



SUPPLEMENTS 2019

Part 3

achmea 

CONTENTS

Achmea's annual reporting comprises three parts. Our aim is to ensure that each of these three parts aligns with the specific interests of our stakeholders and to improve clarity and accessibility. Together the three parts constitute Achmea's integrated annual report. More information on our reporting practices can be found on pages 61-62 of part 1.

PART 1



Part 1 is the 'Annual Review'. This is aimed at a broader target audience, such as customers, employees, students and interest groups. This part describes our strategy, the progress made in 2019 and our vision of the future. The external auditor has reviewed the sustainability information included in this part on pages 3 to 58. The assurance report containing the auditor's opinion can be found on pages 208 to 210 of part 2.

PART 2



Part 2 is the 'Year Report'. This describes the main financial developments. It contains the Executive Board's report (the 'Annual Review', which is part of the Executive Board's report, is included in part 1), the financial statements and the Supervisory Board report, as well as a report on our Governance and risk management. The external auditor has audited the 2019 (consolidated) financial statements: these are included on pages 53 to 189 of the Year Report. The auditor's report can be found on pages 194 to 207 of part 2 (other information).

PART 3



Part 3, comprising the 'Supplements', contains detailed sustainability reporting information and appendices to the other parts. The external auditor has reviewed the following Supplements relating to the Annual Review: supplement A (GRI index), supplement C (Other employee information) and supplement D (Other sustainability information). The assurance report containing the auditor's opinion can be found on pages 208 to 210 of part 2.

PART 3

SUPPLEMENTS

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Supplement A

GRI index

INDICATOR	DESCRIPTION	DETAILS/REFERENCE/EXPLANATION
GENERAL DISCLOSURES		
Organisation profile		
GRI 102-01	Name of the organisation	Annual Review part 1: Colophon and contact information, p.68
GRI 102-02	Primary activities, brands, products and services	Annual Review part 1: Achmea at a glance p.7; Our brands p.8; Our value creation p.25
GRI 102-03	Location of the organisation's headquarters	Annual Review part 1: Colophon and contact information, p.68
GRI 102-04	The number of countries where the organisation operates	Annual Review part 1: Our brands p.8
GRI 102-05	Nature of ownership and legal form	Year Report part 2: Corporate Governance p.44
GRI 102-06	Markets served	Annual Review part 1: Our brands p.8; Our strategy (focus in segment) p.23; How we create value for our customers (customer satisfaction scores) p.28
GRI 102-07	Scale of the organisation	Annual Review part 1: Achmea at a glance p.7; How we create financial value pp.53-58 Year Report part 2: Consolidated financial statements, Balance sheet p.53 Supplements part 3: Supplement C. Other employee information pp.10-12
GRI 102-08	Information on employees and other workers	Supplements part 3: Supplement C. Other employee information pp.10-12
GRI 102-09	Description of the organisation's supply chain	Annual Review part 1: Our strategy (focus in segment) p.23; Our value creation p.25; How we create value for our partners pp.48-49
GRI 102-10	Significant changes during the reporting period	Annual Review part 1: 2019 in brief p.9 Year Report part 2: Consolidated financial statements, Explanatory notes to the consolidated financial statements pp.59-62
GRI 102-11	Report whether and how the organisation applies the precautionary principle or approach is addressed by the organisation	Year Report part 2: Consolidated financial statements, Capital and risk management
GRI 102-12	Externally developed economic, environmental and social charters, principles to which the organisation subscribes	Annual Review part 1: Reporting principles pp.61-62 Supplements part 3: Principles for Sustainable Insurance pp.8-9
GRI 102-13	Memberships of associations (such as industry associations) and national or international advocacy organisations	Annual Review part 1: How we create value for society pp.34-43, Glossary pp.63-67 Supplements part 3: Principles for Sustainable Insurance pp.8-9. www.achmea.nl/en/contact/frequently-asked-questions
Strategy		
GR 102-14	Statement from the most senior decision-maker of the organisation about the relevance of sustainability to the organisation and its strategy for addressing sustainability	Annual Review part 1: A word from our Chairman pp. 4-6
GRI 102-15	Description of key impacts, risks and opportunities	Annual Review part 1: Our context pp.13-15; In dialogue with our stakeholders pp.16-19; Our strategy (Spearheads on the road to 2025) pp.22-23 Year Report part 2: Consolidated financial statements, Capital and risk management
Ethics and integrity		
GRI 102-16	Description of the organisation's values, principles, standards and norms of behaviour such as codes of conduct	Year Report part 2: Corporate Governance pp.39-40 www.achmea.nl (sustainability)



Supplement A

GRI index

INDICATOR	DESCRIPTION	DETAILS/REFERENCE/EXPLANATION
Ethics and integrity		
GRI 102-17	The internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organisational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines	Annual Review part 1: How we create value for our employees (Ethical corporate culture) p.46 Year Report part 2: Corporate Governance p.40
Governance		
GRI 102-18	The governance structure of the organisation	Year Report part 2: Corporate Governance pp.39-49
Stakeholder engagement		
GRI 102-40	List of stakeholder groups engaged by the organisation	Annual Review part 1: In dialogue with our stakeholders p.16
GRI 102-41	Percentage of total employees covered by collective bargaining agreements	Supplements part 3: Supplement C. Other employee information p.12
GRI 102-42	The basis for identification and selection of stakeholders with whom to engage	Annual Review part 1: In dialogue with our stakeholders p.16
GRI 102-43	The organisation's approach to stakeholder engagement	Annual Review part 1: In dialogue with our stakeholders p.16
GRI 102-44	Key topics and concerns that have been raised through stakeholder engagement	Annual Review part 1: In dialogue with our stakeholders pp.16-19
Reporting practice		
GRI 102-45	List of all entities included in the organisation's consolidated financial statements and not covered by this report	Year Report part 2: Consolidated financial statements, Interests in subsidiaries p.171
GRI 102-46	Process for defining the report content, the boundaries, and the principles for defining report content	Annual Review part 1: In dialogue with our stakeholders pp.16-17; Reporting principles pp.61-62
GRI 102-47	Material aspects identified in the process for defining report content	Annual Review part 1: In dialogue with our stakeholders pp.16-19; Our strategy (Spearheads on the road to 2025) pp.22-23
GRI 102-48	The effect of any restatements of information provided in previous reports, and the reasons for such restatements	Supplements part 3: Supplement D: CO ₂ emissions of operations, Paper
GRI 102-49	Significant changes from previous reporting periods in the scope and aspect boundaries	Annual Review part 1: Reporting principles p.61
GRI 102-50	Reporting period for information provided	Annual Review part 1: Contents p.2
GRI 102-51	Date of most recent previous report	Year Report part 2, 2018: Independent assurance report, p.200
GRI 102-52	Reporting cycle	Annual Review part 1: Contents p.2
GRI 102-53	Contact point for questions regarding the report or its contents	Annual Review part 1: Colophon and contact information p.68
GRI 102-54	Report the 'in accordance' option the organisation has chosen	Annual Review part 1: Reporting principles p.61
GRI 102-55	Report the GRI Content Index for the chosen option	Supplements part 3: Supplement A. GRI index pp.3-7
GRI 102-56	Policy with regard to assurance	Annual Review part 1: Contents p.2; Reporting principles pp.61-62



