

ACHMEA REMUNERATION POLICY  
2022/2023  
UPDATED GROUP POLICIES



Disclaimer: This is the English translation of the remuneration policy 2022/ 2023 prepared in Dutch. Achmea strives for the most accurate translation and information possible. However, the translation and/or information may not be complete or accurate. In case of discrepancies, the official text of the remuneration policy prepared in Dutch shall prevail.

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# 1. BASED ON ITS PURPOSE, ACHMEA PURSUES A CONTROLLED REMUNERATION POLICY, IN LINE WITH ITS AMBITION OF LONG-TERM VALUE CREATION

## 1.1 ACHMEA'S VISION 'SUSTAINABLE LIVING. TOGETHER.' AND THE AMBITION OF LONG-TERM VALUE CREATION FORM THE CONTEXT OF ITS REMUNERATION POLICY

Achmea is an unlisted company with cooperative roots dating back to 1811, when farmers joined forces to be resilient to damage. Achmea is still a company for and by customers. Based on this identity, Achmea aims to contribute to a society in which everyone can participate. Achmea is developing from an insurer to a financial service provider. In this way, she responds to the contemporary needs of customers and society.

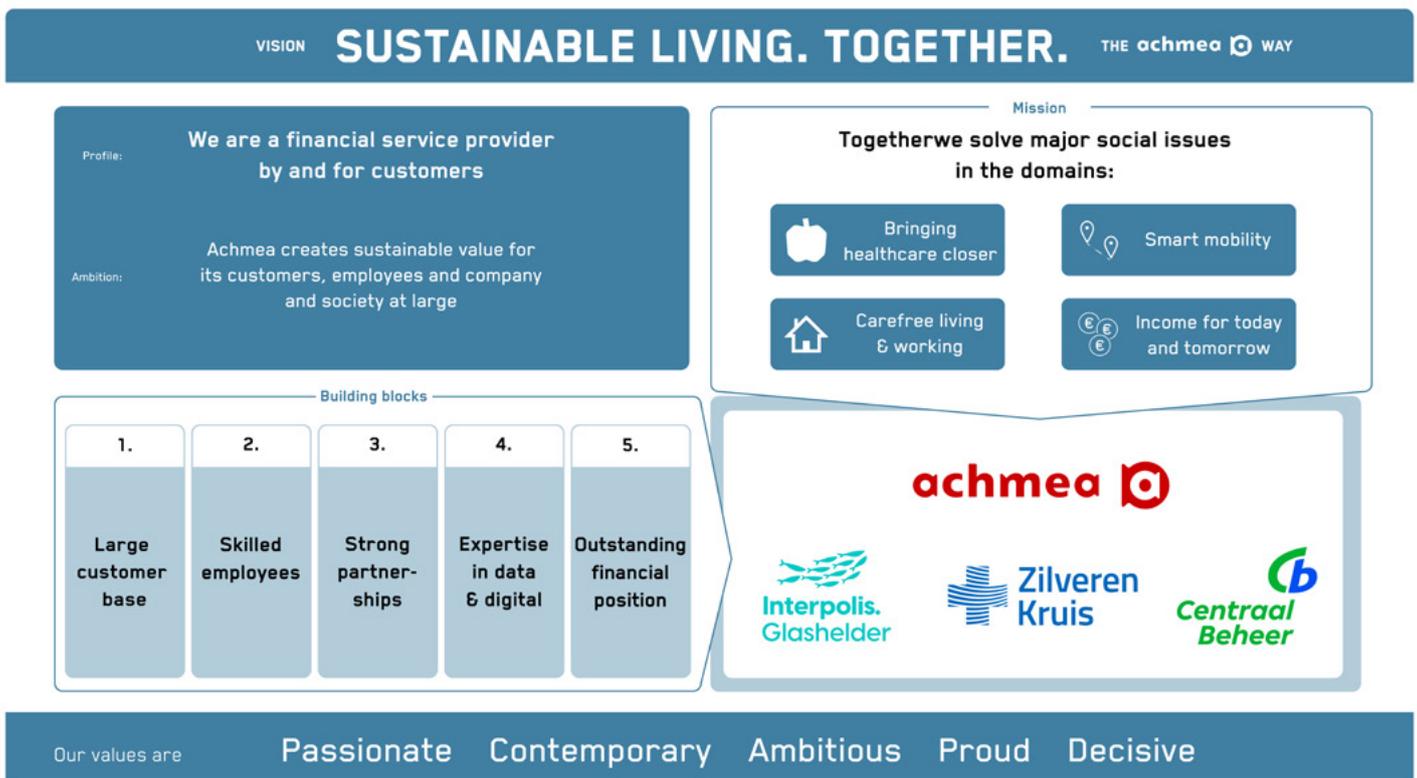
Based on its strategy 'The Power of Together', Achmea wants to create sustainable value for all its stakeholders: customers, employees, capital providers and society as a whole. Together with its partners, Achmea wants to help solve major social issues.

Achmea focuses on 4 domains that fit its identity and expertise:

1. Bringing healthcare closer – how do we keep our care accessible and affordable?
2. Smart mobility – how do we easily get from A to B without pollution and accidents?
3. Carefree living and working – how do we accelerate the necessary sustainability of homes and stay motivated to work?
4. Income for today and tomorrow – how do we ensure that everyone is and remains financially fit for life?

The choice for these four domains is based on Achmea's insights from the dialogue with its stakeholders. This together forms our 'purpose':

### ACHMEA'S INSIGHTS - SUSTAINABLE LIVING. TOGETHER.



## 1. BASED ON ITS PURPOSE, ACHMEA PURSUES A CONTROLLED REMUNERATION POLICY, IN LINE WITH ITS AMBITION OF LONG-TERM VALUE CREATION CONTINUED

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In addition to the 4 domains, Achmea contributes to the so-called Sustainable Development Goals ('SDG's') of the United Nations. These are 17 sustainable development goals that together form the 'world sustainability agenda' for 2030. Achmea considers it important to actively participate in this, has also made choices in this regard and has thus chosen three 'focus SDG's':

- SDG 3 – 'Good health and well-being'
- SDG 11 – 'Sustainable cities and communities'
- SDG 13 – 'Climate action'.

These 3 SDG's fit in with Achmea's 4 domains, and are part of the ESG criteria (Economic, Social and Governance) in Achmea's performance management.

# 1. BASED ON ITS PURPOSE, ACHMEA PURSUES A CONTROLLED REMUNERATION POLICY, IN LINE WITH ITS AMBITION OF LONG-TERM VALUE CREATION CONTINUED

Ons waardecreatiemodel laat de relatie zien tussen de input van stakeholders, onze bedrijfsvoering, de output en de impact die we realiseren voor stakeholders en samenleving. Het geeft ook weer hoe wij op lange termijn waarde creëren.

## Input

**Klanten** geven aan wat hun behoeften zijn, leggen premies en vermogen in en betalen voor onze diensten.

- Bruto geschreven premies: € 21.088 miljoen
- Beheerd vermogen Achmea Investment Management: € 166 miljard
- Beheerd vermogen Syntrus Achmea: € 41 miljard

**Medewerkers** zetten hun talenten in voor onze klanten en voor ons bedrijf.

- Aantal medewerkers: 15.183
- Aantal interne fte: 15.275

**Partners** zetten hun competenties in en werken met ons samen op het gebied van het leveren van zorg, schadeherstel, distributie, proposities en impact op maatschappelijke domeinen.

**Kapitaalverschaffers** zijnde Vereniging Achmea, Rabobank en overige partijen, leveren het kapitaal en financiering om te investeren in ons bedrijfsmodel.

- Totaal eigen vermogen: € 9.278 miljoen
- Leningen en opgenomen gelden Achmea B.V.: € 2.048 miljoen
- Leningen en opgenomen gelden Achmea Bank N.V.: € 4.560 miljoen
- Toevertrouwde middelen bankbedrijf: € 7.374 miljoen

## Onze visie

**DUURZAAM SAMEN LEVEN**

VOLGENS achmea

## Onze ambitie

Achmea creëert duurzame waarde voor onze klanten, onze medewerkers, ons bedrijf én de samenleving



## Onze bouwstenen

Grote klantenbase

Vakkundige medewerkers

Sterke partnerrelatie

Expertise in data & digital

Uitstekende financiële positie

## Onze grote merken



## Onze Achmea waarden



Bevlogen • Eigentijds • Ambitieuw • Trots • Slagvaardig

## Output

**Klanten** ontvangen, naast zo geavanceerd mogelijke dienstverlening, inzicht in huidige en toekomstige risico's. Ook werken we aan oplossingen voor het mitigeren van en omgaan met (duurzaamheids-)risico's. Daarnaast beheren we de vermogens voor klanten.

