

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Green Finance Framework

Achmea BV

9 July 2024

VERIFICATION PARAMETERS

Type(s) of instruments contemplated

- Green Finance Instruments
- Green Bond Principles (GBP), as administered by the International Capital Market Association (ICMA) (as of June 2021 with June 2022 Appendix 1)

Relevant standards

- Green Loan Principles (GLP) as administered by the Loan Market Association (LMA) (as of February 2023)
- EU Taxonomy Climate Delegated Act, Annex I (as of June 2023)

Scope of verification

- Achmea BV Green Finance Framework (as of July 2, 2024)
- Achmea BV Selection Criteria (as of July 2, 2024)

Lifecycle

- Pre-issuance verification

SECOND PARTY OPINION

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and Green Finance Framework

ISS-CORPORATE 

Validity

- Valid as long as the cited Framework remains unchanged

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SCOPE OF WORK

Achmea BV (“the Issuer”, “the Company”, or “Achmea”) commissioned ISS-Corporate to assist with its green finance instruments by assessing five core elements to determine the sustainability quality of the instruments:

1. Achmea’s Green Finance Framework (as of July 2, 2024), benchmarked against the International Capital Market Association’s (ICMA) Green Bond Principles (GBP) (June 2021 with June 2022 Appendix 1) and the Loan Market Association’s (LMA) Green Loan Principles (GLPs) (February 2023).
2. The Selection Criteria — whether the project categories contribute positively to the United Nations Sustainable Development Goals (U.N. SDGs) and how they perform against proprietary issuance-specific key performance indicators (KPIs) (See Annex 1).
3. The alignment of the project category “Residential Green Buildings” with the EU Taxonomy on a best-efforts basis¹ — whether the nominated project categories are aligned with the EU Taxonomy Technical Screening Criteria (including Substantial Contribution to Climate Change Mitigation Criteria and Do No Significant Harm Criteria) and Minimum Safeguards requirements as included in the EU Taxonomy Climate Delegated Act (June 2023).²
4. The eligibility of the project category “Commercial Green Buildings” against the EU Taxonomy on a best-efforts basis³ — whether the nominated project category satisfies the EU Taxonomy Technical Screening Criteria for a Substantial Contribution to Climate Change Mitigation.
5. Consistency of green finance instruments with Achmea’s Sustainability Strategy, drawing on the key sustainability objectives and priorities defined by the Company.

¹ While the Final Delegated Acts for Mitigation and Adaptation were published in June 2023, the Technical Screening Criteria allow for discretion on the methodologies in determining alignment in certain cases. Therefore, at this stage, the alignment with the EU Taxonomy has been evaluated on a “best efforts basis.”

² Commission Delegated Regulation (EU) 2021/2139 of June 2021: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32021R2139>.

³ While the Final Delegated Acts for Mitigation and Adaptation were published in June 2023, the Technical Screening Criteria allow for discretion on the methodologies in determining alignment in certain cases. Therefore, at this stage, the alignment with the EU Taxonomy has been evaluated on a “best efforts basis.”

ACHMEA OVERVIEW

Achmea BV operates as a cooperative insurance company, offering health, life and non-life insurance services. The firm operates through the InterAmerican, Union, Eureko, Achmea Australia and Onlia brands. The Company was founded in 1811 and is headquartered in Zeist, Netherlands.



ESG risks associated with the Issuer Industry

Achmea is classified in the insurance industry, as per ISS ESG's sector classification. Key sustainability issues faced by companies⁴ in this industry are employee relations and work environment, climate change and related risks, customer and product responsibility, sustainability standards for insurance and reinsurance, and sustainable investment criteria.

This report focuses on the sustainability credentials of the issuance. Part III of this report assesses the consistency between the issuance and the Issuer's overall sustainability strategy.

⁴ Please note that this is not a company-specific assessment but rather areas that are of particular relevance for companies within that industry.

ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ⁵
Part I: Alignment with GBP/GLP	The Issuer has defined a formal concept for its green finance instruments regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the GBP and GLP.	Aligned
Part II: Sustainability quality of the Selection Criteria	<p>The green finance instruments will (re)finance the following eligible asset categories:</p> <ul style="list-style-type: none"> Residential Green Buildings Commercial Green Buildings <p>Product and/or service-related use of proceeds categories⁶ individually contribute to the following SDGs:</p> <div style="text-align: center;">   </div> <p>The environmental and social risks associated with those use of proceeds categories and the financial institution are managed.</p>	Positive
Part III-A: Alignment with EU Taxonomy	<p>Achmea’s Residential Green Buildings project characteristics, due diligence processes and policies have been assessed against the requirements of the EU Taxonomy (Climate Delegated Act of June 2023), on a best-efforts basis.⁷ The Residential Green Buildings category is considered to be:</p> <ul style="list-style-type: none"> Aligned with the Climate Change Mitigation Criteria Aligned with the Do No Significant Harm Criteria, except for Climate Change Adaptation 	

⁵ The evaluation is based on Achmea’s Green Finance Framework (July 2, 2024, version), on the analyzed Selection Criteria as received on July 2, 2024.

⁶ Construction, renovation, acquisition and ownership of residential green buildings and commercial green buildings.

⁷ While the Final Delegated Acts for Mitigation and Adaptation were published in June 2023, the Technical Screening Criteria allow for discretion on the methodologies in determining alignment in certain cases. Therefore, at this stage, the alignment with the EU Taxonomy has been evaluated on a "best efforts basis."

	<ul style="list-style-type: none"> ▪ The Minimum Safeguards requirements are not applicable.⁸ 	
<p>Part III-B:</p> <p>Eligibility against the EU Taxonomy</p>	<p>Achmea’s Commercial Green Buildings project characteristics, due diligence processes and policies have been assessed against the EU Taxonomy’s (Climate Delegated Act of June 2023) Technical Screening Criteria for a Substantial Contribution to Climate Change Mitigation on a best-efforts basis.⁹</p> <p>The Do No Significant Harm Criteria and the Minimum Safeguards requirements as included in the EU Taxonomy Climate Delegated Act have not been assessed because the Issuer is currently unable to collect all necessary data for commercial green buildings.</p>	<p>Eligible for assessing alignment at a later date, except for activity 7.7</p>
<p>Part IV:</p> <p>Consistency of Green Finance Instruments with Achmea’s Sustainability Strategy</p>	<p>The key sustainability objectives and the rationale for issuing green finance instruments are clearly described by the Issuer. All the project categories considered are in line with the Issuer’s sustainability objectives.</p> <p>At the date of publication of the report and leveraging ISS ESG Research, no severe controversies have been identified.</p>	<p>Consistent with Issuer’s sustainability strategy</p>

⁸ Not applicable because households are not considered to be covered by the EU Taxonomy Minimum Safeguards as per Article 18 of the Taxonomy Regulation, which explicitly focuses on businesses or (sub)sovereigns. More information is available in Part II-A of this report.

⁹ While the Final Delegated Acts for Mitigation and Adaptation were published in June 2023, the Technical Screening Criteria allow for discretion on the methodologies in determining alignment in certain cases. Therefore, at this stage, the alignment with the EU Taxonomy has been evaluated on a "best efforts basis."

