

PSI disclosure of progress Achmea for the year 2024

Achmea and the Principles for Sustainable Insurance (PSI)

Developed by the UN Environment Programme's Finance Initiative (UNEP FI) in collaboration with leading re/insurance companies, the Principles for Sustainable Insurance (PSI) provide a framework for the global insurance industry to address environmental, social, and governance (ESG) risks and opportunities. The PSI aims to enhance understanding, prevention, and management of these risks while ensuring quality risk protection. The principles of the PSI are:

“The PSI encourages the insurance sector to contribute positively to sustainable development and tackle global challenges”

1. We will embed environmental, social and governance issues relevant to our insurance business in our decision-making.
2. We will work together with our clients and business partners to raise awareness, manage risk and develop solutions of environmental, social and governance issues.
3. We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.
4. We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the principles.

The PSI encourages the insurance sector to contribute positively to sustainable development and tackle global challenges like climate change, biodiversity loss, and social inequality. Achmea is a founding member of the PSI and has been involved since 2013. Details of our progress in implementing the PSI's principles during 2024 can be found in the sections below. For further information, please refer to the Sustainability Statements in our Annual Report.

Principle 1: ESG Integration in decision-making

Achmea has integrated sustainability into its vision of “Sustainable Living Together,” aiming for a society where everyone feels included. We want to create sustainable value for our customers, employees, company and society. Our ESG approach is guided by five overarching sustainability principles applicable across all Achmea functions and entities. These principles are based on Achmea’s vision, values, strategy, existing policies and commitments.

Overarching Achmea Sustainability Principles

1. Support the transition

We want to support the transition to a carbon neutral, circular and social inclusive society through our business operations, financial services and investments. We help customers make sustainable choices and offer products and services that enable them to transition and adapt to a changing environment.

2. ESG integration

We want to make positive impact and minimise negative impacts related to our operations, investments and (financial) services. We practice the appropriate level of due diligence and integrate ESG in our decision making with a focus on making real world impact.

3. Engage, collaborate and advocate

We demonstrate exemplary behaviour and encourage our customers, partners and investees to do the same. We want to make positive impact through dialogue, collaboration and advocacy.

4. Exclude activities not aligned with our values

In our approach we aim to be as inclusive as possible. We prefer engagement above exclusion. However, we recognise that in some cases exclusion is the appropriate response to an ESG issue and will exercise this option when considered necessary and there are no other options.

5. Comply with (inter)national standards, codes and best practices

We adhere to applicable legal requirements, codes of conduct, and voluntary commitments in our daily activities. Where applicable and available we follow a science-based approach in responding to ESG issues and opportunities

Achmea aims to make sustainable solutions accessible to all, with a strong emphasis on climate action. Through our insurance products and services, we help customers adapt to climate change and protect against climate-related damage. We are committed to achieving net-zero operations by 2030, a net-zero corporate securities investment portfolio by 2040, and a net-zero insurance portfolio by 2050, as outlined in our Climate Transition Plan which is published on our website.

“We invest in sustainable real estate, renewable infrastructure and support homeowners with sustainability loans”

We are dedicated to creating long-term value for all stakeholders, including customers, employees, business partners, and society. This commitment is embedded in Achmea’s strategy, business plans, remuneration, governance, and leadership profile. As part of our All You Can Learn concept, we also offer a wide range of sustainability courses to all employees.

We have also integrated environmental, social and governance criteria in our Risk Management processes, Product Approval and Review Process Policy and our Socially Responsible Investments policies. We invest in sustainable real estate, renewable infrastructure and support homeowners with sustainability loans. Achmea is also a signatory of the Principles for Responsible Investments (PRI).

Stakeholder interests regarding sustainability are considered in decision-making at all levels. The Executive Board and Supervisory Board have explicit sustainability responsibilities, and sustainability goals are part of their variable remuneration. To ensure effective implementation of our sustainability approach, Achmea has established a sustainability program with defined responsibilities. A Programme Board oversees the implementation of our sustainability ambitions. This board, led by a member of the Executive Board, includes directors from selected entities and reports quarterly to the Executive Board.