- Uitbetaalde schaden en uitkeringen: € 20.664 miljoen
- NPS-r consumentenmarkt: Interpolis +12, Centraal Beheer +22, Zilveren Kruis +16
- Klanttevredenheid schade zakelijke markt: Interpolis 7,5; Centraal Beheer +7,9

**Medewerkers** ervaren een flexibele en gezonde werkomgeving en goede ontwikkelings- en opleidingsmogelijkheden.

- Personeelskosten (incl. opleiding): € 1.568 miljoen
- % vrouwen in topmanagement 30%
- MBO-score op betrokkenheid: 8,1
- Aantal leerinstrumenten: 66.424

**Kapitaalverschaffers** krijgen een financiële vergoeding over verstrekt kapitaal.

- Resultaat voor belastingen: € 145 miljoen
- Operationeel resultaat: € 174 miljoen
- Solvency II ratio: 209 %
- Voorgesteld dividend per gewoon aandeel: € 0,00 per aandeel
- Rentelasten uitgegeven schuldbewijzen: € 30 miljoen
- Rentelasten toevertrouwde middelen: € 41 miljoen

## Waarde voor stakeholders

**Klanten** bieden wij zekerheid over hun toekomstige financiële situatie. Onze producten helpen klanten zichzelf en hun naasten en ook eigendommen te beschermen en tegenslag (financieel) te overwinnen. Ook verstrekken wij hypotheek en een stabiele bron van inkomsten bij pensionering. We maken risico's inzichtelijk en stellen klanten in staat om voor hun situatie keuzes te maken over risico's die ze wel of niet willen verzekeren. Wij beheren het vermogen van onze klanten op efficiënte wijze, waarbij we zoveel mogelijk rekening houden met duurzaamheidsaspecten.

**Medewerkers** bieden wij inkomen en daarnaast brede en duurzame inzetbaarheid binnen en buiten Achmea inclusief de mogelijkheid om talenten te ontwikkelen. Wij besteden hierbij veel aandacht aan een goede werk-privébalans door medewerkers de mogelijkheid te geven werken, leren, zorgen en ontspannen te combineren.

**Kapitaalverschaffers** bieden wij een solide en duurzaam rendement.

## Waarde voor maatschappij



**Duurzaam Samen Leven** Vanuit onze coöperatieve identiteit streven wij naar een samenleving waarin iedereen kan meedoen. Duurzaamheid/Klimaat en Inclusie/Diversiteit spelen hierin een belangrijke rol. Indicatoren op ecologisch gebied (overige nog in ontwikkeling):

- CO<sub>2</sub>-voetafdruk beleggingen in bedrijven (in ton CO<sub>2</sub>/mln belegd vermogen): aandelen: 48,3 en bedrijfsobligaties: 46,9
- % Energielabel A of hoger voor vastgoedbeleggingen: 56%
- Gemiddeld energielabel voor hypotheek: C
- % bruto CO<sub>2</sub>-emissies eigen bedrijfsvoering t.o.v. 2019: 54%

We willen samen met onze partners grote maatschappelijke vraagstukken oplossen op 4 domeinen:



**Gezondheid Dichterbij** Vanuit een breed perspectief op gezondheid stimuleren en helpen we verzekerden om

gezonder te leven en te werken. Als verzekerden zorg nodig hebben, dan willen we ervoor zorgen dat ze die zoveel mogelijk in hun vertrouwde omgeving ontvangen. Digitalisering kan daarbij ondersteunen.



**Slimme Mobiliteit**

In de enorme mobiliteitstransitie van bezit naar gebruik en van fossiel naar groen willen

we consumenten en bedrijven steeds meer gemak, betrouwbaarheid, personalisatie en snelheid bieden met verzekeringen en diensten (incl. gericht op preventie). Met gebruik van data en nieuwe technologie.



**Onbezorgd Wonen & Werken**

Het Klimaatakkoord leidt tot een flinke verduurzaming van zowel bestaande als nieuwe woningen en

bedrijfspanden. Ondertussen willen mensen wel prettig en veilig kunnen wonen en werken. Met vernieuwende diensten en financiële ondersteuning willen we de verduurzaming van de woon- en werkomgeving stimuleren.



**Inkomen voor nu, straks en later**

Met inzicht, overzicht en begrijpelijke producten adviseren wij pensioen-

fondsen en helpen we mensen als coach om in hun leven weloverwogen financiële keuzes te maken. Zodat ze nu en in de toekomst voldoende financiële middelen hebben en tegen een stootje kunnen.

## 1. BASED ON ITS PURPOSE, ACHMEA PURSUES A CONTROLLED REMUNERATION POLICY, IN LINE WITH ITS AMBITION OF LONG-TERM VALUE CREATION CONTINUED

Achmea's value creation model reflects the relationship between the input of all its stakeholders, its business operations and its output, and the value that Achmea thereby realizes for its stakeholders and society.

Achmea's vision Sustainable Living Together and its core values – Passionate, Contemporary, Ambitious, Proud and Decisive ('BEATS') – are the foundation of what Achmea wants to achieve and how it wants to do it. The dialogue with its stakeholders gives direction to the strategy in the form of goals to be achieved. Achmea wants to steer long-term impact on the chosen 4 domains with its activities.

Integrated management based on long-term value creation means more general for Achmea:

- Financial results are not an end in themselves, but are primarily important to be able to invest in relevant solutions for our customers and social ambitions.
- Creating a balance between short-term results and long-term relevance
- Investing in growth and innovation in a way that fits our cooperative identity and the social value we want to realize.

*(Performance) management takes place top down based on Stakeholder Value Management (SVM)*

Management takes place by agreeing balanced qualitative and quantitative objectives, based on Achmea's purpose, along the five building blocks of its ambition of long-term value creation:

- Large Customer base
- Skilled Employees
- Strong partner relationships
- Expertise in data & digital
- Excellent financial position and

Supplemented with:

- Sustainability (including impact on social issues), in order to safeguard Achmea's ambitions in this area.

The SVM and performance management takes place according to an annual cycle based on a top-down 'translation' of goals:

- At **group level** by an annual SVM group card, which applies to the entire group at home and abroad;
- At **part level** – i.e. per division, business unit or Operating Company ('OpCo') – make a 'translation' to the SVM card of the relevant business unit;
- At **individual (employee) level**, by agreeing specific individual goals in the field of talent, development and performance with each manager and employee in conjunction with the SVM cards.

At all levels, objectives are agreed upon based on Key Performance Indicators (KPI's), along multiple building blocks and supplemented with the sustainability aspect. The SVM maps include so-called Key Risk Indicators (KRI's) from the point of view of risk management. If a KRI is not achieved, this will lead to a downward adjustment on the SVM card. In this way, KRI's provide a counterbalance in performance management and prevent wrong incentives from arising. This process of top-down management based on SVM and performance objectives - including control measures - is described in more detail in Chapter 4.

Insofar as managers and employees are eligible for a variable remuneration scheme based on performance objectives, the variable remuneration and the objectives to be agreed in that context are part of the total SVM and performance management in a balanced and controlled manner. This of course, also applies to the Board of Directors, directors and senior managers for whom a variable remuneration scheme is a standard element in the terms and conditions of employment. This is described in more detail in Chapter 2.

# 1. BASED ON ITS PURPOSE, ACHMEA PURSUES A CONTROLLED REMUNERATION POLICY, IN LINE WITH ITS AMBITION OF LONG-TERM VALUE CREATION CONTINUED

## 1.2 PRINCIPLES OF THE ACHMEA REMUNERATION POLICY IN THE CONTEXT OF 'SUSTAINABLE LIVING. TOGETHER'

Achmea's (group-wide) remuneration policy has the following principles:

1. *Achmea's remuneration policy enables it to attract and retain people with the right qualities, motivation and expertise.* These are managers and employees who are motivated to add value for customers and society, who recognize themselves in Achmea's vision and core values – Passionate, Contemporary, Ambitious, Proud and Decisive (in Dutch: Bevlogen, Enthousiast, Ambitieuus, Trots and Slagvaardig or 'BEATS') – who want to commit themselves to this and want to develop in this.
2. *Achmea emphasizes contemporary personnel policy that gives talent opportunities to develop and perform.* Its remuneration policy supports Achmea as a diverse and inclusive employer, with a remuneration policy that is gender neutral.
3. *In terms of remuneration level, Achmea uses the median remuneration for comparable positions at large insurers, banks and financial service providers.* 'Median' means: half of these companies pay more for comparable positions, half pay less than Achmea. Only if large companies or sectors outside this (financial) market are important to attract and retain the right talent, this line will be deviated from. Unlike before the time of the financial crisis, the median remuneration for many positions at large insurers, banks and financial service providers is lower than for large non-financial corporations. Therefore, in order to attract talent that also works outside the financial market, it may sometimes be necessary to offer a higher level of remuneration. Achmea basically applies the same principle abroad, depending on the use on the specific local market.
4. *Achmea believes that fair and explainable internal remuneration is important.* This concerns, among other things, an appropriate relationship between the remuneration of the highest paid top manager (at Achmea the chairman of the Executive Board, 'CEO') and the average remuneration of the employees (the so-called 'CEO pay ratio'). For a company like Achmea, this ratio is well below the median of the CEO pay ratios that are published annually for large Dutch companies. It also concerns appropriate remuneration ratios between the various employee categories and business units of Achmea. For example, the

salary of the members of the Executive Board and the top management normally follows the salary increase agreed in the collective labour agreement, unless there are good reasons to deviate from this. Every year, the chairmen of the Executive Board and the (Remuneration Committee of the) Supervisory Board hold discussions with the Central Works Council about the internal remuneration ratios.