Supplement A

GRI index

INDICATOR	DESCRIPTION	DETAILS/REFERENCE/EXPLANATION
MANAGEMENT APPROACH		
GRI 103-01	Aspect boundary within the organisation for each material aspect	Annual Review part 1: Reporting principles p.61
GRI 103-01	For each material aspect, report the aspect boundary outside the organisation	Annual Review part 1: Reporting principles p.62
GRI 103-03	Evaluation of the management approach	In the context of the new strategic period 2020- 2022 we have determined a renewed strategy map (Annual review part 1, Our strategy p.24). As part of this key success factors have been developed, of which indicators are derived on which we will report in 2020.
MATERIAL ASPECTS		
1. Responsible investment		
DMA	<p>a. Report why the aspect is material. Report the impacts that make this aspect material.</p> <p>b. Report how the organisation manages the material aspect and its impacts.</p> <p>c. Evaluation of the management approach</p>	<p>Annual Review part 1: In dialogue with our stakeholders p.16, How we create value for society pp.37-42</p> <p>Omission: information on the evaluation of the management approach (c) has not been collected centrally for all indicators. 'External auditing of responsible investment policy' has been included in the quarterly reports to the Executive Board. In the context of the new strategic period 2020- 2022 we have determined a renewed strategy map (Annual review part 1, Our strategy p.24). As part of this key success factors have been developed, of which indicators are derived on which we will report in 2020.</p>
Own indicator	Number of engagement meetings	Annual Review part 1: Engagement and voting p.40
	External evaluation of responsible investment policy	Annual Review part 1: PRI assessment p.40, VBDO benchmark for insurers p.40
	CO ₂ emissions of the investments	Supplements part 3: Supplement D: Other sustainability information pp.17-18
2. Climate change		
DMA	<p>a. Report why the aspect is material. Report the impacts that make this aspect material.</p> <p>b. Report how the organisation manages the material aspect and its impacts.</p> <p>c. Evaluation of the management approach</p>	<p>Annual Review part 1: Our mission p.10; In dialogue with our stakeholders p.17</p> <p>Supplements part 3: Supplement D: Other sustainability information pp.13-18</p> <p>Omission: information on the evaluation of the management approach (c) has not been collected centrally for all components. The carbon footprint of our business operations is reported quarterly to the Executive Board but not to the individual sources. In the context of the new strategic period 2020- 2022 we have determined a renewed strategy map (Annual review part 1, Our strategy p.24). As part of this key success factors have been developed, of which indicators are derived on which we will report in 2020.</p>
GRI 305-1	Direct greenhouse gas (GHG) emissions (scope 1)	Supplements part 3: Supplement D: Other sustainability information pp.13-16
GRI 305-2	Energy indirect greenhouse gas (GHG) emissions (scope 2)	Supplements part 3: Supplement D: Other sustainability information pp.13-16



Supplement A

GRI index

INDICATOR	DESCRIPTION	DETAILS/REFERENCE/EXPLANATION
GRI 305-3	Other indirect greenhouse gas (GHG) emissions (scope 3)	Supplements part 3: Supplement D: Other sustainability information pp.13-16
3. Sustainable products and services		
DMA	<p>a. Report why the aspect is material. Report the impacts that make this aspect material.</p> <p>b. Report how the organisation manages the material aspect and its impacts.</p> <p>c. Evaluation of the management approach</p>	<p>Annual Review part 1: Our mission p.10 (Sustainable products and services is shorthand for our objective ‘to contribute to a healthy, safe and future-proof society’); In dialogue with our stakeholders p.18</p> <p>Omission: information on the evaluation of the management approach (c) has not been collected centrally for all indicators. The NPS are reported to the Executive Board each quarter. In the context of the new strategic period 2020-2022 we have determined a renewed strategy map (Annual review part 1, Our strategy p.24). As part of this key success factors have been developed, of which indicators are derived on which we will report in 2020.</p>
Own indicator	Customer satisfaction, Customer-Oriented Insurance quality seal, NPS	Annual Review part 1: How we create value for our customers pp.27-33
	Number of innovations/innovative solutions	Annual Review part 1: How we create value for society pp.34-37
4. Health and healthcare		
DMA	<p>a. Report why the aspect is material. Report the impacts that make this aspect material.</p> <p>b. Report how the organisation manages the material aspect and its impacts.</p> <p>c. Evaluation of the management approach</p>	<p>Annual Review part 1: In dialogue with our stakeholders p.18; How we create value for customers pp.27-33; How we create value for society pp.34-43</p> <p>Omission: information on the evaluation of the management approach (c) has not been collected centrally for all indicators. The NPS score is reported each quarter to the Executive Board. In the context of the new strategic period 2020-2022 we have determined a renewed strategy map (Annual review part 1, Our strategy p.24). As part of this key success factors have been developed, of which indicators are derived on which we will report in 2020.</p>
Own indicator	Related NPS health	Annual Review part 1: How we create value for our customers p.31
	Number of innovations/innovative solutions	Annual Review part 1: How we create value for society pp.34-37
5. Financial performance		
DMA	<p>a. Report why the aspect is material. Report the impacts that make this aspect material.</p> <p>b. Report how the organisation manages the material aspect and its impacts.</p> <p>c. Evaluation of the management approach</p>	Annual Review part 1: In dialogue with our stakeholders p.18; How we create financial value pp.53-58
Own indicator	Net Result, Solvency, Free Capital Generation	Annual Review part 1: Achmea at a glance p.7; How we create financial value pp.53-58
		Year Report part 2: Consolidated financial statements