Key actions taken in 2024

- We developed a new Group ESG Policy Framework that outlines Achmea's overarching approach to sustainability and how we address Environmental, Social, and Governance themes and issues across our activities. This policy also includes guidelines on responsible marketing, and awareness and training of employees on sustainability.
- To raise awareness within our workforce, we developed a mandatory e-learning course titled Sustainability According to Achmea. This course aims not only to inform employees about Achmea's comprehensive ESG vision but also to inspire and actively engage them in our sustainability journey.
- Achmea supports its clients in advancing the transition to a low-carbon economy by providing insurance products for electric vehicles and renewable energy installations, including wind and solar facilities. Furthermore, we continue to offer services and sustainability loans to facilitate the enhancement of energy efficiency in clients' homes.
- In 2024, we set a target to invest at least 10% of our own account investments in impact investments by the end of 2025. Impact investments are made with the intention of generating positive, measurable social or environmental impact alongside a financial return. These include investments in green bonds, renewable energy infrastructure, and sustainable real estate.
- We strive to facilitate the transition to a sustainable economy through our underwriting practices. In 2024, we developed the ESG Underwriting Policy, a key instrument for achieving our sustainability goals. This policy articulates Achmea's approach to integrating ESG considerations into our underwriting policies and procedures. It also specifies the activities that we exclude from coverage. As part of the underwriting process, an ESG risk assessment is conducted, which may result in the rejection of insurance applications for incompatible or controversial activities, except in certain cases related to employee benefits insurance.
- We believe that sustainable repair should be the norm in settling claims, which is why we support the Sustainable Repairs Manifesto in The Netherlands. Together with our partners, we are enhancing the sustainability of the repair chain by establishing criteria for contracting repair companies and focusing on eco-friendly damage repairs. Over the past year, we increased the percentage of relevant home repair companies in our network that have achieved ISO 14001 certification to 98%. We also participate in pilot projects to further this initiative.

Principle 2:

Collaboration with clients and stakeholders

Helping clients and society tackle environmental and social challenges is part of Achmea's commitment to sustainability and its vision of making the world more resilient. We consider stakeholder collaboration and dialogue as prerequisites for building a more sustainable and resilient world. Engagement with clients and other stakeholders is therefore an integral part of Achmea's strategy. We seek to understand their perspectives on our products and our role in society. Regular consultations with stakeholders such as employees, customers, shareholders, social organisations, and regulatory authorities inform our strategy and decision-making processes.

Achmea actively discusses material ESG issues, particularly decarbonisation strategies, with our stakeholders. Our customers, represented through Vereniging Achmea, have a genuine voice in our operations and sustainability efforts. When direct consultation isn't feasible, we consider alternatives, including input from independent experts. We also engage with stakeholders through memberships in various international organisations and collaborate with industry associations, regulators, and policymakers to promote a just transition across economic sectors while ensuring that we respect the human rights of all stakeholders and protect them from reprisals for raising concerns.

Achmea implements its strategy with a focus on several key activities. First, we offer risk insights and risk transfer solutions that assist clients in addressing environmental and social challenges. We prioritise maintaining an ongoing dialogue with clients and other stakeholders regarding sustainability topics. Additionally, we collaborate with other insurers and investors to engage in knowledge sharing and foster collective action. We also conduct ESG assessments within the supply chain and engage vendors on relevant ESG topics. Furthermore, we strive to share, co-create, and advance our risk expertise through industry-focused publications.

To learn from others, Achmea supports leading multi-stakeholder initiatives in the global insurance industry focused on sustainable insurance. We are a member of the Partnership for Carbon Accounting Financials (PCAF) and the Forum for Insurance Transition to Net-Zero (FIT).

Key actions taken in 2024

- Vereniging Achmea, Achmea's largest shareholder and a not-for-profit association, represents the collective interests of all customers, who are automatically members. Its Members' Council meets three times a year with the Achmea board to discuss customer and societal issues, providing input for Achmea's policies. In 2024, thematic working groups on Claims and Sustainability, the New Dutch Pension System, and Entitlement to Care developed proposals and presented them to the Council.
- Achmea also conducted consumer research into climate risks for private homes, the housing needs of older people, and informal care, as part of its ongoing research into key social issues. Additional research examined the risks faced by small and medium-sized enterprises and the measures they are taking in response. It found that risk management is especially important for cybersecurity, the labour market, and raw material scarcity.
- When selecting suppliers, Achmea examines whether external vendors comply with the Achmea Code of Conduct for suppliers. Achmea also assesses vendors using EcoVadis. In 2024, the share of vendors with an EcoVadis score increased from 63% to 70%.
- As part of its Socially Responsible Investment Policy (SRI), Achmea continued to engage with investees on sustainability issues. Given that knowledge and expertise play a key role in advancing investment-related sustainability activities, Achmea is a member of relevant organisations, partnerships, and initiatives, notably the Principles for Responsible Investment (PRI), the Platform for Living Wage Financials, the Access to Nutrition Initiative, ShareAction's Healthy Markets Initiative, the Dutch Green Building Council (DGBC), Climate Action 100+, and Nature Action 100.
- We contributed to a FIT guidance paper on Transition Planning for the insurance sector, which was published during COP29. We also provided feedback on the draft SBTi standard for Financial Institutions and contributed to new PCAF standards for Project and Treaty insurance. In 2024 Achmea also joined the UN Global Compact.
- A selection of Achmea's sustainability-related memberships in global organisations, partnerships, and initiatives can be found on our website.