5. For Achmea, reward is more than monetary reward. In terms of monetary remuneration, the total remuneration is the sum of the fixed remuneration, variable remuneration and pension. Achmea considers intangible rewards at least as important. Think of challenging work, the right skills and expertise in the right place, ample opportunities to develop talent and attention to well-being and vitality (work/life balance). Intangible rewards are therefore consciously part of Achmea's remuneration policy. This fits in with Achmea's vision on Sustainable Living Together and the way in which it creates value for stakeholders together with its employees. Attention to talent development and vitality shows how the reward at Achmea relates to its social function. It is also part of the services it offers to its (business) customers ('practice what you preach').
6. Achmea has a simple, controlled and sustainable remuneration policy, without unwanted incentives. Such as simple and transparent reward systems. Achmea therefore does not have complex financial instruments in its remuneration policy. That doesn't fit her identity. Simplicity is also known: complying with administrative simplicity, so that it does not entail unnecessary implementation costs. Unless those costs are necessary to comply with complex legislation, such as with the WNT.

For Achmea, a sustainable remuneration policy means a mix of material and intangible rewards that match with its vision of Sustainable Living Together. The Climate Budget allocated in 2023 serves as an example of this. And sustainability as part of the SVM and performance management, in which, among other things, managers of investment funds within Achmea have specific sustainability objectives for their teams. Where variable remuneration applies, it is therefore (partly) linked to sustainability objectives.

Achmea only uses variable remuneration where it supports performance management based on its long-term value creation ambition, or when a variable remuneration scheme is needed in a specific part of the labour market to attract talent. For more details on variable remuneration, see Chapters 2 and 4.

## 1. BASED ON ITS PURPOSE, ACHMEA PURSUES A CONTROLLED REMUNERATION POLICY, IN LINE WITH ITS AMBITION OF LONG-TERM VALUE CREATION CONTINUED

### 7. *Achmea complies with (changing) legislation and regulations and integrates them appropriately into the group-wide Achmea Remuneration Policy.* That's not always easy.

A multitude of activities comprising financial group such as Achmea is subject to an extensive set of specific, sectoral, national and international remuneration guidelines and legislation (see Annex 1). This makes it impossible to make all sector-specific remuneration regulations comprehensively and in detail visible at group level in one document. Where the remuneration regulations are very (sector) specific, this is worked out in more detail within the framework of the group remuneration policy in the relevant sections.

### 1.3 THE ACHMEA REMUNERATION POLICY APPLIES TO THE ENTIRE GROUP

This applies in the Netherlands and abroad, also to subsidiaries in which Achmea has an interest or control of more than 50%. It works with unambiguous guidelines, management measures and a clear decision-making structure (including internal supervision, see Chapter 3).

#### *In The Netherlands*

Most people work in the Netherlands and fall under the remuneration schemes and employment conditions of Achmea Interne Diensten N.V. (collective labour agreement employees, outside collective labour agreement managers/employees and management – 'top management') or of Achmea B.V. (Executive Board, Supervisory Board). The Achmea Remuneration Policy also applies to management and employees of Dutch subsidiaries who are not covered by the terms and conditions of employment of Achmea Interne Diensten N.V. or Achmea B.V. These are daughters with their own employees in which Achmea has a > 50% stake. Insofar as there are deviations, these are employment conditions packages that are different (no variable remuneration) or more sober (lower total remuneration). This applies to the daughters Inshared, Pim Mulier and KCD.

#### *Abroad*

(Internal) supervision is similarly organized abroad and specifically tailored to local (legal) requirements, market customs and governance. The terms and conditions of employment of management and employees are laid down in local regulations and contracts. Foreign Operating Companies of Achmea (OpCo's) have their own Statutory Boards and remuneration committees. Its governance is laid down in the International Governance Guide, which is part of the Achmea Remuneration Policy at group level for the purpose of remuneration.

Abroad, Achmea operates in Australia, Greece, Slovakia, Turkey and Canada. The Canadian activities are part of a joint venture in which Achmea has a 50% stake and the Canadian partner the other 50%. As a result, the principles of Group Policy may not always apply to Canadian employees. The Silver Cross Division includes the foreign employees of Eurocross Assistance International, in the countries where Eurocross has a branch. The group remuneration policy also applies to these employees.

## 2. HOW ACHMEA'S REMUNERATION POLICY IS STRUCTURED

### 2.1 GENERAL

The terms and conditions of employment for Achmea's collective labour agreement employees are laid down in the Achmea collective labour agreement. For board members and senior managers ('top management', outside collective labour agreement) the employment conditions are laid down in the Employment Conditions Guide. Directors, senior managers and collective labour agreement employees are employed by Achmea Interne Diensten N.V.

The terms and conditions of employment of the Executive Board are determined by the Supervisory Board on the basis of Article 21 of the Articles of Association of Achmea B.V. and are laid down in writing in individual employment contracts. Members of the Executive Board are appointed for a period of four years. Nine months before the end of the appointment period, the Selection and Appointments Committee shall speak to a member of the Board of Directors about his or her possible reappointment for a period of four years. In the individual contract, agreements are also made about a possible severance payment; this has a maximum of one fixed annual remuneration for directors and policymakers in all cases.

Abroad, the agreements for foreign managements and so-called risktakers are laid down in bilingual employment contracts (in both the mother tongue and English translation). Employment conditions of the other employees are laid down in accordance with the legal requirements and local circumstances of the relevant foreign country.

### 2.2 FIXED SALARY

The fixed annual salary, increased by the holiday allowance and end-of-year allowance (13th month), is the salary agreed upon in the employment contract. The fixed annual salary is determined based on measurable job complexity, with each position classified in a salary scale. The classification in the salary scale reflects the complexity of the responsibilities required for the performance of the job, the work experience achieved and the required professional competence. The growth in the salary scale takes place according to a transparent system that is laid down in the collective labour agreement and – for management and senior managers – in the employment conditions guide. When classified in a lower salary scale (demotion), the salary is reduced according to transparent rules. When classified in a higher salary scale (promotion), the salary is increased based on transparent rules established in the remuneration system. Procedures have been established for cases where customized solutions are needed on an individual basis.

#### *Personal or market allowance*

On historical grounds, for example due to a harmonization of employment conditions after a merger or acquisition, or on the basis of an existing contractual individual agreement, there may be a (personal) fixed income that is higher than the salary scale where the position is classified. This is called a personal allowance.

It is also possible that a higher fixed salary or allowance is applied for specific groups, because such positions in the market are paid a higher fixed salary at median level and otherwise no suitable persons can be recruited for such a position.

For specific positions to be determined by the Executive Board in the top management of the Investment and Real Estate sections, for which structurally higher salaries are paid on the labour market, a higher Relative Salary position may apply than the 100% fixed salary in the salary scale (a so-called 'multiplier'). This should emerge from a periodic remuneration benchmark of those positions. The size of the multipliers is periodically determined by the Executive Board.

## 2. HOW ACHMEA'S REMUNERATION POLICY IS STRUCTURED CONTINUED

### 2.3 OTHER TERMS AND CONDITIONS OF EMPLOYMENT

Elements of the terms and conditions of employment are:

#### *Temporary job allowance/ observation allowance*

When an employee temporarily performs a higher classified position or observes the higher classified function of a colleague (for example due to illness or departure of that colleague), he or she may be eligible for a supplement for as long as the period of that temporary job or observation lasts. In other words, as long as there are heavier (organizational) responsibilities. This temporary allowance applies for a maximum period of 6 months, with the possibility of extension under certain conditions.