Supplement A

GRI index

INDICATOR	DESCRIPTION	DETAILS/REFERENCE/EXPLANATION
6. Cybersecurity		
DMA	<p>a. Report why the aspect is material. Report the impacts that make this aspect material.</p> <p>b. Report how the organisation manages the material aspect and its impacts.</p> <p>c. Evaluation of the management approach</p>	<p>Annual Review part 1: Our context pp.13-15; In dialogue with our stakeholders p.18; How we create value via our processes pp.50-51</p> <p>Year Report part 2: Consolidated financial statements, Explanatory notes to the consolidated financial statements pp.90-91</p> <p>Omission: information on the evaluation of the management approach (c) has not been collected centrally for all indicators. Reports on a number of indicators (e.g. in relation to security/CMA) and Key Risk Indicators (compliance & operational risk) are made to the Executive Board each quarter. In the context of the new strategic period 2020- 2022 we have determined a renewed strategy map (Annual review part 1, Our strategy p.24). As part of this key success factors have been developed, of which indicators are derived on which we will report in 2020.</p>
Own indicator	<p>Achmea conducts management based on a variety of cybersecurity indicators, since cybersecurity can be considered from a range of different perspectives. These indicators are reflected in internal risk management controls, but also in a range of ICT-related targets. It is not possible to bring all of these diverse indicators together under a single heading for the purposes of the annual external reporting.</p>	<p>Annual overview part 1: How we create value through our processes p.50 (Digitisation thanks to strong IT platform).</p>

Supplement B

PSI table

CORPORATE SOCIAL THEMES

Our goals and progress

Achmea signed the Principles for Sustainable Insurance (PSI) in 2012. The reference table below is designed to allow Achmea to account for the implementation of these principles in a transparent fashion. For further information about the PSI, go to www.unepfi.org/psi.

PRINCIPLE 1: ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES (ESG) RELEVANT TO OUR INSURANCE BUSINESS ARE EMBEDDED IN OUR DECISION-MAKING

Possible actions: company strategy	Fulfilment/reference
Establish a company strategy at the Board and executive management levels to identify, assess, manage and monitor ESG issues in business operations	Achmea Annual Review 2019 – Our mission, Our strategy, Our value creation
Dialogue with company owners on the relevance of ESG issues to company strategy	Achmea Annual Review 2019 – Our mission, In dialogue with our stakeholders www.verenigingachmea.nl
Integrate ESG issues into recruitment, training and employee engagement programmes	Achmea Annual Review 2019 – How we create value for our employees
Possible actions: risk management and underwriting	Fulfilment/reference
Establish processes to identify and assess ESG issues inherent in the portfolio and be aware of potential ESG-related consequences of the company's transactions	Achmea Annual Review 2019 – How we create value for society
Integrate ESG issues into risk management, underwriting and capital adequacy decision-making processes, including research, models, analytics, tools and metrics	Achmea Year Report 2019 – Consolidated financial statements, Capital and risk management
Possible actions: product and service development	Fulfilment/reference
Develop products and services which reduce risk, have a positive impact on ESG issues and encourage better risk management	Achmea Annual Review 2019 – Our strategy, How we create value for our customers, How we create value for society
Develop or support literacy programmes on risk, insurance and ESG issues	Achmea Annual Review 2019 – How we create value for our customers, How we create value for society, How we create value via our processes
Possible actions: claims management	Fulfilment/reference
Respond to customers quickly, fairly, sensitively and transparently at all times and make sure claims processes are clearly explained and understood	Achmea Annual Review 2019 – How we create value for our customers, How we create value via our processes
Possible actions: sales and marketing	Fulfilment/reference
Educate sales and marketing staff on ESG issues relevant to products and services and integrate key messages responsibly into strategies and campaigns	Achmea Annual Review 2019 – How we create value for our employees, How we create value via our processes
Make sure coverage, benefits and costs of products and services are relevant and clearly explained and understood	Achmea Annual Review 2019 – How we create value for society, How we create value for our customers, How we create value via our processes



