

Achmea ESG Underwriting Statement

At Achmea, we are leading the way and working decisively to help achieve sustainable change. This fits our vision: Sustainable Living Together. We are the largest insurance company in the Netherlands with strong brands like Centraal Beheer, Interpolis and Zilveren Kruis and a focus on health and non-life insurance.

Achmea recognises the important role of insurers in the transition to a carbon neutral society. We have set ambitious targets. Achmea aims to have a climate-neutral insurance portfolio by no later than 2050. This also means that we need to reduce our exposure over time to the environmental, social and governance-related risks arising from the transition to a low carbon, climate resilient economy. To achieve our targets, and learn from others, we work together with our partners, clients and other stakeholders. Achmea supports leading multi-stakeholder initiatives in the global insurance industry that work on sustainable insurance. We are a signatory of the Principles for Sustainable Insurance (PSI) and a member of the Partnership for Carbon Accounting Financials (PCAF) and the Forum for Insurance Transition to Net-Zero (FIT).

This statement describes Achmea's approach to sustainable underwriting and how we incorporate environmental, social and governance (ESG) elements in our underwriting policies and processes. The statement summarises the key elements of Achmea's ESG Underwriting policy. It also outlines which activities Achmea excludes. The business activities that are in scope of this policy are Achmea's commercial lines.

Insuring the transition

We offer our customers products and services for making the transition and are committed to keeping the transition to a sustainable society insurable. Achmea promotes sustainable repairs and supports customers in making their homes or commercial buildings more sustainable. When it comes to tackling climate change through underwriting, Achmea wants to help customers to adapt to the social and environmental consequences of climate change and protect them against the financial consequences of climate-related damage. We offer products and services that help our customers to restrict climate-related loss and damage, adapt to the changing climate and reduce their carbon footprint.

We aim to facilitate the transition to a sustainable economy through our underwriting activities. The ESG Underwriting policy is one of our instruments to achieve our sustainability objectives. The starting point is to insure as many customers as possible also based on ESG objectives. This also includes insuring new innovations and technologies such as the use of (green) hydrogen applications, energy storage systems or solar power. In this way, we take our social responsibility to facilitate the sustainability transition. ESG is integrated into our existing processes and procedures.

ESG risk assessment

As part of its ESG Underwriting policy, Achmea has integrated an ESG risk assessment in its underwriting process. This risk assessment is additional to Achmea's regular underwriting process, where we identify and analyse potential integrity and compliance risks.

The ESG risk assessment applies to our commercial lines. Based on a list of excluded (controversial) activities or a company's attitude or behavior towards ESG, the risk assessment may lead to a refusal of an insurance application. Nevertheless, Achmea continues to consider offering employee benefits such as health insurance, pension plans and disability insurance.

Excluded activities

We believe that there are certain products and business practices that are so harmful to society that they are incompatible with our values and sustainability ambitions. Achmea therefore does not insure activities related to:

- the manufacture of tobacco products
- the development, production and maintenance of controversial (and nuclear) weapons
- coal production
- (new) coal based power plants
- the extraction of oil from tar sands
- the extraction of shale gas and oil
- the extraction of Arctic gas and oil

Achmea also does not insure companies with activities in the oil and gas industry when there is no credible transition plan in place with the exception of the construction and coverage for standalone renewable energy assets.

Furthermore Achmea shall perform an additional assessment for an insurance application from a company that is excluded from investments based on norm based due diligence. This relates to severe and structural violation of international norms on human rights, labor standards, environmental protection and anti-corruption. The criteria for excluding companies based on norm based due diligence in the ESG Underwriting policy aligns with the exclusion policy of Achmea's Socially Responsible Investing (SRI) framework.

Governance

Achmea has an Underwriting ESG Committee which is responsible for the ESG Underwriting policy. The policy will be reviewed on an annual basis. The ESG Underwriting Committee oversees the application of ESG requirements in the acceptance process, and has a final say accepting companies.

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