For *collective labour agreement employees*, the conditions under which the allowance is granted are regulated in consultation with the Central Works Council in the chapter "Allowance temporary position performance" of the Achmea employee regulations.

There is a similar policy for *senior managers and members of the board of directors*. The starting point is that the position to be observed is classified a maximum of two salary groups higher and is observed for a maximum of 6 months in principle. When observing a function that is classified 1 scale higher, the allowance is determined in proportion to the midpoint of the salary scale in which the function to be observed is classified. The allowance is 3% of the RSP if the current salary – at the same weekly working hours – is already above the midpoint of that scale, or 6% of the 100% RSP if the current salary is still below the midpoint of the scale of the position to be observed. When observing a function classified 2 scales higher, the allowance is in all cases 10% of the 100% RSP of the scale in which the function to be observed is classified. In special situations where customization is required, advice from Group HR Executive Remuneration is always requested first.

For each observation allowance, approval is required from the Executive Board member, in special situations only after positive advice from the group director HR. The Executive Board member can therefore determine that an observation allowance is a temporary increase in the position.

The allowance for temporary job performance / observation allowance is a temporary fixed income component. The supplement does not count in the pension accrual and for the determination of the amount of any variable remuneration, so that the fixed – variable ratio is not affected.

#### *(Insurable) benefits*

Achmea has made some agreements in the collective labour agreement about insurance to be taken out by the employee. For example, there is an agreement about paying a health insurance contribution. In addition, Achmea has taken out (basic) disability insurance for its employees and offers the possibility to take out additional disability insurance for its own account.

These benefits apply to all employees in the Netherlands.

Abroad, the (insurable) benefits are agreed, depending on and in line with local legislation and market customs, and within the framework of the Group Remuneration Policy (i.e. compliance with local legislation and market conditions based on 'no more than market conformity').

#### *Compensations or transitional arrangements*

For a group of employees, transitional arrangements have been agreed upon in the collective labour agreement for the expiration or adjustment of expired employment conditions. In addition, transitional arrangements have been agreed upon due to legislation changes that have led to adjustments to the pension scheme. These transitional arrangements take the form of fixed agreed gross wages.

#### *Fees*

Various personnel regulations include agreements for reimbursement of costs related to employment with Achmea. For example, a fixed cost allowance, travel allowance or company car, moving costs, training budget, homeworking arrangement, etc.

#### *Leave*

Achmea has various forms of leave. In addition to the statutory leave rules, the collective labour agreement sometimes includes additional agreements, for example over sabbatical, parental leave or care leave. For the top management, there are so-called vitality days in the context of work/life balance in addition to the leave days.

#### *Other emoluments*

These are limited and regulated in the collective labour agreement or employment conditions of the top management.

The driver for members of the Executive Board is also an example of emoluments that are regulated in the terms and conditions of employment.

## 2. HOW ACHMEA'S REMUNERATION POLICY IS STRUCTURED CONTINUED

### 2.4 PENSION

The Dutch pension scheme consists of two parts:

- an average pay scheme based on CDC funding for the pensionable salary up to the tax maximum (in 2023: € 128,810).
- a net pension scheme for the pensionable salary above the fiscal ceiling and a pension allowance.

Both pension schemes apply to all employees of Achmea Interne Diensten N.V. in the Netherlands and to the Executive Board (Achmea B.V.). The net pension scheme and salary supplement pension, of course, only insofar as the employee has a pensionable salary above the tax maximum.

Achmea pays employees with a pensionable salary above the tax maximum a contribution, which is equal to the employer's contribution that Achmea would have spent if there had been no fiscal ceiling on the pensionable salary. The amount is determined annually on the basis of the amount of the pension contribution of each year. The contribution is calculated exclusively on the pensionable salary above the fiscal maximum and is divided into two parts: a net pension budget and a salary supplement. An employee can contribute the net pension budget to the net pension scheme within the terms of this scheme. The employee receives the wage allowance as (fixed agreed) gross salary.

Participation in the net pension scheme is voluntary. If an employee does not participate in the net pension scheme, the net pension budget is paid out with the salary.

Subsidiary Inshared follows the pension scheme of Achmea Interne Diensten NV for part of its staff and applies a more sober pension scheme for part of its staff. The other Dutch subsidiaries also have their own, materially more austere pension scheme.

Abroad, pension schemes differ per country and/or per staff category, in line with local legislation, on the one hand depending on the state benefit and therefore the scope and reason for a supplementary company pension, and on the other hand depending on the benchmark - 'what is a usual pension contribution in the market?'

### 2.5 VARIABLE REMUNERATION BASED ON TARGETS

Variable remuneration based on targets applies in the Netherlands for the members of the Executive Board, Division Chairmen, Board of Directors, non-collective labour agreement employees and also for specific groups/functions of collective labour agreement employees. The maximum amount of variable remuneration for employees working *in the Netherlands* is for:

- Executive Board members: maximum 20%
- (division) Chairmen classified in Achmea salary band 1: maximum 20%
- Board members classified in Achmea salary band 2: maximum 15% + maximum 5% in case of outperformance
- senior managers classified in Achmea salary band 3: maximum 10% + maximum 5% in case of outperformance
- Collective labour agreement employees: maximum 20%

The variable remuneration depends on the degree of achievement of targets set at the beginning of the year. The targets are derived from Achmea's business planning process. For the members of the Executive Board and the top management, this means that there is a direct link between the objectives on the basis of which variable remuneration is granted and the purpose and ambition of long-term value creation of Achmea.

The targets are therefore related to Achmea's long-term strategy and aimed at multiple stakeholders and building blocks.

The targets are agreed on 3 levels:

1. Achmea group: 3 variable remuneration ('VR') targets that relate to 3 of the following 4 building blocks/aspects: large customer base, skilled employees, excellent financial position and sustainability, each of which carries equal weight. The realization score on the VR targets is reduced by a possible exit due to the failure to realize one or more KRI's on the group card.
2. Business unit: 2 VR targets, each of which carries the same weight. The realization score on the VR targets is reduced by a possible exit due to the failure to realize one or more KRI's on the SVM card of the business unit.
3. Individual: 3 VR targets, 1 of which relates to behavior, for example leadership, cooperation or integrity. The targets each count for a third at the individual level. For Executive Board members, the realization score on the VR targets is reduced by a possible exit due to the failure to realize one or more KRI's on their individual appointment card.

## 2. HOW ACHMEA'S REMUNERATION POLICY IS STRUCTURED CONTINUED

The 3 levels count towards the total variable remuneration in the following ratio:

	Achmea group	Business unit	Individual
Executive board	50%	0%	50%
(Division)chairs, board members and senior managers	30%	30%	40%
Collective labour agreement employees	20%	30%	50%
Central control officers	0%	50%	50%
Decentralised control officers	50%	0%	50%

For employees at the OpCos abroad, different agreements on variable remuneration apply based on local regulations. The maximum amount of variable remuneration is higher than in the Netherlands and is for:

- The CEO of the OpCo: 50% + maximum 25% in case of outperformance
- A CxO from the OpCo: 40% + up to 20% at outperformance
- Risk takers/OpCo control functions: up to 30%

The variable remuneration depends on the degree of achievement of targets set at the beginning of the year. The targets are derived from the same business planning process of Achmea.

The targets are related to Achmea's long-term strategy and focus on multiple stakeholders and building blocks/aspects.

The targets are agreed on three levels:

1. Achmea group: 3 VR targets that relate to 3 of the following 4 building blocks: large customer base, skilled employees, excellent financial position and sustainability, each of which carries equal weight. The realization score on the VR targets is reduced by a possible exit due to the failure to realize one or more KRIs on the group card.
2. OpCo level: 4 to 8 VR targets, each of which weighs equally. More VR targets are agreed abroad at this level than in the Netherlands in connection with the higher maximum percentage of variable remuneration abroad. The realization score on the VR targets is reduced by a possible exit due to the failure to realize one or more KRIs on the SVM card of the OpCo.
3. Individual: 3 VR targets, 1 of which relates to behavior, for example leadership, cooperation or integrity. The targets each count for a third at the individual level.