Supplement B

PSI tabel

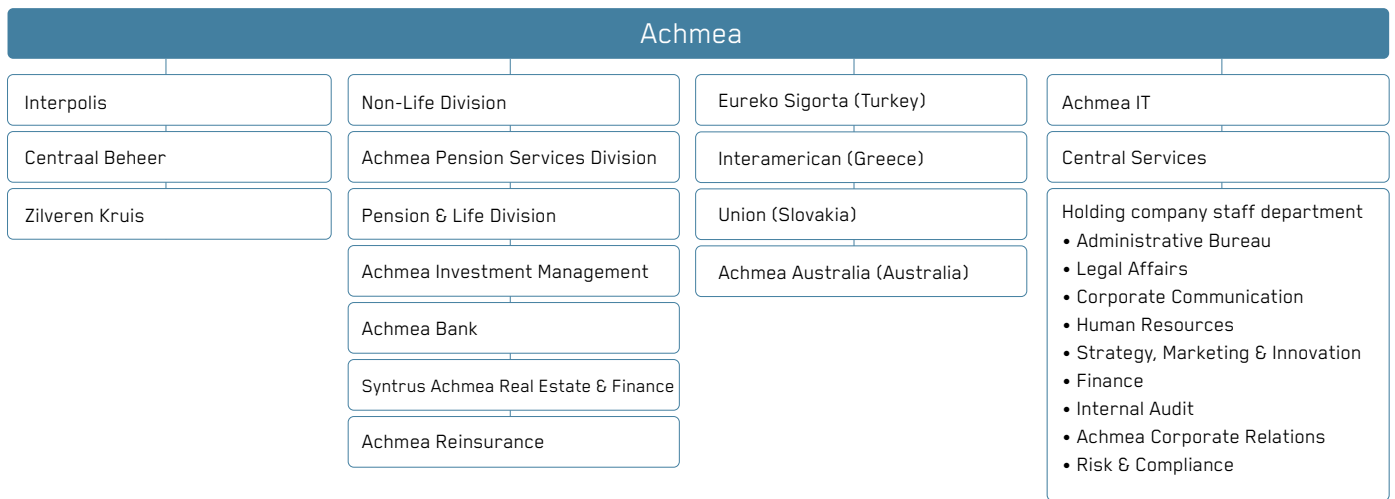
Possible actions: investment management	Fulfilment/reference
Integrate ESG issues into investment decision-making (e.g. by implementing the Principles for Responsible Investment)	Achmea Annual Review 2019 – How we create value for society
PRINCIPLE 2: WE WILL WORK TOGETHER WITH OUR CLIENTS AND BUSINESS PARTNERS TO RAISE AWARENESS OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES, MANAGE RISK AND DEVELOP SOLUTIONS	
Possible actions: customers and suppliers	Fulfilment/reference
Dialogue with clients and suppliers on the benefits of managing ESG issues and the company's expectations and requirements on ESG issues	Achmea Annual Review 2019 – In dialogue with our stakeholders, Our strategy, How we create value for society
Provide customers and suppliers with information and tools that may help them manage ESG issues	Achmea Annual Review 2019 – How we create value for our customers, How we create value for society
Integrate ESG issues into tender and selection processes for suppliers	Achmea Annual Review 2019 – How we create value for society
Possible actions: insurers, reinsurers and brokers	Fulfilment/reference
Promote adoption of the principles	Achmea Annual Review 2019 – Our strategy, In dialogue with our stakeholders, How we create value for society
Support the inclusion of ESG issues in professional education and ethical standards in the insurance industry	Achmea Annual Review 2019 – How we create value for our employees
PRINCIPLE 3: WE WILL WORK TOGETHER WITH GOVERNMENTS, REGULATORS AND OTHER KEY STAKEHOLDERS TO PROMOTE WIDESPREAD ACTION ACROSS SOCIETY ON ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES	
Possible actions: governments, regulators and other policymakers	Fulfilment/reference
Support prudential policy, regulatory and legal frameworks that enable risk reduction, innovation and better management of ESG issues	Achmea Annual Review 2019 – How we create value for society Achmea Year Report 2019 – Consolidated financial statements, Capital and risk management
Dialogue with governments and regulators to develop integrated risk management approaches and risk transfer solutions	Achmea Annual Review 2019 – In dialogue with our stakeholders
Possible actions: other key stakeholders	Fulfilment/reference
Dialogue with intergovernmental and non-governmental organisations to support sustainable development by providing risk management and risk transfer expertise	Achmea Annual Review 2019 – In dialogue with our stakeholders, How we create value for society
Dialogue with academia and the scientific community to foster research and educational programmes on ESG issues in the context of the insurance business	Achmea Annual Review 2019 – In dialogue with our stakeholders
Dialogue with media to promote public awareness of ESG issues and good risk management	Achmea Annual Review 2019 – In dialogue with our stakeholders

Supplement C

Other employee information

OTHER EMPLOYEE INFORMATION

To ensure a practical bundling of expertise, Achmea has an operational organisation model consisting of distribution divisions, product divisions, internal services departments and policy-setting staff services. For the implementation of Achmea's HR policy, HR employs the organisational structure below.



Supplement C

TABLE 1. NUMBER OF FTES AND EMPLOYEES OF ACHMEA AS OF 31 DECEMBER 2019 AND 2018, INCLUDING THIRD-PARTY COMPANIES AND INTERNATIONAL SUBSIDIARIES

NUMBER OF EMPLOYEES AS OF 31 DECEMBER	2019*		2018	
	FTEs	EMPLOYEES	FTEs	EMPLOYEES
Achmea Corporate Relations	16	17	21	21
Achmea Bank	170	174	173	177
Achmea Investment Management	230	224	227	221
Centraal Beheer	763	823	704	760
Central Services	1,031	1,105	1,012	1,096
International Division	-	-	34	33
Pension & Life Division (including Service Organisation for Life)	542	572	606	644
Non-Life Division	2,528	2,681	2,602	2,760
Finance	437	445	236	239
HR	115	116	97	98
Achmea IT	1,048	1,047	1,013	1,012
Interpolis	153	156	148	150
Achmea Pension Services (previously Retirement Services)	442	448	446	450
Syntrus Achmea Real Estate & Finance	371	368	352	350
Zilveren Kruis	2,365	2,553	2,108	2,291
Other	533	561	571	601
Subtotal for Achmea in the Netherlands, excluding third-party companies	10,744	11,290	10,350	10,903
De Friesland	-	-	415	486
Eurocross International	152	151	149	140
InShared	80	77	61	57
Customer Contact Services	96	107	92	111
OZF	23	26	26	29
Pim Mulier	8	14	7	8
Vitaliteit / Actify	9	9	6	8
Subtotal for third-party companies	368	384	756	839
Subtotal for Achmea in the Netherlands	11,112	11,674	11,106	11,742
Achmea Australia	83	81	75	76
Eureko Sigorta	713	667	674	607
Interamerican Greece	1,227	1,147	1,240	1,159
Union	666	627	619	582
Subtotal for international subsidiaries	2,689	2,522	2,608	2,424
Total	13,801	14,196	13,714	14,166

* From 2019, De Friesland and the International Division are no longer presented separately but as part of the other segments. For De Friesland this is Zilveren Kruis; for the International Division this is various segments (depending on the tasks of the relevant employees). In addition, as a result of a restructuring, employees were included as part of Finance, which were previously presented at various other segments.