SPO ASSESSMENT

PART I: ALIGNMENT WITH THE GREEN BOND PRINCIPLES AND GREEN LOAN PRINCIPLES

This section evaluates the alignment of the Achmea’s Green Finance Framework (as of July 2, 2024) with the GBP and GLP.

GBP/GLP	ALIGNMENT	OPINION
1. Use of Proceeds	✓	<p>The Use of Proceeds description provided by Achmea’s Green Finance Framework is aligned with the GBP and GLP.</p> <p>The Issuer’s green categories align with the project categories as proposed by the GBP and GLP, and criteria are defined clearly and transparently. Disclosure of an allocation period and commitment to report by project category has been provided and environmental benefits are described. The Issuer defines exclusion criteria for harmful projects categories.</p>
2. Process for Project Evaluation and Selection	✓	<p>The Process for Project Evaluation and Selection description provided by Achmea’s Green Finance Framework is aligned with the GBP and GLP.</p> <p>The project selection process is defined. ESG risks associated with the project categories are identified and managed appropriately. Moreover, the projects selected show alignment with the Issuer’s sustainability strategy.</p> <p>The Issuer is referencing the EU Taxonomy and seeking alignment of its residential green building projects with the EU Taxonomy Technical Screening Criteria, Do No Significant Harm, and Minimum Safeguards.</p>
3. Management of Proceeds	✓	<p>The Management of Proceeds provided by Achmea’s Green Finance Framework is aligned with the GBP and GLP.</p> <p>The net proceeds collected will equal the amount allocated to eligible projects, with no exceptions,</p>

		<p>and the net proceeds are tracked appropriately. The net proceeds are managed on an aggregated basis for multiple green bonds (portfolio approach). Moreover, the Issuer discloses the temporary investment instruments for unallocated proceeds.</p> <p>The Issuer has defined an expected allocation period of 36 months.</p>
<p>4. Reporting</p>	<p>✓</p>	<p>The allocation and impact reporting provided by Achmea’s Green Finance Framework is aligned with the GBP and GLP.</p> <p>The Issuer commits to disclose the allocation of proceeds transparently and to report with appropriate frequency. The reporting will be publicly available on the Issuer’s website. Achmea has disclosed the type of information that will be reported and explains that the level of expected reporting will be at the portfolio level. Moreover, the Issuer commits to report annually until the proceeds have been fully allocated.</p>

PART II: SUSTAINABILITY QUALITY OF THE SELECTION CRITERIA

A. CONTRIBUTION OF THE GREEN FINANCE INSTRUMENTS TO THE U.N. SDGs¹⁰

Financial institutions can contribute to the achievement of the SDGs by investing in specific services/products that help address global sustainability challenges, and by being responsible actors, working to minimize negative externalities in their operations along the entire value chain. The aim of this section is to assess the SDG impact of the eligible green projects.

The assessment of UoP categories for (re)financing and/or investing in products and services is based on a variety of internal and external sources, such as the ISS ESG SDG Solutions Assessment (SDGA), a proprietary methodology designed to assess the impact of an Issuer's products or services on the SDGs, as well as other ESG benchmarks (the EU Taxonomy Climate Delegated Acts, the Green and/or Social Bond Principles and other regional taxonomies, standards and sustainability criteria).

The assessment of UoP categories for (re)financing and/or investing in specific products and services is displayed on a three-point scale:



Each of the Green Finance Framework's Use of Proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p>Residential Green Buildings¹¹ <i>Construction of new buildings:¹²</i></p> <ul style="list-style-type: none"> ▪ <i>Buildings built after 31 December 2020 with a Primary Energy Demand at least 10% lower than the threshold for Nearly Zero-Energy Buildings ("NZEB") in the Dutch market</i> <p><i>Acquisition and ownership of buildings:</i></p>		

¹⁰ The impact of the UoP categories on U.N. Sustainable Development Goals is assessed with proprietary methodology and may therefore differ from the Issuer's description in the framework.

¹¹ Achmea does not finance residential buildings larger than 5,000 m².

¹² All new buildings in the Netherlands are required to have an energy label according to the Besluit bouwwerken leefomgeving: https://wetten.overheid.nl/BWBR0041297/2024-01-01/#Hoofdstuk6_Afdeling6.4

- *Buildings built before 31 December 2020 with at least an Energy Performance Certificate (EPC) class A*
- *Buildings built before 31 December 2020 belonging to the top 15% of the Dutch building stock based on Primary Energy Demand (PED)¹³*
- *Buildings built after 31 December 2020 with a Primary Energy Demand at least 10% lower than the threshold for Nearly Zero-Energy Buildings (“NZEB”) in the Dutch market¹⁴*

Renovation of existing buildings:

- *Buildings that have been renovated, resulting in a reduction of Primary Energy Demand of at least 30%¹⁵*
- *Buildings that have been renovated meeting the Dutch criteria for major renovation¹⁶*

Contribution



Commercial Green Buildings

Construction of new buildings:

Buildings that meet all the following criteria:

- *The Primary Energy Demand (PED) is at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures¹⁷ with energy performance certified using an as built Energy Performance Certificate (EPC)*
- *For buildings larger than 5,000 m², upon completion, the building resulting from the*

¹³ Refer to [Green Buildings Methodology Assessment document](#) available on Achmea’s website and prepared by CFP.

¹⁴ For 7.7 (Acquisition and ownership of buildings) sub 2, the buildings meet the technical screening criteria specified in section 7.1.1 for construction of new buildings. In line with the Draft commission notice on the interpretation and implementation of certain legal provisions of the EU Taxonomy Climate Delegated Act No. 107 of 19 December 2022.

¹⁵ If the renovated building has improved by two EPC label steps (e.g., from D to B), this is seen as a 30% improvement. When this PED difference or EPC label difference cannot be observed Achmea will base its calculation on an implied EPC label or implied PED based on the building code that was applicable in the building year of the building.

¹⁶ As set in the applicable national and regional building regulations for “major renovation” implementing Directive 2010/31/EU. The energy performance of the building or the renovated part that is upgraded meets cost-optimal minimum energy performance requirements in accordance with the respective directive. These renovations will often result in an EPC A label and then they are included in the portfolio as part of that activity.

¹⁷ Directive 2010/31/EU of the European Parliament and of the Council.

construction undergoes testing for air-tightness and thermal integrity¹⁸

- *For buildings larger than 5,000 m², the life-cycle Global Warming Potential (GWP)¹⁹ of the building resulting from the construction has been calculated for each stage in the life cycle²⁰*

Renovation of existing buildings:

- *Buildings that have been renovated, resulting in a reduction of Primary Energy Demand of at least 30%²¹*
- *Buildings that have been renovated meeting the national criteria for major renovation*

Acquisition and ownership of buildings:

- *Building built before 31 December 2020 with at least an Energy Performance Certificate (EPC) class A*
- *Buildings built before 31 December 2020 belonging to the top 15% of the Dutch building stock based on Primary Energy Demand (PED)*
- *Buildings built after 31 December 2020 with a Primary Energy Demand at least 10% lower than the threshold for Nearly Zero-Energy Buildings (“NZEB”)*

Contribution



¹⁸ Any deviation in the levels of performance set at the design stage or defects in the building envelope are disclosed to investors and clients. Where robust and traceable quality control processes are in place during the construction process this is acceptable as an alternative to thermal integrity testing.