The 3 levels count towards the total variable remuneration in the following ratio:

	Achmea group	OpCo	Individual
Directors (CxOs) OpCo's	20%	40%	40%
Control functions OpCos	20%	0%	80%
Specific managers OpCo's	10%	20%	70%
Other VR employees OpCo's	5%	10%	85%

The payment of variable remuneration is in the form of money. Achmea does not have variable remuneration in the form of non-financial compensation (wages in kind, such as trips, real estate, etc.), discretionary pension agreements or financial non-cash instruments. In connection with the lack of financial, non-cash instruments, additional measures have been taken in the variable remuneration of the Dutch top management and that of risktakers and identified staff, including a higher proportion of deferred variable remuneration than the minimum applicable under regulations, whereby the part of deferred variable remuneration is also deferred over a longer period of time (5 years). In addition, there is no interest payment on the deferred part of variable remuneration.

### Control functions

For employees who work in a position that is defined as a 'control function' by (remuneration) regulations, a different structure of the percentage of variable remuneration is used. Their remuneration should not depend on targets that they supervise themselves. That is why for the control functions at group level, targets of the own control department and individual level each weigh 50%. The achievement of the group's targets is not part of the determination of the variable remuneration of the control functions. At Achmea, these are the management and MT members of Human Resources, Finance, Risk, Compliance and Internal Audit.

For similar positions within business units, targets of the Group and individual level each account for 50%. In the foreign OpCos, the ratio group is 20%/ individually 80%.

### Risktakers and identified staff

Risktakers are employees who, from their position and the resulting activities, can exert material influence on Achmea's risk profile and for the banking business on that of Achmea Bank. This follows from the regulations for banks and insurers. Identified staff employees are employees who, from their position and the resulting work, materially influence the risk profile of the managers of alternative investment funds (AIFs) or

## 2. HOW ACHMEA'S REMUNERATION POLICY IS STRUCTURED CONTINUED

the risk profiles of the AIFs they manage. This follows from the AIFMD regulations.

Annually, as of January 1st, Achmea determines which categories of personnel should be designated as risk takers and/or identified staff. To this end, an analysis is carried out to assess whether adjustments are needed in the list of personnel categories that should be classified as risk taker or identified staff, for example as a result of organizational changes. This is done in coordination with HR and/or Risk & Compliance responsible for those components.

*Risk taker and identified staff: what are the consequences for an employee?*

The allocation of variable remuneration to risk takers and identified staff takes place on the basis of agreed and defined targets and on the basis of Key Performance Indicators (KPI's). Variable remuneration is granted no earlier than in the year following the performance year (i.e. 'in 2021 for performance year 2020').

The variable remuneration for Executive Board members, chairmen of divisions, board members, senior managers and collective labour agreement employees who have been designated as risk takers or identified staff is granted and paid in two terms:

- 50% of the variable remuneration is granted and paid immediately after the performance year;
- The remaining 50% is conditionally granted and paid no earlier than 5 years after the performance year. Prior to the payment of the conditional part, the original target realization is subjected to a second review, the so-called 'sustainability test'. This test determines whether cases have occurred in any year that have led to exceedances of the risk appetite and/or are contrary to the General Code of Conduct for Achmea.

During the period of 5 years, employment with the risk taker or identified staff may end. In this case:

- in the event of retirement, termination or dismissal: the conditionally granted variable remuneration will remain with Achmea for the remaining period of those 5 years. A reassessment will take place after that period. On the basis of this reassessment, the deferred variable remuneration will be paid out, provided that the sustainability assessment is met;
- In the event of death: the conditionally granted variable remuneration becomes unconditional. The deferred part of the variable remuneration is paid to the next of kin of the risk taker or identified staff.

*Employees with customer-related positions*

Advisors and other employees with direct customer contact do not have a (variable) remuneration that depends (primarily) on the number of (insurance) products sold/ taken out. In any case, advisors are assessed on the quality of the advice provided, possibly supplemented by efficiency/productivity criteria, such as the number of opinions or the average duration of an advice and the way in which customer interests have been expressed centrally.

### 2.6 OTHER VARIABLE REMUNERATION

In addition to variable remuneration based on targets, Achmea offers the following forms of variable remuneration:

- *Profit sharing*: collective labour agreement employees in the Netherlands who are not covered by a variable remuneration scheme can receive a profit sharing of up to 3.3% of 12 times the gross monthly salary. In foreign OpCos, profit-sharing schemes also occur among employees who are not eligible for variable remuneration based on targets.
- *Incidental gratification*: collective labour agreement employees in the Netherlands who are not covered by a variable remuneration scheme can receive an incidental gratification of a maximum of 1 month's salary for special services and under certain conditions.
- *Retention remuneration*: an (additional) variable remuneration that can be granted in the event of a sustainable organizational change in which it is necessary to have employee retention from the point of view of continuity in connection with an intended sale or reduction of activities. The retention reward is a proportional amount that is only paid if the employee is still employed at the end of a predetermined period and if the requirements related to retention are met. The granting of a retention reward requires (only) written approval from the supervisory authority if the sum of the retention remuneration and other variable remuneration is more than the bonus ceiling in the Wbfo. For Achmea in the Netherlands this means that the sum is above 20% and abroad if it exceeds 100% of a base salary. If the sum remains below the bonus ceiling, no permission from the supervisor is required. However, the reason and nature of a retention reward can be substantiated.
- *Guaranteed variable remuneration*: individual exceptions make use of the possibility of derogation from the prohibition of guaranteed variable remuneration. This is only the case when you start working and only in the first year. At Achmea, this only occurs occasionally with due observance of the Wft rules. The number is reported annually in the Achmea Remuneration Report.

## 2. HOW ACHMEA'S REMUNERATION POLICY IS STRUCTURED CONTINUED

### 2.7 ACT ON THE STANDARDIZATION OF TOP INCOMES (WNT) FOR SILVER CROSS DIVISION

The Act on the Standardization of Top Incomes (WNT) applies, among other things, to the top executives of health insurers. At Achmea, this concerns the statutory directors of Achmea Zorgverzekeringen N.V. (chairman and financial director of the Zilveren Kruis division) and the other core board members of the Silver Cross division. For the top executives of the Silver Cross division, there is no variable remuneration, despite the fact that the ban on variable remuneration in the WNT has expired as of 1 July 2017. An exception applies to any previously granted deferred variable remuneration that still results from the employment with Achmea Interne Diensten N.V. before starting to work as a top executive officer in the Silver Cross division.

The WNT also applies to supervisory directors of Achmea Zorgverzekeringen N.V. They are supervisory top executives and receive remuneration that match within the standards of the WNT.

#### *Remuneration Ceiling*

The WNT sets limits on the total remuneration of top executives. For top executives of health insurers with more than 1 million insured persons, a remuneration ceiling of € 314,000 applies in 2023, excluding pension. This amount is adjusted annually. For supervisory executives, a derived percentage of 15% applies to the Chairman of the Supervisory Board and 10% to a member of the Supervisory Board.

In order to ensure that Achmea complies with the remuneration ceiling of the WNT, Achmea has made the following adjustments to the Achmea remuneration policy for the senior executives at the Silver Cross division:

- They do not receive variable remuneration in that position;
- The position of Chairman of the Silver Cross Division is divided into an Achmea salary band for division chairmen. In connection with the remuneration ceiling of the WNT, the salary is below the minimum of the Achmea salary band 1B;
- The positions and associated income levels of the other board members of the Silver Cross division are classified in Achmea salary band 2B and are in an appropriate proportion to those of the division chairman. In some cases, a lower salary cap applies, so that the individual WNT income matches within the WNT remuneration ceiling.

- The individual incomes are tested 4 times a year against the applicable WNT standard, including all employment conditions that count as wages within the meaning of the WNT of the board members of the Silver Cross division. If necessary, the remuneration is adjusted in such a way that it matches the remuneration ceiling of the WNT.

### 2.8 WHAT IS NOT PART OF THE ACHMEA REMUNERATION POLICY?

The following matters are not part of the Achmea remuneration policy:

- pension commitments not provided under a scheme ('discretionary pensions');
- hedging of variable remuneration;
- lucrative perks or incentives (such as offering exotic trips as an incentive, making an exclusive car, vessel or private jet available (temporarily) as a form of incidental reward or a reward in kind);
- forms of guaranteed variable remuneration, subject to the guaranteed variable remuneration permitted only in the first year after taking up employment and only on condition that the institution has sound regulatory capacity, sound solvency margin or sound own funds;
- remuneration shaped as shares, phantom stocks or financial instruments.

The receipt of remuneration in kind that can be offered by virtue of the performance of the function in the business relational sphere is subject to compliance rules and procedures. In addition, rules and declaration regulations apply to the declaration of such rewards to business relations.