Supplement C

TABLE 2. NUMBER OF ACHMEA EMPLOYEES BY CONTRACT TYPE AND GENDER, INCLUDING THIRD-PARTY COMPANIES AND INTERNATIONAL SUBSIDIARIES

NUMBER OF EMPLOYEES BY CONTRACT TYPE AND GENDER AS OF 31 DECEMBER	2019		2018	
	PERMANENT CONTRACT	TEMPORARY CONTRACT	PERMANENT CONTRACT	TEMPORARY CONTRACT
Male	6,916	295	6,858	314
Female	6,556	429	6,585	409
Total	13,472	724	13,443	723

TABLE 3. NUMBER OF ACHMEA EMPLOYEES BY CONTRACT TYPE AND COUNTRY, INCLUDING THIRD-PARTY COMPANIES AND INTERNATIONAL SUBSIDIARIES

NUMBER OF EMPLOYEES BY CONTRACT TYPE AND COUNTRY AS OF 31 DECEMBER	2019		2018	
	PERMANENT CONTRACT	TEMPORARY CONTRACT	PERMANENT CONTRACT	TEMPORARY CONTRACT
Netherlands	10,983	540	11,043	559
Australia	77	4	72	4
Bulgaria	7	1	12	-
Greece	1,133	14	1,155	4
Slovakia	485	142	447	135
Czech republic	17	6	17	6
Turkey	767	16	694	14
Suriname	3	1	3	1
Total	13,472	724	13,443	723

TABLE 4. NUMBER OF EMPLOYEES BY WORKING HOURS AND GENDER, INCLUDING THIRD-PARTY COMPANIES AND INTERNATIONAL SUBSIDIARIES

NUMBER OF EMPLOYEES BY WORKING HOURS AND GENDER AS OF 31 DECEMBER	2019		2018	
	FULL-TIME	PART-TIME	FULL-TIME	PART-TIME
Male	6,442	769	6,460	712
Female	3,699	3,286	3,665	3,329
Total	10,141	4,055	10,125	4,041

TABLE 5. NUMBER OF INTERNAL AND EXTERNAL EMPLOYEES BY GENDER, INCLUDING THIRD-PARTY COMPANIES AND INTERNATIONAL SUBSIDIARIES

NUMBER OF EMPLOYEES AS OF 31 DECEMBER	2019		2018	
	INTERNAL	EXTERNAL	INTERNAL	EXTERNAL
Male	7,211	1,385	7,172	1,574
Female	6,985	1,762	6,994	1,882
Total	14,196	3,147	14,166	3,456



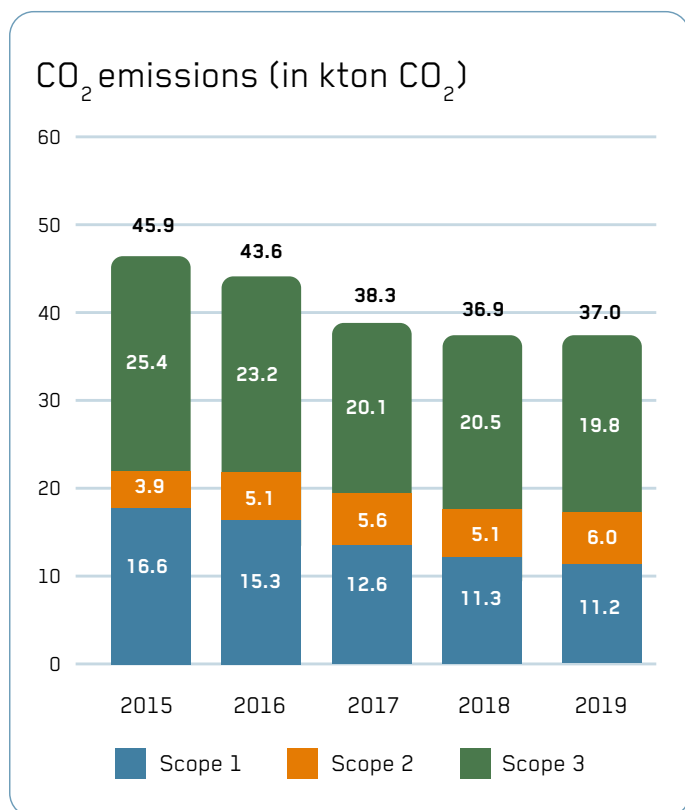
Supplement D

Other sustainability information

CO₂ EMISSIONS OF OPERATIONS

As of 2011 Achmea's operations are CO₂-neutral. We reduce our environmental impact through reductions in and greening of our energy consumption, cutting paper consumption and reusing our waste. We measure the carbon footprint of our energy use, mobility, leaked refrigerants, paper consumption, waste, outsourced servers and third-party companies. Achmea's net CO₂ emissions in the Netherlands are offset by purchasing carbon emission certificates.

In accordance with the 'Green House Gas Protocol' (GHG Protocol), the CO₂ footprint is expressed in different 'Scope' categories. Scope 1 emissions are direct emissions from own sources or sources that are controlled by Achmea. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are all relevant indirect emissions (not included in scope 2) that occur in the Achmea's value chain. This concerns, for example, the CO₂ footprint of our employees' commuter traffic.



Basis for conversion factors

The basis for most of the conversion factors for our footprint is the list of CO₂ emission factors available at www.CO2emissiefactoren.nl. For paper we use Stichting Stimular's Envirometer. For air travel our travel agent uses the DEFRA method. Achmea uses green electricity, generated from renewable sources, in its business operations. The origin and source of this green electricity (Guarantee of Origin, or GO) are green energy GOs imported from abroad (hydro-electric power). We allocate this an emission factor of zero when calculating the scope 2 CO₂ emissions. Our waste processor uses the conversion factors developed by research and consultancy company CE Delft. Commuting distance is estimated by multiplying the distance between the employee's registered place of work and their place of residence by the number of registered travel days. An adjustment is made for holidays and absenteeism. The table on the left shows the CO₂ emissions for the past five years.