¹⁹ For buildings larger than 5,000 m² there are additional EU Taxonomy criteria 7.1.2 (air-tightness and thermal integrity, the “blowerdoortest” and the infra-red scan) and 7.1.3 (Life-cycle Global Warming Potential, GWP). Under Dutch Law it is obligatory to provide evidence for airtightness and thermal integrity; GWP is described under Dutch law under EPBD article 7 limb 2.

²⁰ Data will be disclosed to investors and clients on demand.

²¹ If the renovated building has improved by two EPC label steps (e.g., from D to B), this is seen as a 30% improvement. When this PED difference or EPC label difference cannot be observed Achmea will base its calculation on an implied EPC label or implied PED based on the building code that was applicable in the building year of the building.

B. MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS ASSOCIATED WITH THE FINANCIAL INSTITUTION AND THE SELECTION CRITERIA

The table below evaluates the selection criteria against issuance-specific KPIs. The entirety of the assets are and will be located in the Netherlands.

ASSESSMENT AGAINST KPIs

ESG guidelines into lending process

The projects financed under this Framework are and will be located in the Netherlands.

Achmea's sustainability policy mandates a human rights and environmental due diligence policy for all its entities, in accordance with applicable legislation, the OECD Guidelines for Multinational Enterprises and the U.N. Guiding Principles on Business and Human Rights.

Regarding mortgage lending, Achmea screens environmental risks related to climate change mitigation and adaptation, and speaks with customers to facilitate more efficient solutions for their houses.²² Achmea identifies climate and environmental risks and opportunities using the European Central Bank Guide for environmental and climate-related risks and Principles for Responsible Banking Guidance. Furthermore, Achmea has a due diligence process in place, limited to preventing financial crime. To prevent the risks of violation of sanctions and laws regarding money laundering and terrorist financing, Achmea conducts Customer Due Diligence before providing a financial service, which is detailed in Achmea's Integrity & Fraud Policy²³ and Customer Due Diligence Policy,²⁴ which outline roles, responsibilities and governance structures for combatting financial crime.

Regarding investments, Achmea assesses the risks of companies it invests in, including an ESG screening assessing whether companies adhere to socially responsible business conduct standards; any negative impacts on society and the environment, both in the investment portfolio and in potential investments; and monitoring their impacts, taking actions to demand remedial actions and/or compensation to mitigate negative consequences.²⁵ The ESG due diligence screening is carried out by Achmea Investment Management based on information from ESG data providers. For the assessment, the impact of the company's behavior on society and/or the environment is then considered, particularly the extent, scale and irreversibility of the breach. Achmea screens its investments for companies that structurally violate the principles of the U.N. Global Compact.

²² These initiatives are carried out through Achmea's customer facing brand (such as sustainability scan) or through independent mortgage advisors.

²³ Available, in Dutch, on Achmea's website: <https://www.achmea.nl/fraudebeleid>

²⁴ Available, in Dutch, on Achmea's website: <https://www.achmea.nl/-/media/achmea/documenten/duurzaamheid/policy-documents/bijlage-b-due-diligence-proces.pdf>

²⁵ The Social Responsible Investment due diligence is available, in Dutch, on Achmea's website: <https://www.achmea.nl/-/media/achmea/documenten/duurzaamheid/policy-documents/bijlage-b-due-diligence-proces.pdf>

Labor, Health and Safety

As all assets financed will be located in the Netherlands, an Equator Principles designated country and EU member, high labor, health and safety standards are ensured by the relevant national legislation and the EU’s mandatory social standards.



Achmea has a human rights and labor policy²⁶ in place, stating that the Issuer is committed to respect human rights as set out in the International Bill of Human Rights (the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights), and labor rights as set out in the ILO core conventions of the Declaration on Fundamental Principles and Rights at Work, including the rights of workers in its business relationships.

Furthermore, Achmea carries out due diligence on any company it invests in to ensure adherence to socially responsible business conduct, including human and labor rights.²⁷

Biodiversity



All assets financed will be in the Netherlands, a member of the EU and an Equator Principles designated country. Thus, the Issuer ensures that its environmental impacts have been mitigated and reduced in alignment with EU standards for Environmental and Social Impact Assessment.²⁸

Community dialogue



All assets financed will be in the Netherlands, a member of the EU and an Equator Principles designated country. Thus, the Issuer ensures that its impacts on the communities have been mitigated and reduced in alignment with EU standards for Environmental and Social Impact Assessment.

Furthermore, the Netherlands requires by law that each new development has an irrevocable environmental permit in place. To obtain such permit, the relevant stakeholders should be involved in the decision-making process, ensuring community dialogue.²⁹

²⁶ Available on Achmea’s website: https://www.achmea.nl/-/media/achmea/documenten/duurzaamheid/achmeanl_documenten_en/achmea-human-rights-and-labour.pdf

²⁷ Due diligence policy available in Dutch on the Issuer’s website: <https://www.achmea.nl/-/media/achmea/documenten/duurzaam/verantwoord-beleggen/documentatie-mvb/bijlage-b-due-diligence-proces.pdf>

²⁸ The EU Environmental Impact Assessment Directive (2011/92/EU) is transposed into Dutch law by means of the Dutch Environmental Management Act and the Environmental Impact Assessment Decree.

²⁹ See how participation is encouraged and regulated here: <https://iplo.nl/regelgeving/overzicht-procedures/inspraak-rechtsbescherming-omgevingswet/>

Inclusion



Achmea strives to be as inclusive as possible and commits not to discriminate on the grounds of religion, belief, political opinion, race, gender, nationality, sexual orientation, disability or chronic illness, or marital status. Furthermore, Achmea has an Ethical Framework in place, focusing on data-driven decision making, in which basic principles are outlined for the responsible use of artificial intelligence, such as underwriting and claims handling. The goal of the framework is to prevent discrimination, exclusion and any other unfair treatment of customers.

Finally, the Issuer’s Whistleblower Policy allows anonymous written or verbal reports to protect borrowers.³⁰

Data protection and information security



The Issuer clearly communicates its privacy policy and how data is managed internally to its clients.³¹ Moreover, the Issuer complies with several pieces of legislation, including the General Data Protection Regulation, the Dutch Personal Data Processing Code of Conduct for Insurers, and the Dutch Incident Alert System Protocol for Financial Institutions.

Regarding its information security management, Achmea has a comprehensive policy in place outlining its risk management (through an integrated risk management framework) and the requirements for outsourcing.

Responsible treatment of customers with debt repayment problems



The Issuer has implemented some measures to deal responsibly with clients having debt repayment problems. For example, Achmea provides budget coaches to borrowers to increase their independence and make them aware of different financial management techniques to avoid financial difficulties.³² Moreover, it has a Preventative & Special Asset Management program that assists clients with debt repayment problems by providing debt counseling. However, these measures are not comprehensive and do not ensure a fully responsible treatment of customers with debt repayment problems.

Sales practices



The Issuer states that it screens clients, advisors and intermediaries before accepting their applications, checking whether they comply with all legislation

³⁰ Whistleblower policy: https://www.achmea.nl/-/media/achmea/documenten/duurzaamheid/achmeanl_documenten_en/whistleblower-policy-2023.pdf.