## 2. HOW ACHMEA'S REMUNERATION POLICY IS STRUCTURED CONTINUED

### 2.9 SEVERANCE PAYMENTS: LIMITATIONS ON SIZE AND FAILURE NOT TO REWARD

#### *Limitations on the size of the severance payment*

A severance payment of directors and daily policymakers (usually board members, sometimes also senior managers) amounts to a maximum of one fixed annual remuneration according to the specific rules that the Wbfo has been paid for. For other members of the Executive Board who are not day- to-day policymakers, the limit to one fixed annual remuneration also applies, insofar as legally enforceable.

The limitation of the severance pay to a maximum of one year's remuneration applies in a similar way to newly appointed directors (members of the Executive teams, the so-called CxOs) in Achmea's foreign subsidiaries, insofar as the restriction is legally enforceable in the country concerned. In countries where it is possible to agree on a lower maximum severance pay on the basis of laws and regulations, this lower maximum can be agreed. In the event of departure on your own initiative, no severance payment is agreed in line with the Wbfo.

#### *Don't reward failure*

As part of its remuneration policy, Achmea will pay attention to the performance of the employee during his or her employment when providing severance payments and the amount thereof and ensure that any severance pay does not constitute remuneration for poor performance.

Employment disputes with an employee who cannot be resolved amicably are submitted to the court. In that case, the latter determines the amount of any severance pay.

In the event of dismissal due to reorganization, a social plan has been agreed with trade unions for collective labour agreement employees. It determines the conditions under which employees who lose their position as a result of a reorganization are eligible for severance pay. A guideline is used for non-collective bargaining staff.

### 3. HOW ACHMEA MANAGES ITS REMUNERATION POLICY ('INTERNAL GOVERNANCE')

#### 3.1 RESPONSIBILITIES OF THE SUPERVISORY BOARD AND ITS REMUNERATION COMMITTEE

The Supervisory Board supervises the (group) policy and the general course of affairs within Achmea. As part of this, the Supervisory Board is responsible for the group remuneration policy and is responsible for determining the remuneration of the individual members of the Executive Board. He ensures that the remuneration is controlled, i.e. it supports Achmea's strategy, purpose and ambition of long-term value creation and that the variable remuneration does not contain any undesirable or unintended risks or incentives (see also regulations in Annex 3).

The Supervisory Board has a remuneration committee that supports and advises him in his supervisory tasks. The remuneration committee prepares the remuneration policy regarding to the individual members of the Executive Board. She also supervises the implementation and compliance with the (group) remuneration policy within the business units and for the various employee groups at Achmea (such as directors, risktakers, etc.). In the event of requests for deviation from the policy or difference of interpretation, the opinion of the remuneration committee always takes precedence. In order to perform its tasks as well as possible, the remuneration committee can be directly advised by the directors of the so-called control functions (see 3.3). The chairman and the members of the remuneration committee are members of the Supervisory Board, the chairman of the remuneration committee cannot be chairman of the Supervisory Board at the same time (see further regulations annex 3).

In addition to the remuneration committee at group level, a number of specific entities and/or business units within the group have their own Supervisory Board and/or (decentralized) remuneration committee with their own supervisory responsibilities for the remuneration policy. These are about compliance with specific, sectoral remuneration rules. For example, in connection with compliance with the AIFMD and MiFids, there are sector-specific rules and risks at Achmea Investment Management, Achmea Mortgage Funds and Achmea Real Estate, which are supervised by its own Supervisory Board or remuneration committee. At the Achmea Bank entity, there are specific responsibilities for supervising compliance with remuneration rules in banking (e.g. CRD/EBA/RBB 2021, Banking Code). And at the Supervisory Board of Achmea Health Insurance for compliance with the WNT.

A 'decentralized' Supervisory Board or remuneration committee periodically informs the group Supervisory Board or its remuneration committee. A 'decentralized' Supervisory Board can instruct its own control functions to elaborate parts of the group remuneration policy specifically tailored to the entity. Achmea Investment Management has done this shaped as an addendum to its remuneration policy. As such, this is considered part of the group remuneration policy. Vice versa, 'decentralized' Supervisory Board members are informed about changes to the group remuneration policy and about important publications such as the annual Achmea Remuneration Report.

For an expert execution of their duties, the members of the Supervisory Board and its remuneration committee periodically attend special training or educational meetings in the field of remuneration policy. For a decentralized Supervisory Board or remuneration committee, these are focused on the (sector) specific remuneration policy that they oversee.

#### 3.2 RESPONSIBILITIES OF THE EXECUTIVE BOARD

As executive board at Achmea, the Executive Board is primarily responsible for the establishment and application of the remuneration policy within the group at home and abroad. This is a remuneration policy that fits in the context of 'Sustainable Living Together' (see chapter 1, where this has already been explained). The Executive Board is responsible for this, with the exception of the policy that applies to itself. The Supervisory Board and its remuneration committee are responsible for achieving this. The Executive Board is advised by the CCBB.

The Executive Board is also primarily responsible for the (top-down) management and decisionmaking of the SVM and performance management process, such as the preparation of Achmea's SVM card and the assessment of the SVM cards drawn up by Achmea's business units at home and abroad. The Executive Board is responsible for assessing and determining the SVM cards of the components, for assessing the extent to which they have been realized and variable remuneration can be granted based on that realization.

For an expert execution of their duties, the members of the Executive Board periodically attend special training or educational meetings in the field of remuneration policy. For the sake of clarity, the core responsibilities of the Executive Board, Supervisory Board and its remuneration committee are summarized in the overview in Annex 6.

## 3. HOW ACHMEA MANAGES ITS REMUNERATION POLICY ('INTERNAL GOVERNANCE') CONTINUED

### 3.3 ROLE OF CONTROL FUNCTIONS IN REMUNERATION POLICY

The Executive Board, Supervisory Board and remuneration committee are supported by the heads/directors of audit positions. These have an active role in the establishment, monitoring and evaluation of the remuneration policy. They are their most important advisors and have their own responsibility. Ensuring a controlled remuneration policy, monitoring and limiting risks in the remuneration policy are their core tasks. The heads/directors of audit functions are largely independent in the performance of their duties.

Control functions at Achmea are:

- *Human Resources (HR)*. HR is the overall manager of the remuneration policy and in that role and on the basis of its specific expertise, takes care of drafting the remuneration policy, the policy preparation, the implementation of and the provision of information about the remuneration policy. Based on its own expertise and responsibility, HR supervises the application of the remuneration policy by the business units and subsidiaries at home and abroad.
  - *Finance*. Finance and Planning & Control (P&C) coordinate the annual SVM process, the performance planning, based on their expertise and responsibility for budgeting and performance management. Finance also periodically reviews the financial frameworks of the remuneration policy, including financial conditions for the (granting and payment of) variable remuneration.
  - *Compliance*. Compliance annually checks whether the remuneration policy is in line with Achmea's core values/behaviour and whether it meets the requirements of legislation and regulations. Compliance is involved in an independent, second-line role in drawing up, implementing and monitoring the remuneration policy. Compliance specifically tests the effects of variable remuneration on behaviour and monitors compliance with the Achmea Code of Conduct.
  - *Risk Management*. Risk Management periodically assesses the risks of the remuneration policy, assesses whether they fit in with Achmea's 'risk appetite', and takes care of the implementation of the annual process in which risktakers and identified staff are determined. Together with Compliance, Risk Management is responsible for testing for risks and resilience of objectives in the context of variable remuneration, the so-called 'ex ante' and 'ex post' risk assessment ('sustainability test').
- *Internal Audit*. The most important task of Internal Audit is to provide assurance and advice on the internal control of the Achmea Remuneration Policy from one independent, 3rd line. Internal Audit is part of Achmea's internal control system. Achmea has one audit function for the entire organization. Guarantees about independence and objectivity are laid down in their own 'Charter'. The Director of Internal Audit can contact the Audit & Risk Committee (AR&C) of the Supervisory Board directly, with which Internal Audit has the necessary authority to carry out the internal audit function. Internal Audit has the authority to take note of all available information that is required. Internal Audit conducts an integral audit of the Achmea Remuneration Policy every two years.

Most control functions operate from the group, sometimes (additional) control functions are active in connection with specific, sectoral rules to support the 'decentralized' Supervisory Board or remuneration committee (see 3.1). All control functions – central and decentralized – are subject to specific requirements for the (variable) remuneration policy (see 2.4).

### 3. HOW ACHMEA MANAGES ITS REMUNERATION POLICY ('INTERNAL GOVERNANCE') CONTINUED

#### 3.4 COORDINATION COMMITTEE ON REMUNERATION POLICY

As a large financial company, Achmea has chosen to set up a Coordination Committee on Remuneration Policy (CCBB) at group level. This promotes the effective cooperation and effectiveness of the control functions. The CCBB includes the directors of the audit functions, supplemented by the director of the Management Office / secretary of the Executive Board & (remuneration committee) of the Supervisory Board. The Director of Internal Audit is a member of the CCBB as a listener. From her overarching coordinating role, the HR director serves as the chair of the CCBB.