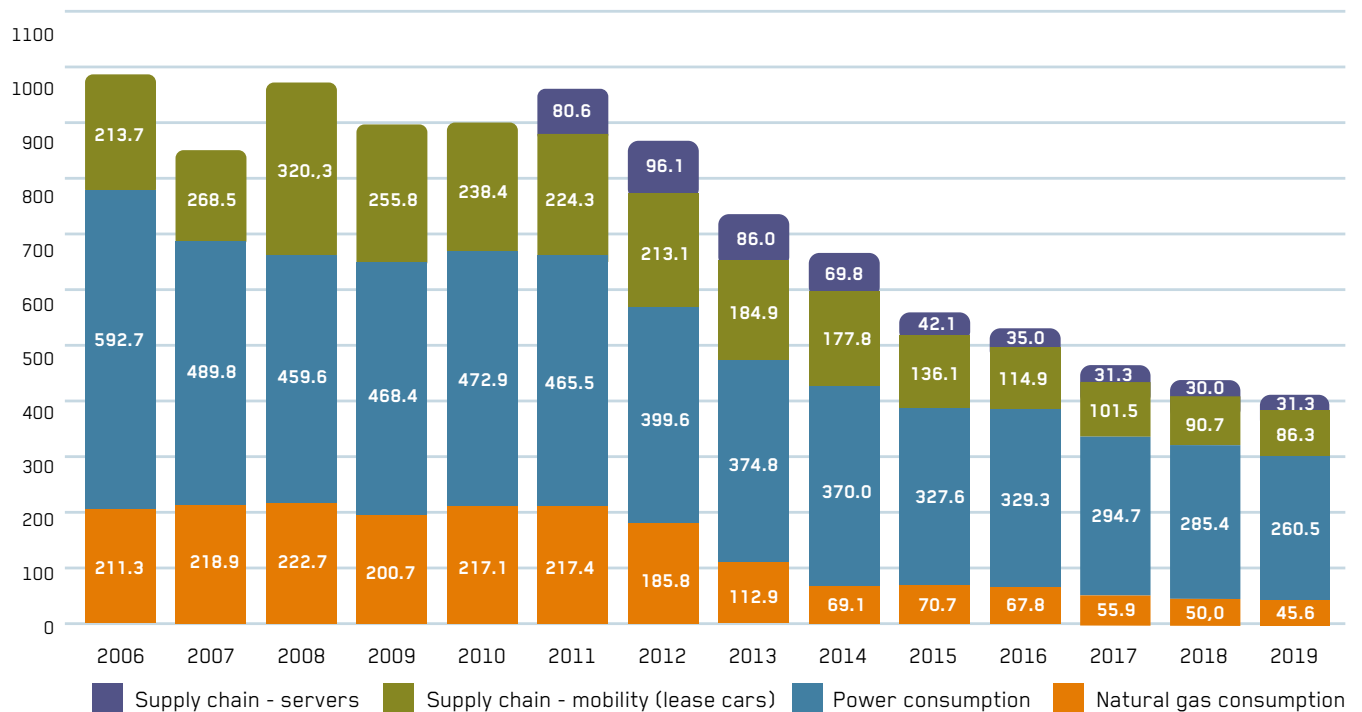
CO₂ emissions for Achmea Netherlands are measured excluding third-party companies (please see Supplement C for the definition). Third-party companies are included in the calculation of the consumption of gas (scope 1) and electricity (scope 2).

The quality of the data used to measure the CO₂ emissions has improved over the past few years. A growing amount of data is also becoming available. Major drivers here are not just the importance that Achmea attaches to measuring its carbon footprint but also that of society. This means that in comparisons across several years some data are included that were either not available or were less comprehensive in previous years. In 2019, we noted that the carbon footprint for paper in 2018 had been measured incorrectly as the data was incomplete. We have therefore adjusted the comparative figure for 2018. Over the past five years, total CO₂ emissions have fallen from 54.3 kilotons in 2014 to 37.0 kilotons in 2019. Achmea's carbon footprint is more or less the same as last year. The increase in scope 2 is mainly caused by an increase in the number of kilometres of air travel.

Energy savings

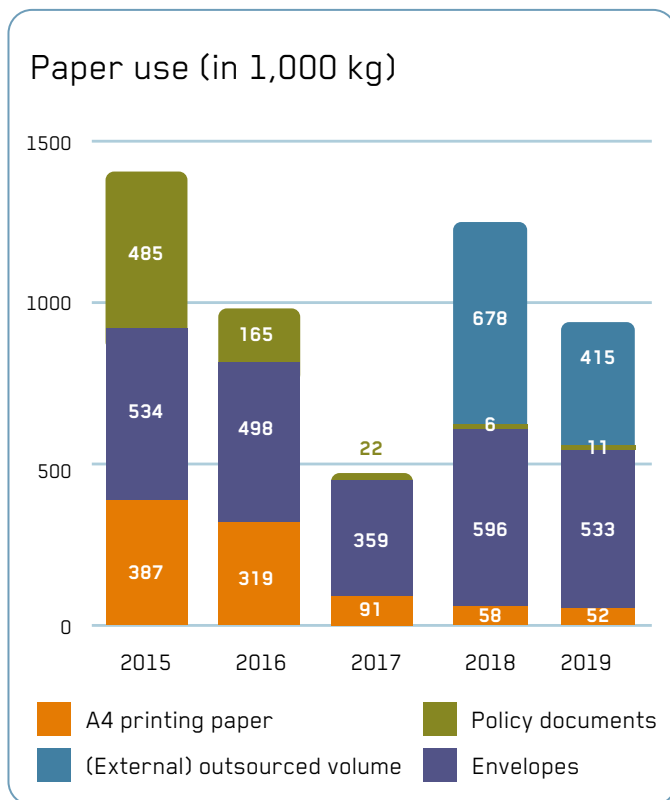
Our energy policy aims to achieve an annual 2% reduction in energy consumption over the period 2005-2020. Energy consumption for Achmea Netherlands is measured excluding third-party companies (please see Supplement C for the definition). Third-party companies are included in the calculation of the consumption of gas and electricity. This means that we comply with the obligations arising from the signing of the Dutch long-term agreement on energy efficiency (Convenant Meerjarenspraak energie-efficiëntie, or 'MJA3') over this period. In practice, we are achieving double our target: in the period 2006-2019, average energy consumption decreased by approximately 4.9% per year (2018: 4.6%).