³¹ Privacy statement: <https://www.achmea.nl/en/privacy-statement>.

³² Available on Achmea’s website: <https://www.centraalbeheer.nl/hypotheek/klant/hulp-bij-betalingsprobleem>.

and also monitoring fraud databases. The Issuer verifies whether payment morality is sufficient (using the Dun & Breadstreet score), whether applicants are compliant with the Dutch Anti-Money Laundering and Anti-Terrorist Financing Act and the Financial Supervision Act, and checks the Dutch Authority for Financial Markets register. Achmea does not carry out sales directly but always through independent brokers or third parties.³³

Responsible marketing



The Issuer is committed to being transparent and unbiased (i.e., no discrimination on the base of religion, age, gender, ethnic or national origin, disability or sexual orientation) in its marketing activities.³⁴ It has guidelines in place (Product Approval and Review Process) requiring a risk assessment of products and services, monitoring of the social and environmental impact and risks of products and services, and ensuring that each product contains information about possible risks. Furthermore, while using data-driven applications, Achmea commits to inform its customers about the reasons leading to a rejection of an application, and customers have the right to reassessment by an employee if they are rejected during an automated underwriting process.

In its marketing communication, Achmea commits to communicate its products and services in an easy, transparent and straightforward way, using language that is accessible and easy to understand, avoiding complex words, acronyms, jargon and abbreviations as much as possible. Furthermore, Achmea developed the Trusted Communication standard as a guideline for all marketing and communications (which requires, among other things, to write at the B1 level according to the Common European Framework of Reference for Languages). Moreover, specific training modules are provided on a regular basis (every three years) for all employees of the Dutch entities.

Exclusion criteria

The Issuer’s policies exclude companies active in the production of weapons, particularly nuclear weapons, chemical weapons, biological weapons, antipersonnel mines and cluster munitions.³⁵ The policy is applicable at the company level.

³³ Given that Achmea carries out its insurance policies and mortgages sales through brokers and third parties, this indicator is not applicable.

³⁴ As disclosed in its Human Rights and Labour Rights Statement: https://www.achmea.nl/-/media/achmea/documenten/duurzaamheid/achmeanl_documenten_en/achmea-human-rights-and-labour.pdf.

³⁵ Available in Dutch on the Issuer’s website: <https://www.achmea.nl/-/media/achmea/documenten/duurzaamheid/policy-documents/bijlage-c-uitsluitingenbeleid-van-ondernemingen-en-landen.pdf>

PART III-A: ALIGNMENT OF THE SELECTION CRITERIA FOR RESIDENTIAL GREEN BUILDINGS WITH THE EU TAXONOMY CLIMATE DELEGATED ACT

The alignment of Achmea's project characteristics, due diligence processes and policies for the Use of Proceeds for the Residential Green Building category have been assessed against the relevant Climate Change Mitigation and Do Not Significant Harm Criteria (DNSH) Technical Screening Criteria, and against the Minimum Safeguards requirements of the EU Taxonomy Climate Delegated Act³⁶ (June 2023), based on information provided by Achmea. Where Achmea's project characteristics, due diligence processes and policies meet the EU Taxonomy Criteria requirements, a tick is shown in the table below.

Achmea's eligibility criteria overlap with the following economic activities in the EU Taxonomy:

- 7.1 Construction of new buildings
- 7.2 Renovation of existing buildings
- 7.7 Acquisition and ownership of buildings




All projects financed under the Green Finance Framework are and will be located in the Netherlands.

Note: To avoid repetition, the evaluation of the alignment of Achmea's assets to the Do No Significant Harm (DNSH) Criteria to Climate Change Adaptation is provided in Section D, DNSH Criteria to Circular Economy in Section E and DNSH Criteria to Pollution in Section F.

This analysis only displays how the EU Taxonomy criteria are fulfilled/not fulfilled. For ease of reading, the original text of the EU Taxonomy criteria is not shown. Readers can recover the original criteria at the following [link](#).

³⁶ Commission Delegated Regulation (EU) 2020/852, [URL https://ec.europa.eu/info/law/sustainable-finance-taxonomy-regulation-eu-2020-852/amending-and-supplementary-acts/implementing-and-delegated-acts_en](https://ec.europa.eu/info/law/sustainable-finance-taxonomy-regulation-eu-2020-852/amending-and-supplementary-acts/implementing-and-delegated-acts_en)

a) 7.1 – Construction of new buildings

PROJECT CHARACTERISTICS AND SELECTION PROCESSES ³⁷	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
<p>The activity consists of the construction of residential green buildings in the Netherlands, in compliance with the requirements for the construction of new buildings. In particular the PED, defining the energy performance of the building resulting from the construction, is at least 10% lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures implementing Directive 2010/31/EU of the European Parliament and of the Council. The energy performance is certified using an as built Energy Performance Certificate (EPC).</p> <p>Achmea will not finance residential buildings larger than 5,000 m².</p>	
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See section d)	
3. WATER – DO NO SIGNIFICANT HARM CRITERIA	
<p>The proceeds will be allocated to construction of building in the Netherlands, where EU and Dutch legislative requirements apply.</p> <p>The EU Water Framework Directive requires identifying and addressing environmental degradation risks related to water quality and water stress. This directive has been translated into Dutch legislation, including the Decree on Quality Requirements and Monitoring for Water 2009 (BKMW 2009) and the associated ministerial Water Framework Directive Monitoring Programme (Regeling monitoring kaderrichtlijn water).³⁸ The decree indicates which organizations will monitor the quality standards. According to Directive 2011/92/EU, the construction projects must undertake an Environmental Impact Assessment. As per Article 3 of Directive 2008/56/EC, the constructions should not hamper the good environmental status of marine waters or deteriorate marine waters that are already in good environmental status. Finally, the Dutch Water Act was enforced in 2009. This act considers water in</p>	

³⁷ This column is based on input provided by the Issuer.

³⁸ Water Framework Directive Monitoring Programme: <https://wetten.overheid.nl/BWBR0027502/2022-04-01>

<p>a single system, replacing six different laws and regulating citizens' and companies' applications for water permits.</p> <p>Technical specifications set out in Appendix E of the EU Taxonomy Climate Delegated Act do not apply to DNSH for residential buildings.</p>	
<p>4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA</p>	
<p>See section e)</p>	<p>✓</p>
<p>5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA</p>	
<p>See section f)</p>	<p>✓</p>
<p>6. BIODIVERSITY AND Ecosystems – Do No Significant Harm Criteria</p>	
<p>For the protection and restoration of biodiversity and ecosystems, Directive 2011/92/EU requires completion of an Environmental Impact Assessment (EIA). This Directive has been transposed into Dutch legislation with the Environmental Management Act³⁹ and Environmental Impact Assessment Decree (MER)⁴⁰ of 28 September 2006. The relevant Dutch competent authority creates a report with the environmental consequences and shares it with the advisors and administrative bodies involved in the plan subject to EIA. Moreover, the Dutch law "Natuurbeschermings wet" incorporates the Birds Directive (79/409/EEC) and Habitats Directive (92/43/EEC).</p>	<p>✓</p>

b) 7.2 – Renovation of existing buildings

<p>PROJECT CHARACTERISTICS AND SELECTION PROCESSES⁴¹</p>	<p>ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA</p>
<p>1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION</p>	
<p>The activity consists of the renovation of residential green buildings in the Netherlands, in compliance with the applicable EU Taxonomy requirements for</p>	<p>✓</p>

³⁹ Environmental Management Act: <https://www.government.nl/topics/environment/roles-and-responsibilities-of-central-government/environmental-management-act>.