The CCBB advises the Executive Board on the risk-related aspects of the remuneration policy and provides guidance on the so-called 'key controls' and annual cycle of the remuneration policy. In addition to the Executive Board, the CCBB also reports to the remuneration committee. In addition, the CCBB advises if decisions are needed that deviate from the remuneration policy. Finally, the chair of the CCBB will inform the Executive Board and/or remuneration committee if there are any topics where differences exist within the CCBB. The tasks, responsibilities and working methods of the CCBB are laid down in a regulation (see Annex 3). The expertise of the control functions in the field of remuneration policy is guaranteed by the CCBB.

The CCBB, through its chairman, maintains a functional line with two other advisory bodies of the Executive Board in the field of remuneration:

- *The Executive Board Advisory Group on Rewards in the Netherlands ('RVRAB')*. The RVRAB advises the Executive Board, among other things, on the remuneration package that is needed to attract the right top management and on the right job and reward ratios within the top management. This concerns purely conditional, in itself non-risk-related aspects of the remuneration policy of the top management. The HR director is a permanent member of the RVRAB and can thus maintain the functional line to the CCBB and, where necessary, engage the CCBB to have advice from the RVRAB assessed. As such, the tasks and responsibilities of the RVRAB are laid down in writing in a charter;

- *The Advisory Board Remuneration International ('ABRI')*. The ABRI is an additional link between the Remuneration Committees of Achmea's foreign subsidiaries and the Executive Board and the remuneration committee of Achmea B.V. The ABRI advises on the common remuneration topics to be prepared internationally, such as the implementation of group-wide adjustments to the group remuneration policy, the translation and implementation of laws and regulations within the framework of the group remuneration policy, the (monitoring of the) annual processes of target setting and realization, the general decision-making on the allocation of variable remuneration. The tasks and responsibilities of the international Remuneration Committees (RemCos) are included in the International Governance Guide of Achmea International. It also describes the relationship with the ABRI. The HR director is a permanent member of the ABRI and in that capacity can monitor the functional line with the CCBB and have the CCBB recommendations tested.

## 4. ACHMEA'S PROCESS OF STAKEHOLDER VALUE MANAGEMENT (SVM) AND PERFORMANCE MANAGEMENT

### 4.1 GENERAL

The processes of target setting and target realization are leading in the management of the strategic objectives of the organization regarding the purpose and the long-term value creation model (see chapter 1.1). They are designed according to the Stakeholder Value Management (SVM) approach. The SVM process also forms the basis for setting targets and realizing KPI's and KRI's that are linked to variable remuneration at group and business unit level. The target setting and target realization at the level of the individual employee and its recording take place in the conversation between the employee and his supervisor. In both processes, necessary audit work has been set up to ensure the control of the remuneration policy.

The Planning & Control (P&C), Compliance, Risk Management and HR departments (together the control staff) all have an important role in the implementation of these processes. The process of target setting within Achmea is carried out top-down, with room for the business units to have input into these processes. The group business plan with the integrated management agenda and the SVM Group Map are leading in drawing up the SVM maps of business units, in order to ensure integral and balanced management of the strategic objectives at business unit level. Where possible and applicable, the SVM Group Card provides top-down cascading of KPI's and KRI's to business units.

The control bars check whether the cascaded KPI's match the SVM Group Card and the business plan. In addition, it is tested whether the KPI's, in the context of effective performance management, are sufficiently SMART formulated and aligned with the purpose, whereby the contribution to the strategic objectives is followed along the 5 building blocks, supplemented by the sustainability aspect. In addition, other KPI's can also be included on the SVM map of the business units. These must then fit within the framework of Achmea's risk appetite and contribute sufficiently to Achmea's strategic objectives. The KPI's that are linked to variable remuneration are assessed against the Controlled Remuneration Policy.

The processes of target setting and target realization are coordinated by the CCBB.

### 4.2 THE PROCESS OF TARGET SETTING

- Annually, targets are set in which compliance (ex-ante) criteria are defined that ensure that targets are in line with Achmea's risk appetite and the General Code of Conduct for Achmea.
- The target setting for the Executive Board is prepared by the remuneration committee of the Supervisory Board. The target setting process at business unit level is supervised by the P&C department.
- HR guides the target settings process for the targets on an individual level.
- The (remuneration committee of the) Supervisory Board assesses the proposal for the targets of the Executive Board and then determines them.
- The (remuneration committee of the) Supervisory Board sets the targets of the heads of the control functions.
- For the other risk takers and the other target groups, the final responsibility lies with the Executive Board.

### 4.3 THE PROCESS OF INTERIM MODIFICATIONS AT TARGETS

- Part of the target setting process is the annual possibility to submit a request for interim change(s) of KPI's on the SVM card that are linked to the variable remuneration and KRI's. The request for amendment must be argued and strict criteria apply.
- Individual targets can also be changed during the year. The same criteria apply. In addition, individual targets can be changed as a result of a job change.

*Criteria for interim modifications of SVM objectives:*

Annually, after the financial half-year closing, but before the end of August, the business units are offered the opportunity to submit the changes to the set SVM objectives that have a direct or indirect impact on the variable remuneration.

Modifications apply to:

- KPI's that are directly linked to variable remuneration on the SVM card of a business unit
- KPI's that are indirectly linked to the variable remuneration KPI's on the SVM Group Card
- KPI's that have a direct impact on Achmea's financial result (operating result, turnover, costs, etc.)
- KRI's (KRI's are by definition linked to variable remuneration)

## 4. ACHMEA'S PROCESS OF STAKEHOLDER VALUE MANAGEMENT (SVM) AND PERFORMANCE MANAGEMENT CONTINUED

In the remuneration policy, KRI's and KPI's that:

- are directly linked to variable remuneration (on your own SVM card)
- are indirectly linked to variable remuneration (via the SVM Group Card)
- and KPI's that have a direct impact on Achmea's financial result

can be changed when the 'double force majeure principle' is met. This means that:

1. there is an extraordinary unforeseeable circumstance (criterion 1), and
2. which should not reasonably be at the expense and risk of the business unit (criterion 2).

In addition, it is possible to carry out (material) corrections and recalibrations. Attention should be paid to the following matters:

1. In the case of a correction, it must be indisputable that it is actually an error.
2. In the event of a reassessment, it must be demonstrably substantiated that this can better manage Achmea's strategic goals.
3. If matters are transferred between business units (e.g. after organizational changes), both affected parts must submit this change.

The change process is not intended to lower the set targets during the year, with the aim that they can still be achieved. The basic principle remains that there must be high exceptions. Coordination with and prior approval by the relevant Executive Board member is a condition before a request for amendment is submitted. Formal determination takes place in the Executive Board as a whole and in the Supervisory Board, after the proposed changes to the business units have been tested by P&C, HR and Compliance through the regular process.

### 4.4 THE PROCESS OF TARGET REALIZATION

- In the year following the target setting, an ex-post assessment on targets is carried out. As part of the target realization process, business units provide a self-assessment. It is also mandatory to attach evidence from which the realization score can be objectively determined. Compliance with the principles for assessment is monitored by P&C, Compliance and HR.

- In the year following the target setting, the employee gives a self-score for the realization of his individual targets and provides the evidence from which the realization score can be objectively determined. The manager assesses the self-scores of his employees and the evidence provided and, after consultation with the employee, makes a proposal for the realization scores of his employees.
- The proposals of the managers in a business unit are randomly tested by the control functions within the business unit. HR coordinates this process and, if necessary, engages Finance, Compliance and/or Risk. The findings from the review by the audit functions are submitted to the management of the business unit. In the management consultation of the business unit, calibration of the realization scores of the individual targets takes place, after which these are determined by the management.

### 4.5 THE PROCESS OF GRANTING VARIABLE REMUNERATION

- The granting and payment of variable remuneration is made on the basis of a general decision by the Executive Board in consultation with the Supervisory Board. The Executive Board can, in consultation with the Supervisory Board, decide not to grant variable remuneration in any year, even if certain (individual) targets have been achieved.
- The Balance Sheet Management Group carries out an analysis of the proposals for variable remuneration to determine that allocation and distribution do not entail risks in terms of liquidity and solvency.
- Prior to the payment of the immediately to be awarded and deferred variable remuneration, Compliance carries out a sustainability test of the targets.