Principle 3: Engaging with governments and stakeholders on ESG issues

As a risk-taker in society, Achmea has an intrinsic interest in engaging in productive dialogues with its stakeholders. Drawing on the expertise from our core business, we strive to identify and understand key risks and opportunities, participate in discussions about them, and broadly share our risk knowledge. Achmea focuses on several key activities, including collaborating with other insurers and the government to develop a public-private solution for insuring flood risk. We also work alongside the financial sector and government on climate action through the Climate Commitment of the Dutch Financial Sector. Additionally, we engage with stakeholders in the healthcare sector to advance the goals of the Green Deal on Sustainable Healthcare.

Key actions taken in 2024

- Achmea is a signatory of the Dutch Financial Sector's Climate Commitment. As part of this commitment, we have participated in various roundtables related to investing in the energy transition and actively contributed to the guidance paper for action plans.
- Achmea is committed to the Agreement for International Responsible Investment in the Dutch insurance sector, which emphasises a responsible investment policy to prevent, limit, and restore negative impacts on people, animals, and the environment. Grounded in the OECD Guidelines for Multinational Enterprises and the UN Guidelines for Business and Human Rights, this commitment allows us to promote responsible investment practices among Dutch insurers. We leverage our expertise to support smaller and medium-sized insurers through knowledge-sharing sessions and collective engagement. In 2024, we participated in working groups focused on biodiversity, healthy diets, and weapons.
- The flood risk associated with primary flood defences is currently uninsurable, leaving citizens without coverage for flooding from the sea, large inland waters, and major rivers. Through the Dutch Association of Insurers, we engage with the Dutch government on flood risk insurability. Although a public-private insurance solution for flooding from primary defences has not been pursued, the government acknowledges insurers' role in loss settlements under the Disaster Damage Compensation Act. Further discussions with multiple ministries and the Dutch Association of Insurers are expected to yield results by 2025.

- As the largest health insurer in the Netherlands, Achmea is dedicated to enhancing the sustainability of the healthcare sector. We have signed the Dutch Green Deal on Sustainable Healthcare, facilitated by the Ministry of Health, Welfare and Sport, which emphasises the urgency of aligning the sector with the Paris Climate Agreement. Developed in consultation with stakeholders, this deal has been endorsed by healthcare industry associations and insurers. While healthcare providers are responsible for their sustainability, health insurers like Achmea promote this through health procurement and by sharing best practices. Our sustainability efforts focus on reducing carbon emissions, promoting circularity, and minimising the environmental impact of medications. In 2024, we developed a method for measuring the insurance-associated emissions of our health insurance portfolio and integrated the goals of the Green Deal into our procurement terms and conditions for 2025.

“We have signed the Green Deal on Sustainable Healthcare, facilitated by the Ministry of Health, Welfare and Sport, which emphasises the urgency of aligning the sector with the Paris Climate Agreement”

Principle 4: Accountability and Transparency

Achmea's integrated annual report is the primary tool for reporting progress on the implementation of the Group Sustainability Strategy. We also publish an annual active ownership report and a Climate Transition Plan. The PSI disclosure complements these reports.

Furthermore, we regularly engage with ESG rating agencies, regulators, investors, and other stakeholders, and we publicly share our progress on ratings and benchmarks.

Key actions taken in 2024

- Building on our initial double materiality assessment (DMA) from 2023, Achmea updated the DMA to align with the European Union's Corporate Sustainability Reporting Directive (CSRD), which takes effect for Achmea in the 2024 reporting year. Our DMA was informed by the European Sustainability Reporting Standards (ESRS) adopted by the European Commission in July 2023. In the coming years, we will further enhance the methodology to expand stakeholder consultation and refine our value chain analysis.
- We published a second update of its Climate Transition Plan which outlines our climate targets, actions, and progress. Our impact on climate change mitigation extends beyond our own operations; we consider the carbon footprint of our entire value chain, including our Scope 3 emissions. Through our purchasing, investments, and insurance, we influence the real economy. We are on track to meet our interim targets for 2030 regarding our operations, investments, and insurance portfolios.
- Achmea has enhanced its scores across several benchmarks, including EcoVadis, MSCI, and Sustainalytics. Additionally, our Socially Responsible Investment (SRI) policy received a rating of 8 out of 10 from the Fair Finance Guide, which evaluates the sustainable investment policies of financial institutions, placing us in first position among Dutch insurers.