⁴⁰ Environmental Impact Assessment Decree: <https://business.gov.nl/regulation/environmental-impact-assessment-mer/>.

⁴¹ This column is based on input provided by the Issuer.

major renovations ⁴² or leading to a reduction of primary energy demand (PED) of at least 30%. ⁴³	
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See section d)	○
3. WATER – DO NO SIGNIFICANT HARM CRITERIA	
N/A: these criteria are not applicable to residential buildings.	
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
See section e)	✓
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
See section f)	✓
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category.	✓

c) 7.7 – Acquisition and ownership of buildings

PROJECT CHARACTERISTICS AND SELECTION PROCESSES⁴⁴	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
The Issuer has defined a robust methodology to determine the top 15% of the national residential building stock based on the operational PED. The methodology is outlined in the Green Residential Buildings Methodology Document, explaining the implications of the EUT criteria on the selection of	✓

⁴² As set in the applicable national and regional building regulations for “major renovation” implementing Directive 2010/31/EU. The energy performance of the building or the renovated part that is upgraded meets cost-optimal minimum energy performance requirements in accordance with the respective directive.

⁴³ The initial primary energy demand and estimated improvement is based on a detailed building survey, an energy audit conducted by an accredited independent expert or any other transparent and proportionate method, and validated through an Energy Performance Certificate. The 30% improvement results from an actual reduction in PED (where the reductions in net PED through renewable energy sources are not considered) and can be achieved through a succession of measures within a maximum of three years.

⁴⁴ This column is based on input provided by the Issuer.

eligible assets. The document has been developed with the support of CFP Green Buildings.	
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
See section d)	○
3. WATER – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category.	
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category.	
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category.	
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
N/A: there is no EU Taxonomy criteria for the category.	

d) Generic Criteria for DNSH to Climate Change Adaptation

PROJECT CHARACTERISTICS AND SELECTION PROCESSES ⁴⁵	ALIGNMENT WITH THE EU TAXONOMY
2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA	
<p>Achmea has identified the following physical climate risks:</p> <ul style="list-style-type: none"> ▪ Foundation support (pole rot or subsidence) ▪ Water nuisance (rain or groundwater levels) ▪ Flooding (probability and depth levels) ▪ Heat stress (only wildfires have been used for mortgage loans; for real estate, Achmea has included heat stress in a full capacity as indicated by the Dutch Green Building Council) <p>Achmea carries out a Climate Risk and Vulnerability Assessment (CRVA) annually. The CRVA is conducted at the asset level, subject to data availability. If no data is available, the asset will fail the CRVA and will be considered not aligned with DNSH. The CRVA assesses whether an economic activity is exposed to physical climate risk though its expected lifetime. Mortgage loans are considered impacted by the risks if “the borrower experiences significant</p>	○

⁴⁵ Ibid.

disruption or the collateral building is significantly damaged, to the point that the affordability of the loan or the habitability of the building is compromised.” For Direct Real Estate, the attractiveness of the building for the occupants and investors is also factored in. The CRVA uses:

- The Royal Netherlands Meteorological Institute (KNMI)’s climate projections up to 2050 from the KNMI’14 WH scenario (in line with RCP 8.5 of the IPCC from its Fifth Assessment Report)
- The Climate Impact Atlas of the Climate Adaptation Services Foundation’s open-source methodology to map different types of physical climate risks on individual collateral objects in the mortgage portfolio with environmental scores;
- The guidelines of the Dutch Green Building Council.

Achmea has not yet implemented adaptation solutions based on CRVA findings. For mortgage loans subject to climate risks, there is a possibility to formulate and adopt an adaptation plan within three years. However, even if the adaptation plan will not be implemented, Achmea would still consider the loan eligible under the Green Financing Framework. However, Achmea has included cover for damages caused by flooding. Since 2021, the cover of damage caused by flooding due to failure in non-primary flood defenses in buildings and contents insurance policies for retail customers has been included. Since 2022, cover for building and contents insurance policies for the commercial market has been added.

Currently, there is no data available to Achmea to conduct a climate risk and vulnerability assessment at the asset level over the entire lifetime.


e) Generic Criteria for DNSH to Circular Economy (Not applicable to 7.7 – Acquisition and ownership of buildings)

PROJECT CHARACTERISTICS AND SELECTION PROCESSES ⁴⁶	ALIGNMENT WITH THE EU TAXONOMY
2. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA	
Buildings constructed in the Netherlands must comply with the Waste Framework Directive (2008/98/EC of 19 November 2008), which requires that at least 70% (by weight) of the non-hazardous construction and demolition waste is prepared for reuse, recycling or other material recovery, including backfilling operations using waste to substitute other materials, in accordance with the waste hierarchy and the EU Construction and Demolition Waste	✓

⁴⁶ Ibid.

<p>Management Protocol (300). The Netherlands Waste Prevention Program (Afvalpreventieprogramma Nederland) has been implemented following this Directive. Moreover, the Dutch Building Decree (Bouwbesluit 2012)⁴⁷ mandates proper separation of construction waste.</p> <p>Regarding design and construction techniques in support of circularity, the Netherlands mandates construction companies to assess the environmental performance of buildings, including residential ones, during the application phase for construction permits. The environmental performance is assessed using the Milieu Prestatie Gebouwen (MPG) indicator, which is calculated through a life cycle analysis (LCA). The LCA is currently composed by 11 indicators, and it will be updated to 15 indicators by 2025. The Netherlands establishes a maximum value for MPG to 1.0, down to 0.8 for new buildings from 2021.</p>	
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f) Generic Criteria for DNSH to Pollution (Not applicable to 7.7 – Acquisition and ownership of buildings)

PROJECT CHARACTERISTICS AND SELECTION PROCESSES ⁴⁸	ALIGNMENT WITH THE EU TAXONOMY
2. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA	
<p>Achmea confirms that its buildings located in the Netherlands comply with relevant EU and national legislative requirements for hazardous chemicals and pollutants, noise and dust during construction and maintenance.</p> <p>The buildings financed comply with the following Directives and Regulations:</p> <ul style="list-style-type: none"> ▪ EU Regulation 2019/1021 on Persistent Organic Pollutants (June 2019) ▪ EU Directive on Environmental Impact Assessment in accordance with Directive 2011/92/EU, transposed into national regulation⁴⁹ ▪ EU Regulation 2017/852 on mercury, and repealing Regulation (EC) No 1102/2008 ▪ EU Regulation 1005/2009 (Sept 2009) on substances that deplete the ozone layer 	

⁴⁷ Building Decree, 2012. wetten.nl - Regeling - Bouwbesluit 2012 - BWBR0030461 (overheid.nl)

⁴⁸ Ibid.