Energy consumption (in gigajoules x 1000)



Paper

We aim to reduce paper consumption. This is partly made possible by digitisation of our processes. Consumption for Achmea Netherlands is measured excluding third-party companies (please see Supplement C for the definition). From 2018 onwards, all our external processes (paper flows) are also taken into consideration. In 2019, we noted that paper consumption for 2018, category envelopes, was incorrect due to incomplete data. We have therefore adjusted the comparative figure for 2018 (the paper consumption, category Envelopes, as reported in the annual report 2018, part 3 Achmea Supplements 2018 was 160,000kg).

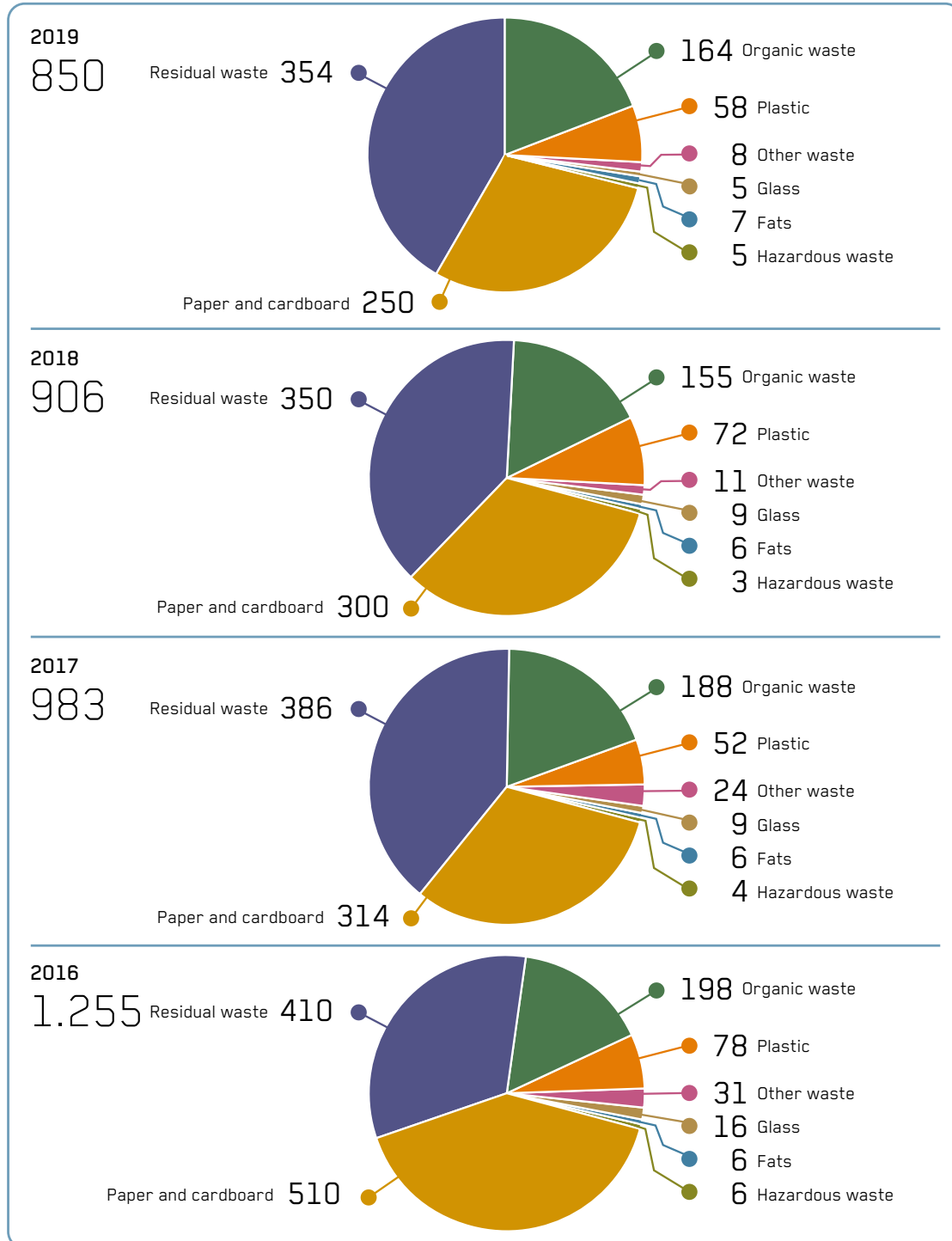


Waste

Annually we produce close to a million kilograms of waste. In 2014 we started resource management, aimed at reducing and reusing waste (waste is itself a resource). Waste for Achmea Netherlands is measured excluding third-party companies (please see Supplement C for the definition). In 2019, we noted that paper consumption

for 2018 was incorrect due to incomplete data. We have therefore adjusted the comparative figure for 2018. By the end of 2019 we were reusing around 59% of our waste (year-end 2018: about 61%). In 2019 the average quantity of waste per FTE was 79kg (versus 85kg/FTE in 2018).

