behavioural change and increasing transparency.

More specifically, the dialogue with companies is used to encourage companies to:

- formulate a long-term climate strategy that takes into account strategic and financial risks and opportunities resulting from climate change, such as changes in policy, possible introduction or increase of a CO₂ price, market and technological developments. Ideally, these should be identified through a well-founded risk analysis, including the preparation of a 2°C scenario analysis.

- built knowledge and expertise regarding climate change within the organisation and to promote governance with the ultimate goal of managing the financial risks of climate change and integrating emission reduction targets into management's key performance indicators
- encourage companies to report more transparently on the financial risks of climate change. Whereby companies it is expected that:
- commit to measurable goals around climate and energy efficiency,
- commit to scientifically substantiated targets ('Science Based Targets')
- reduce absolute greenhouse gas emissions from its own to business operations, its value chain, the products produced and services provided;
- development of products and activities that reduce greenhouse gas emissions and generate revenue for a company.

Our Engagement Guidelines describe our expectations from companies and the criteria which we use in these dialogues in more detail.

Engagement with governments

Achmea also engages with governments. The dialogue can take place through various channels, from direct contact with the government agency that issues government bonds, to participating in consultations to make a public statement to multinational organizations. For the theme of climate, this type of engagement usually only takes place through collective initiatives.

Sustainability in the mortgage portfolio

The ambition is to reduce the carbon footprint in the mortgage portfolio and to help customers make their homes more sustainable. We actively inform

our customers about the possibilities to make their homes more sustainable. In addition, we offer a (growing) package of services to help customers make their homes more sustainable, such as:

- Subsidy assistance
- Green roofs
- Solar panels
- Heat pumps
- Floor, wall and roof insulation.

We also help Owners' Associations (with sustainability). We provide insight into the various sustainability measures, help arrange subsidies and financing. We also help contract the contractor. We also offer our customers the opportunity to finance energy-saving measures in the mortgage at a discounted rate. We also map several physical climate risk types to individual collateral objects in our mortgage portfolio and perform climate risk vulnerability assessment on a portfolio level.

Sustainability in the real estate portfolio

The ambition is to reduce the carbon footprint in the real estate portfolio and improve the EPC label of all objects to minimum label A in 2030. The portfolio's carbon emissions are reduced by making existing properties more sustainable and by defining sustainability criteria when buying or developing new properties. To prepare our real estate investment portfolios for climate change impacts, we identify high-risk buildings, enabling us to develop adaptation plans for all such properties. We use the Framework for Climate Adaptation of Buildings (FCAB) from the Dutch Green Building Council (DGBC) to estimate

climate risks, assess building vulnerabilities, and define necessary resilience measures. Additionally, we evaluate acquisitions for climate-related risks and opportunities, testing them against ESG indicators.

Voting at shareholder meetings

Voting at shareholders' meetings is an important way to fulfil the role of an involved investor and to exert influence on companies. In addition to topics such as the appointment of directors, the approval of the annual accounts, remuneration policy and the issuance of shares, shareholder proposals are increasingly on the agenda. Shareholder proposals related to climate often require transparency and reporting from companies on, among other things, GHG emissions.

In addition, proposals are often related to accelerating the energy transition and deploying clean technologies. Achmea has an extra eye for climate change-related agenda items in its voting policy. Where relevant and realistic, we submit (co-)shareholder resolutions to companies where material climate issues are at stake. In line with the ambition theme Climate, Achmea wants to make a difference in the real economy. That is why we use our influence to stimulate companies in which we invest to make the energy transition. We expect the largest contributors to GHG emissions (oil and gas, steel, cement and utilities) to have a transition plan that is linked to the remuneration policy.

Integration into the investment process

Within the internal investment processes, we take ESG factors into account. GHG emissions and climate change are an integral part of the Ecological

pillar. Within the investment categories of equities, corporate bonds and government bonds, ESG factors, including GHG emissions, are included in the investment process.

Impact investing

Green bonds are bonds whose proceeds are used to finance the energy transition. This mainly concerns the financing of projects that have a demonstrably positive effect on climate change. Achmea sees a relevant positive contribution of this type of investment instrument in combating and adapting to the risks of climate change. A minimum allocation to Green Bonds has been established with the asset managers of our government bond and credit portfolios. This minimum is reviewed periodically. Our asset managers use their own independent framework to assess whether Green Bonds are sufficiently green. The framework of our largest asset manager, Achmea IM, is based on the Green Bond Principles of the International Capital Market Association and the Climate Bonds Initiative taxonomy. It provides insight into the level of confidence that the Green Bonds are actually used to finance green projects. Only approved bonds are included in Achmea's investment portfolio.

Collaboration and endorsement of initiatives

Achmea collaborate with NGO's and other investors through several initiatives.

- To better understand, quantify and manage climate-related investment risks, the availability, quality and standardisation of ESG information should increase and companies should report in a consistent manner on sustainability in general and on climate risks in particular. Achmea

support the nbon disclosure campaigns of CDP and our asset manager Achmea IM is a member of the Carbon Disclosure Project (CDP) and encourages companies to publish their CO₂ emissions via the CDP.

- Achmea is a member of the Partnership for Carbon Accounting Financials (PCAF) and participates in several working groups to improve and develop new standards.
- Achmea has signed the 'Climate Commitment of the Dutch Financial Sector'.
- Achmea endorses various initiatives in the field of Climate such as the 'Global Investor Statement on Climate Change'. Furthermore, Achmea has signed the 'Paris Pledge for action'.
- Achmea is supporter of Climate Actie 100+ and our asset manager Achmea IM participate in direct engagements with focus companies, individually and/or collaboratively through this initiative. Climate Action 100+ is an investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change in order to mitigate financial risk and to maximize the long-term value of assets.

The principles and objectives of these initiatives are, where relevant, included in the dialogues we conduct. For a current overview, we refer to the latest SRI Annual Report.