⁴⁹ Since Jan. 1, 2024, this Directive is transposed nationally by the Omgevingswet. Before that, this was captured in the following laws and regulations: “de Wet milieubeheer” and “de Crisis- en herstelwet”: <https://zoek.officielebekendmakingen.nl/kst-34287-3.pdf>.

- EU Directive 2017/2102 (Nov 2017) amending Directive 2011/65/EU on the restriction of the use of certain hazardous substances in electrical and electronic equipment⁵⁰
- EU Regulation 1907/2006 (Dec 2006) concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation 793/93 and Commission Regulation 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC
- CEN/TS 16516:2013 Construction products, providing an assessment of the release of dangerous substances and of emissions into indoor air
- Council Directive 98/24/EC of 7 April 1998 on the protection of the health and safety of workers from the risks related to chemical agents at work (14th individual Directive of Article 16(1) of Directive 89/391/EEC)⁵¹

Additionally, the Dutch Building Decree requires the implementation of measures to reduce noise, dust and pollutant emissions during construction or maintenance. Finally, the Omgevingswet prohibits building without a permit, and preemptive research of the site for contamination is required.

Minimum Safeguards

Households are not considered to be covered by the EU Taxonomy Minimum Safeguards as described in Article 18 of the Taxonomy Regulation,⁵² which focuses on businesses and (sub)sovereigns. Achmea is not required to inquire households on minimum safeguards when providing mortgages or other types of financing. This does not, however, exempt construction or renovation companies from their duties with respect to minimum safeguards when conducting their activities.

⁵⁰ The implementation of this Directive is captured in the "Regeling gevaarlijke stoffen in elektrische en elektronische apparatuur": <https://zoek.officielebekendmakingen.nl/stcrt-2019-32315.html>.

⁵¹ This Directive has been transposed into the "Wet milieugevaarlijke stoffen": <https://wetten.overheid.nl/BWBR0005974/2004-03-31>.

⁵² <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32020R0852>

PART III-B: ELIGIBILITY OF THE SELECTION CRITERIA FOR COMMERCIAL GREEN BUILDINGS AGAINST THE EU TAXONOMY CLIMATE DELEGATED ACT

Achmea's project characteristics, due diligence processes and policies for the nominated Use of Proceeds project category "Commercial Green Buildings" have been assessed against the relevant Climate Change Mitigation Technical Screening Criteria requirements of the EU Taxonomy Climate Delegated Act⁵³ (June 2023), based on information provided by Achmea. Where Achmea's project characteristics, due diligence processes and policies meet the EU Taxonomy Criteria requirements, a tick is shown in the table below.

The Do No Significant Harm Criteria and Minimum Safeguards requirements as included in the EU Taxonomy Climate Delegated Act have not been assessed, considering the Issuer is currently unable to collect all the necessary data for commercial green buildings.

Achmea's project selection criteria overlap with the following economic activities in the EU Taxonomy:


- 7.1 Construction of new buildings
- 7.2 Renovation of existing buildings
- 7.7 Acquisition and ownership of buildings

All projects financed under the Green Finance Framework are and will be located in the Netherlands.

Please note that this analysis only displays how the EU Taxonomy criteria are fulfilled/not fulfilled. For ease of reading, the original text of the EU Taxonomy criteria is not shown. Readers can recover the original criteria at the following [link](#).

⁵³ Commission Delegated Regulation (EU) 2020/852: https://ec.europa.eu/info/law/sustainable-finance-taxonomy-regulation-eu-2020-852/amending-and-supplementary-acts/implementing-and-delegated-acts_en.

a) Assessment of the project categories against the EU Taxonomy’s Technical Screening Criteria for a Substantial Contribution to Climate Change Mitigation

GREEN FINANCE FRAMEWORK PROJECT CATEGORY	EU TAXONOMY ACTIVITY	PROJECT CHARACTERISTICS AND SELECTION PROCESSES ⁵⁴	ASSESSMENT AGAINST THE EU TAXONOMY’S TECHNICAL SCREENING CRITERIA
Commercial Green Buildings	7.1 Construction of new buildings	<p>The Commercial Green Buildings project category consists of buildings that meet all the following criteria:</p> <ul style="list-style-type: none"> ▪ The PED is at least 10% lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures, with energy performance certified using an as-built Energy Performance Certificate (EPC) ▪ For buildings larger than 5000 m², upon completion, the building resulting from the construction undergoes testing for air-tightness and thermal integrity⁵⁵ ▪ For buildings larger than 5000 m², the life-cycle Global Warming Potential (GWP) of the building resulting from the construction has been calculated for each stage in the life cycle⁵⁶ <p>Thus, it aligns with the EU Taxonomy TSC for a Substantial Contribution to Climate Change Mitigation of category 7.1 “Construction of new buildings.”</p>	

⁵⁴ This column is based on input provided by the Issuer.

⁵⁵ Any deviation in the levels of performance set at the design stage or defects in the building envelope are disclosed to investors and clients. Where robust and traceable quality control processes are in place during the construction process this is acceptable as an alternative to thermal integrity testing.

⁵⁶ Data will be disclosed to investors and clients on demand.

<p>Commercial Green Buildings</p>	<p>7.2 Renovation of existing buildings</p>	<p>The project category consists of:</p> <ul style="list-style-type: none"> ▪ Buildings that have been renovated, resulting in a reduction of Primary Energy Demand of at least 30%⁵⁷ ▪ Buildings that have been renovated meeting the national criteria for major renovation <p>Thus, it aligns with the EU Taxonomy TSC for a Substantial Contribution to Climate Change Mitigation of category 7.2 “Renovation of existing buildings.”</p>	<p style="text-align: center;">✓</p>
<p>Commercial Green Buildings</p>	<p>7.7 Acquisition and ownership of buildings</p>	<p>The project category consists of:</p> <ul style="list-style-type: none"> ▪ Buildings built before 31 December 2020 with at least an Energy Performance Certificate (EPC) class A⁵⁸ ▪ Buildings built before 31 December 2020 belonging to the top 15% of the Dutch building stock based on Primary Energy Demand (PED)⁵⁹ ▪ Buildings built after 31 December 2020 with a Primary Energy Demand at least 10% lower than the threshold for Nearly Zero-Energy Buildings (NZEB)⁶⁰ <p>However, the Issuer is not able to confirm that the criteria provided under 7.7 for buildings built after Dec. 31, 2020 will be respected. Thus, it does not align with the</p>	<p style="text-align: center;">○</p>

⁵⁷ Calculating the PED difference before and after renovation, based on the EPC label. The difference should be at least 30%.

⁵⁸ The Issuer confirmed that, given the lack of information, it is not able to provide evidence on the alignment with the criteria required by 7.7 for buildings built after Dec. 31, 2020. Nevertheless, it is not excluding buildings built after Dec. 31, 2020. To monitor energy performance of large non-residential buildings, Achmea will rely on the Dutch valuation service agency Calcasa for energy performance coefficients.

⁵⁹ Achmea may engage external consultants to define the top 15% and NZEB-10% in the context of the national building stock of the Netherlands where all eligible green building assets are located.

⁶⁰ The Issuer confirmed that this requirement will be certified using an as-built EPC, even if not expressly mentioned in the Framework.