Collected waste (in 1,000 kg)



CO₂ EMISSIONS OF THE INVESTMENT PORTFOLIO

Achmea takes climate change into account in its investments. We do so knowing that climate change and the need for a transition to a low-carbon economy can have an impact on the value of our investments. In 2017 we began measuring the carbon footprint of a substantial portion of our equity investments for our own account and risk. In 2018 we extended these measurements to cover our investments in corporate bonds. This year we have also started to measure the carbon footprint of our investments in government bonds and mortgages. We have succeeded in analysing the carbon footprint of 58% of our investments for our own account and risk and 89% of our banking credit portfolio.

The next step is to reduce our carbon footprint. We have started on those asset classes in which we expect to be able to achieve the most: our investments in large corporations. We have reached agreement with our asset managers on achieving an optimum reduction in the carbon footprint compared with the applied benchmark in the equity portfolios and corporate bond portfolios. Optimum means that because of this reduction the risk and return of our investment portfolio does not change significantly. We have already formulated a reduction in our carbon footprint for nearly 20% of our portfolio.

Methodology

There is currently no standardised method for calculating the carbon footprint of an investment portfolio. For this reason, when calculating the carbon footprint and the CO₂ intensity, we follow the recommendations of the Dutch Platform Carbon Accounting Financials (PCAF) and the Task Force on Climate-related Financial Disclosures (TCFD) respectively.

The scope 3 emissions are excluded from the calculation of the carbon footprint for **equities and corporate bonds**. This is because businesses are not yet reporting these emissions in a consistent manner and amounts could therefore be counted twice by mistake. The scope 1 and 2 CO₂ emissions of the equities held in a company are allocated proportionally to the portfolio's carbon footprint. This means: on possession of 1% of the equities, 1% of the CO₂ emissions is counted in the calculation. The portfolio's total emissions are normalised based on the portfolio's market value. The CO₂ intensity of the equity and corporate bond portfolios is measured using the weighted average CO₂ intensity method. The CO₂ intensity (tCO₂ per million USD sales) of a company is allocated to the portfolio based on the portfolio weight.

The scope 2 and 3 emissions are excluded from the calculation of the carbon footprint for **government bonds** due to the lack of uniform and reliable data. The scope 1 CO₂ 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 CO₂ emissions financed for that country. Government-related paper is counted as coming within the domicile of the country.

When calculating the CO₂ emissions for **mortgages**, we first calculate the energy consumption for the underlying value. We do so based on the energy consumption per postcode obtained from network providers, or based on the average energy consumption per energy label. This energy consumption is then converted into CO₂ emissions by multiplying the energy consumption by emission factors.

Source and scope of CO₂ data

We use CO₂ data purchased from MSCI ESG to calculate the carbon footprint of our investments in equities and corporate bonds. The CO₂ data for calculating the carbon footprint of our investments in government bonds comes from Eurostat, the statistical office of the European Union.

The carbon footprint has been measured for 73% of the equity portfolio, measured by the market value of the equity investments. For these equity portfolios (Achmea EQ DM), 83.7% of the CO₂ data were based on the CO₂ data reported by the companies in question over 2018. An additional 16.3% of the CO₂ data were modelled by MSCI ESG.

The carbon footprint has been measured for 65% of the corporate bond portfolio, measured by the market value of the investments. These are the developed market corporate bonds in Dutch insurers, whereby we apply a strategy of investing in bonds with a credit rating of investment grade or higher (Achmea credits). Here, 77% of the CO₂ data used were based on the CO₂ data reported by the companies in question over 2018. An additional 10% of the CO₂ data were modelled by MSCI ESG for companies for which reported CO₂ data were not available or only partially available. No CO₂ data over 2018 were available for 13% of the bonds.

The carbon footprint has been measured for 83% of the government bond investments, measured by the market value of the investments. For these government bond portfolios (Achmea government bonds), 99.3% of these CO₂ data were based on the CO₂ data reported by the governments in question over 2018.

For the mortgages as a portion of the Investments of the insurance business, the carbon footprint has been measured for 95.2% of the total mortgage portfolio, measured by the market value of the mortgages. For the mortgages as a portion of the Banking credit portfolio, the carbon footprint has been measured for 89% of the total mortgage portfolio, measured by the amortised cost of the mortgages. The carbon footprint for the estimated energy consumption is based on the emission factors given on www.co2emissiefactoren.nl.



Results

In 2019, the carbon footprint of the portion of the equity portfolio for which it was measured was lower than the benchmark (MSCI World) both in terms of CO₂ intensity and CO₂ emissions, i.e. 20.4% and 29.5% respectively (2018: 21.9% and 22.6% respectively).

The carbon footprint of Achmea credits over 2019 was lower than the benchmark for CO₂ intensity at 39.2% (2018: 35.1%).

The carbon footprint of the Achmea government bond portfolio was measured for the first time this year. Its carbon footprint was 7.1% lower than the benchmark.

We measured the carbon footprint of the mortgage portfolio for the first time this year. No benchmark has as yet been set for the purposes of comparison. Next year, we will review the method and way in which assess our carbon footprint and if necessary enhance the process.

	CO ₂ EMISSIONS (tCO ₂ /MILLION EURO INVESTED CAPITAL)		CO ₂ INTENSITY (tCO ₂ /MILLION USD SALES)	
	2019	2018	2019	2018
Achmea EQ DM ¹	83.1	111.8	118.6	139.9
MSCI World	104.5	143.2	168.3	180.8
Difference	-20.4%	-21.9%	-29.5%	-22.6%
Achmea Credits			84.0	133.5
Benchmark			138.1	205.6
Difference			-39.2%	-35.1%
Achmea government bonds	2.3	N/A		
Benchmark	2.5	N/A		
Difference	-7.1%	N/A		
Achmea mortgages as portion of Investments ²	22.0	N/A		
Achmea mortgages as portion of Banking credit portfolio ²	25.7	N/A		

* N/A = not available

1. In 2019 the CO₂ intensity of the Global Quality Value Equities portfolio was 81.5 tCO₂/MILLION USD sales and 137.0 tCO₂/MILLION USD sales for the Global Enhanced Equities portfolio. Both portfolios are part of the Achmea EQ DM
2. Expressed versus the nominal value