		EU Taxonomy TSC for a Substantial Contribution to Climate Change Mitigation of category 7.7 "Acquisition and ownership of buildings."	
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b) Do No Significant Harm Criteria and Minimum Safeguards

Given that the Issuer is currently unable to collect all the necessary data for commercial green buildings, there is no information as to whether the project categories fulfill the Do No Significant Harm Criteria and/or the Minimum Safeguards requirements of the EU Taxonomy.

PART IV: CONSISTENCY OF GREEN FINANCE INSTRUMENTS WITH ACHMEA’S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the Issuer

TOPIC	ISSUER APPROACH
<p>Strategic ESG topics</p>	<p>The Issuer focuses on human rights, labor standards, nature and environment, health, and climate. These sustainability pillars have been defined through a double materiality assessment and role involvement analysis, and based on the fit of each of them with Achmea’s business model and general mission, and using market practices.</p>
<p>ESG goals/targets</p>	<p>To achieve its strategic ESG topics, the Issuer has set the following goals:</p> <ul style="list-style-type: none"> ▪ Making its insurance portfolio more sustainable ▪ Improving customer satisfaction ▪ Making its investment portfolio more sustainable ▪ Making its business operations more sustainable ▪ Making its employment practices more sustainable <p>The Issuer has short-, medium- and long-term targets for its goals:</p> <ul style="list-style-type: none"> ▪ Making its insurance portfolio more sustainable: By 2030 Achmea committed to reduce average insurance-related CO₂ emissions per vehicle (vs. 2021) by 15/20% and develop an engagement strategy for 50% of its corporate portfolio to reach net zero by 2050. ▪ Improving customer satisfaction: By 2025 Achmea aims to reach above the market average results, measured through NPS.⁶¹ ▪ Making its investment portfolio more sustainable: By 2025 Achmea committed to

⁶¹ NPS is a performance indicator measuring customer satisfaction, customer loyalty and employee satisfaction. In this case, it is used to measure how likely it is that customers/employee would recommend the company or brand to others.

	<p>reduce its financed CO₂ emissions corporate portfolio versus the benchmark reduction pathway by 32%, reach 79% of energy label A or higher for the real estate portfolio, and improve the average energy label of mortgage portfolio from C (2023) to B, and by 2040/2050 reach net zero (investments in equities and corporate bonds net zero by 2040, other asset classes by 2050).</p> <ul style="list-style-type: none"> ▪ Making its business operations more sustainable: Achmea committed to reduce its carbon emissions by 51% by 2025; reduce energy consumption, paper use, waste and mobility (all-electric lease fleet by 2028); purchase green electricity and have local generation of energy using solar panels and thermal storage; offset remaining CO₂ emissions through reforestation; use sustainability criteria in procurement and outsourcing; provide a climate budget of EUR 2,500 net for all employees; and reach net zero by 2030. ▪ Sustainable business practices: Achmea aims to increase the percentage of women in top management from 33% (in 2023) to 35% (in 2025) and to foster employment engagement, focusing on vitality (>7.2).⁶² <p>The goals are public⁶³ and Achmea tracks its ESG performance through the annual report.</p>
<p>Action plan</p>	<p>There is no information available on the financial budget dedicated to achieve the specific ESG targets.</p> <p>The Issuer implements its ESG strategy through investments for its own account and for the account and risk of policyholders, integrating ESG aspects as a structural part of its investment process, adhering to international guidelines and standards, such as the</p>

⁶² This metric is measured through a survey conducted online by an external party (Employee Engagement Survey). The survey consists of a questionnaire by which an employee can provide feedback based on a 1-10 scale. Vitality is one of the eight focus areas and the aim is to score above 7.2 (which was the score for the previous three years).

⁶³ Available on Achmea’s website: <https://www.achmea.nl/-/media/achmea-secured/esg-presentatie-duurzaamheid-bij-achmea-fy2023-en.pdf>.

	<p>OECD guidelines and the U.N. Guiding Principles on Business and Human Rights, and being a signatory to the Principles for Responsible Investing. However, Achmea does not currently have a clear and specific ESG action plan in place, except for its climate strategy (analyzed below).</p>
<p>Climate Transition Strategy</p>	<p>For its climate strategy,⁶⁴ Achmea has defined the following targets:</p> <ul style="list-style-type: none"> ▪ Climate-neutral business operations in 2030 ▪ Climate-neutral corporate investment portfolio in 2040 (equities and corporate bonds) ▪ Climate-neutral property and mortgage portfolios in 2050 ▪ Climate-neutral insurance portfolio by no later than 2050 <p>Regarding its first climate target, Achmea aims to achieve fully sustainable and climate-neutral business operations by 2030 (Scope 1, 2 and 3). The Issuer will accomplish this by reducing its emissions, generating sustainable energy locally, and offsetting the remainder of its carbon emissions through large-scale reforestation.⁶⁵ To achieve this, the Issuer is:</p> <ul style="list-style-type: none"> ▪ Cutting energy consumption in its buildings and data centers, purchasing green energy only from Dutch wind farms by 2025⁶⁶ ▪ Reducing the number of trips its employees make and making their travel more sustainable, halving carbon emissions from business travel (including commuting) by 2030 (compared to 2016) ▪ Cutting paper consumption (no target available yet) ▪ Separating its waste wherever possible and reach a “waste-free” office by 2030 ▪ Conducting sustainable procurement (energy-efficient and circular), procuring 100% of

⁶⁴ Achmea’s climate transition plan: https://www.achmea.nl/-/media/achmea/documenten/duurzaamheid/achmeanl_documenten_en/achmea-climate-transition-plan-december-2023.pdf.

⁶⁵ Ibid.

⁶⁶ Verified through EU Guarantees of Origin.

products for its internal operations by circular and energy-efficient products and materials⁶⁷

For its second climate-related target, the Issuer committed to reduce the carbon footprint (Scope 1 and 2) of the equity and corporate bond portfolios to net zero by 2040. Achmea’s action plan for corporate investments is based on five pillars:

- Encourage companies to commit to a net-zero strategy (through engagement)
- Active use of its voting rights at shareholder meetings⁶⁸
- Exclusion when companies have unsatisfactory policies or make insufficient progress
- Exclusion of the most polluting fossil fuel producing companies (coal, shale oil and gas, tar sands)
- Investment in the energy transition through, among others, green bonds and infrastructure focused on renewable energy from wind, solar, water and biomass, as well as energy storage systems.

For its third target, Achmea’s ambition is for its mortgage portfolio to be climate-neutral, with net-zero carbon emissions, no later than 2050 (Scope 1 and 2 emissions from homes — energy consumption). The Issuer aims to accomplish this by increasing the proportion of green energy labels in its mortgage portfolio, in part by helping customers make their homes more sustainable. The goal is to bring the portfolio to an average energy label of A by 2030. When homes receive a better energy label, CO₂ emissions will automatically decrease.

In 2015, Achmea signed the Paris Pledge for Action, followed by the Dutch Financial Sector’s Climate Commitment in 2019, showing how the Issuer implemented the Dutch National Climate Agreement

⁶⁷ Achmea includes a Sustainability Statement for suppliers as part of its procurement contracts, available here: <https://www.achmea.nl/-/media/achmea/documenten/duurzaam/sustainability-statement.pdf>.

⁶⁸ Achmea exercises its (proxy) voting rights in accordance with its voting policy, available here: <https://www.achmea.nl/-/media/achmea/documenten/duurzaamheid/documentatie-mvb/corporate-governance-en-stembeleid-achmea-2023.pdf>.

	<p>in its role as an investor and lender. By signing this commitment, Achmea has agreed to:</p> <ul style="list-style-type: none"> ▪ Participate in financing the energy transition ▪ Measure the carbon footprint of relevant loans and investments ▪ Publish action plans, including reduction targets, for 2030 <p>Achmea committed to making its insurance portfolios climate-neutral no later than 2050, with interim goals in four areas: retail mobility, business, built environment and ensuring the transition.</p>
<p>ESG Risk and Sustainability Strategy Management</p>	<p>In 2021, Achmea’s executive board set up the Sustainable Together Programme, responsible for implementing Achmea’s sustainability ambitions and corresponding plans and activities. The program board is chaired by the chief risk officer, who reports to the executive board on a quarterly basis. Above the executive board, Achmea’s supervisory board advises and oversees the governance, including its sustainability plan.</p> <p>In addition to the program, Achmea has a sustainability team at the group level, with individual business units having officers responsible for ESG, while Achmea Investment Management has a dedicated socially responsible investment team.</p>
<p>Top three areas of breaches of international norms and ESG controversies in the industry⁶⁹</p>	<p>Anti-competitive behavior, failure to manage cybersecurity, and financial market irregularities.</p>
<p>Breaches of international norms and ESG controversies by the Issuer</p>	<p>At the date of publication and leveraging ISS ESG Research, no controversy in which the Issuer would be involved has been identified.</p>
<p>Sustainability Reporting</p>	<p>The Issuer reports on its ESG performance and initiatives annually.⁷⁰ The report is prepared considering the Sustainable Finance Disclosure</p>

⁶⁹ Based on a review of controversies identified by ISS ESG over a two-year period, the top three issues that have been reported against companies within the insurance industry are displayed above. Please note that this is not a company-specific assessment but rather areas that can be of particular relevance for companies within that industry.

⁷⁰ In its annual report, available at: <https://www.achmea.nl/-/media/achmea/documenten/investors/publicaties-2023/annual-report-achmea-2023.pdf>.

	<p>Regulation and, starting in 2025, the Issuer will report on its material topics under the Corporate Sustainability Reporting Directive. Furthermore, the report is prepared following the Global Reporting Initiative (GRI) Standards.</p>
<p>Industry associations, Collective commitments</p>	<p>The Issuer is a signatory to the following principles:</p> <ul style="list-style-type: none"> ▪ Principles for Responsible Investment (PRI) ▪ Principles for Responsible Banking (PRB) ▪ Principles for Sustainable Insurance (PSI) ▪ Climate Action 100+⁷¹ <p>Furthermore, Achmea is a member of the Forum for Insurance Transition to net zero.</p>
<p>Previous sustainable/sustainability-linked issuances or transactions and publication of sustainable financing framework</p>	<p>In 2022 Achmea issued a green bond with a total amount of EUR 500 million, with a maturity of three years. The bond has been rated by an external third party.</p>

Rationale for issuance

Achmea has established a Green Finance Framework to be able to issue green finance instruments and contribute to achieving global climate goals, in line with its commitment to “Sustainable Living. Together.” Achmea’s inaugural framework was first published in February 2022. To align with Achmea’s developing sustainability ambitions, the Issuer decided to update the framework to continue be able to issue green finance instruments to finance the transition to a low carbon and climate resilient economy.

Achmea believes that green finance instruments are an effective tool to channel financing towards projects that have demonstrated environmental benefits and thereby contribute to the achievement of the targets of the Paris Agreement and the U.N. SDGs. By issuing green finance instruments, Achmea intends to align part of its funding strategy with its mission, sustainability strategy and objectives.

Opinion: *The key sustainability objectives and the rationale for issuing green finance instruments are clearly described by the Issuer. All the project categories financed are in line with the Issuer’s sustainability objectives.*

⁷¹ An investor-led initiative: https://www.climateaction100.org/whos-involved/investors/?search_investors=Achmea&investor_type=All

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ANNEX 1: METHODOLOGY

The ISS-Corporate SPO provides an assessment of labeled transactions against international standards using ISS-Corporate's proprietary methodology. For more information, please visit: <https://www.iss-corporate.com/file/publications/methodology/iss-corporate-green-social-and-sustainability-bond-loan-spo-methodology-summary.pdf>.

EU Taxonomy

The assessment evaluates whether the details of the nominated projects and assets or project selection eligibility criteria included in the Green Finance Framework meet the criteria listed in relevant Activities in the EU Taxonomy Climate Delegated Act (June 2023).

The evaluation shows if Achmea's project categories are indicatively in line with the entirety (or some of) the requirements listed in the EU Taxonomy Technical Annex.

The evaluation was carried out using information and documents provided confidentially by Achmea (e.g., Due Diligence Reports). National legislation and standards, depending on the project category location, were drawn on to complement the information provided by the Issuer.

ANNEX 2: QUALITY MANAGEMENT PROCESSES

SCOPE

Achmea commissioned ISS-Corporate to compile a green finance instruments SPO. The second-party opinion process includes verifying whether the Green Finance Framework aligns with the Green Bond Principles and Green Loan Principles and assessing the sustainability credentials of its green finance instruments, as well as the Issuer's sustainability strategy.

CRITERIA

Relevant Standards for this second-party opinion:

- ICMA's Green Bond Principles, as of June 2021 with June 2022 Appendix 1
- The LMA's Green Loan Principles, as of February 2023
- EU Taxonomy Climate Delegated Act, Annex I, as of June 2023

ISSUER'S RESPONSIBILITY

Achmea's responsibility was to provide information and documentation on:

- Green Finance Framework
- Selection criteria
- Documentation of ESG risk management

ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS Group, of which ISS-Corporate is a part of, has built up a reputation as a highly reputed thought leader in the green and social bond market and has become one of the first CBI-approved verifiers.

This independent second-party opinion of the green finance instruments to be issued by Achmea has been conducted based on a proprietary methodology and in line with the Green Bond Principles and Green Loan Principles.

The engagement with Achmea took place from April to July 2024.

ISS-CORPORATE'S BUSINESS PRACTICES

ISS-Corporate has conducted this verification in strict compliance with the ISS Group Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behavior and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About this SPO

Companies turn to ISS-Corporate for expertise in designing and managing governance, compensation, sustainability and cyber risk programs that align with company goals, reduce risk and manage the needs of a diverse shareholder base by delivering best-in-class data, tools and advisory services.

ISS-Corporate assesses alignment with external principles (e.g., the Green/Social Bond Principles), analyzes the sustainability quality of the assets and reviews the sustainability performance of the Issuer itself. Following these three steps, we draw up an independent SPO so that investors are as well-informed as possible about the quality of the bond/loan from a sustainability perspective.

Learn more: <https://www.iss-corporate.com/solutions/sustainable-finance/bond-issuers/>

For more information on SPO services, please contact: SPOsales@iss-corporate.com

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