## 5. WHAT THE RISK MANAGEMENT OF ACHMEA'S REMUNERATION POLICY LOOKS LIKE

### 5.1 INTRODUCTION

Remuneration policy is an aspect of ethical and controlled business operations. The Achmea Remuneration Policy offers support in achieving the Achmea strategy, its purpose and long-term value creation model. It also includes measures aimed at managing the risk of undesirable behavior among its managers and employees by preventing unwanted financial incentives.

### 5.2 PERIODICALLY PERFORMING A RISK ANALYSIS ON THE (VARIABLE) REMUNERATION

A risk analysis is a measure to recognize risks and therefore to be able to control them. The aim of the risk analysis is to identify risks in the (variable) remuneration that have a material impact on Achmea's risk profile. Risks to be controlled are derived from Achmea's strategy, core values and objectives, and from the requirements of laws and regulations in the field of controlled remuneration policy. It concerns various types of risks, not only financially, but also in terms of sustainability. The risk analysis periodically determines whether the risks regarding (variable) remuneration are sufficiently mitigated in design. It is determined whether the so-called 'residual risk' fits within the risk appetite. Where the risk analysis so warrants, the remuneration policy and/or its implementation shall be strengthened.

#### *Sector-specific risks in certain business units*

In certain business units of Achmea, there may be specific risks that require a specific own risk analysis. This is the case at Achmea Investment Management, Achmea Mortgage Funds and Achmea Real Estate and at Achmea Bank.

Achmea Investment Management, Achmea Mortgage Funds and Achmea Real Estate require a further assessment of the risk profile of alternative investment managers based on specific legislation and supervisory regulations (in particular client interest risks from AIFMD, ESMA: see Annex 1). Institutions (AIFs) or the risk profiles of the investment funds they manage in relation to remuneration policies.

Achmea Bank looks at the derived risks for banking under the banking legislation and supervisory regulations in relation to remuneration policy (in particular prudential risks from CRD/EBA/RBB 2021: see annex 1). The extent to which specific risks and/or a different risk assessment apply to these business units is determined, in addition to the risks and measures from Achmea's central risk analysis. The specific risk analysis is scheduled on the agenda of the Supervisory Board or the remuneration committee of the division to be approved.

Dutch subsidiaries and foreign subsidiaries independently carry out their own risk analysis. It is tested to what extent risks related to remuneration policy from the central/ group risk analysis occur, and whether additional specific risks apply. The extent to which these have been mastered is assessed. The supervisory board or remuneration committee of these subsidiaries must determine this. See also Annex 5, monitoring matrix subsidiaries.

### 5.3 ANNUAL RISK TAKERS ANALYSIS: IDENTIFICATION OF (MATERIAL) RISK TAKERS AND IDENTIFIED STAFF

Achmea aims to prevent the remuneration policy from containing perverse incentives that may lead employees to prioritize self-interest over that of the company, its customers or other stakeholders. This particularly concerns employees whose roles and execution of their duties have a material impact on Achmea's risk profile (risktakers) or on that of the alternative investment institution (AIF) or its manager(s) (identified staff).

For example, as of 1 January, Achmea determines annually which personnel or job categories have a material impact on the relevant risk profile. The criteria for the determination follow from (sectoral) remuneration rules: for (re)insurers Solvency II/ EIOPA, for banks (CRD/EBA/RBB 2021), for alternative investment funds and/or their managers (AIFMD). See also Annex 1.

Specific requirements apply to employees in these categories for the (variable) remuneration. The variable remuneration is paid for 50% in the year 't' after the performance year. The other 50% is granted conditionally and paid no earlier than after five years ('t+5'). Before the conditionally granted part is paid out, the original target realization is subject to a 'sustainability review'. It checks whether or any year cases have occurred that have led to the risk appetite being exceeded and/or are contrary to the General Code of Conduct for Achmea. In addition, the remuneration committee has discretionary access to the possibility to apply malus or claw back to the variable remuneration, if there is reason to do so. As an additional control measure, Achmea has chosen to apply the method of deferred variable remuneration to all non-cao employees, even if they are not risk takers or identified staff.

## 5. WHAT THE RISK MANAGEMENT OF ACHMEA'S REMUNERATION POLICY LOOKS LIKE CONTINUED

### 5.4 RISK ADJUSTMENT: HOW TO MANAGE RISKS IN ADVANCE AND AFTERWARDS IN PERFORMANCE AGREEMENTS

#### 5.4.1 General

Achmea employees with a variable remuneration scheme may be eligible for variable remuneration if they achieve agreed performance targets ('targets'). These take the form of Key Performance Indicators (KPI's) and can consist of multiple sub-KPI's. Realization of performance objectives can lead to the allocation of variable remuneration. In the annual decision-making on variable remuneration, it is assessed whether the risk appetite has been exceeded and whether integrity has not been acted upon. This assessment may lead to a downward adjustment of the variable remuneration.

On the SVM map of each business unit, a number of Key Risk Indicators (KRIs) are also determined annually. Failure to comply with a KRI means that there is a downward adjustment to the part of the variable remuneration that relates to the performance of the business unit. If none of the KRIs are met, this could lead to a downward revision of 100% on the relevant SVM card. The starting point is that all KRI's carry the same weight. The Executive Board may also decide to apply a different weight, depending on the degree of culpability, influenceability and/or materiality of the risk. The final exit is – after advice from the CCBB – determined by the Executive Board and finally determined by the remuneration committee.

A number of KRI's are also determined annually on the SVM Group Card. Here it is the Remuneration Committee that determines the weight to be assigned to an exceeded KRI. The Supervisory Board finally determines the severity and downward adjustment of the variable remuneration.

#### 5.4.2 Ex-ante risk adjustment at the beginning of the appointment cycle

KPI's and - for the group and per business unit – KRI's are agreed annually at the beginning of the performance year. In addition, risk management is done in advance – 'ex-ante'. For targets on SVM group card and on those of the business units, these are always a combination of KPI's and KRI's. In doing so, we look at a balanced distribution of (types of) targets at the level of the group, the business unit and the individual employees. Targets at group level and at the level of the business unit are part of the business planning cycle. Targets at the level of individual employees are formulated as part of the annual individual result and behavioral agreements between the manager and the employee.

For employees, targets usually apply at 3 levels, i.e. at group, business unit and individual level, with the exception of:

- Members of the Executive Board who do not have targets at the level of the business unit;
- Employees in control functions at group level, who do not have targets at group level because they must be able to exercise their control regardless of the result at the group level they supervise;
- Employees in identified control functions at the foreign OpCos and decentralized Dutch business units, who do not have targets at the level of the OpCo/business unit, because they must be able to exercise their control at that level regardless of the results of the OpCo or the business unit.

Chapter 2.5 explains how this works out for the different job categories.

#### 5.4.3 Requirements for targets based on ex ante risk management

- At group, business unit and individual level, targets are formulated annually from the various building blocks of Achmea's purpose, supplemented by the sustainability aspect. At each level there are a maximum of 10 targets, which can include multiple (partial) KPI's;
- When setting targets that count towards the determination of variable remuneration over any year (see Chapter 2.5), it is always assessed whether the use of a target can encourage risk-taking. Where this is the case, it is tested annually before the possible granting of variable remuneration whether the risk in question has been exceeded;
- Targets must be in line with the 'risk appetite' formulated by Achmea and its business units. The risk appetite is based on the strategy, long-term objectives and core values of the organization;
- There is always a mix of financial, non-financial, quantitative and qualitative targets. There is a reasonable ratio between the number of quantitative and qualitative targets, at least half of the targets must be non-financial;
- Targets are derived from long-term (3-5 years) and short-term (1-3 years) objectives;
- Annually, the Executive Board, in consultation with the remuneration committee, proposes the selection of 3 targets from the SVM Group Card, which are taken into account when determining the variable remuneration for the performance year. A choice is made from 3 of the following 4 building blocks:
  - Large customer base
  - Skilled employees
  - Excellent financial position
  - Durability.

## 5. WHAT THE RISK MANAGEMENT OF ACHMEA'S REMUNERATION POLICY LOOKS LIKE CONTINUED

- Management of business units, in consultation with the Executive Board (manager), formulate 2 targets for their business unit at 2 building blocks that count in the performance year for the possible granting of variable remuneration at the level of their business unit. Abroad, the number of targets that are counted is higher, because the size of the variable remuneration is higher. In this way, the risk of unwanted financial incentives is adequately managed;
- At the individual level – the card of the individual Executive Board member and the agreements of individual employees – the respective manager agrees with his or her direct reports the three targets that count towards the possible granting of variable remuneration. Of these three targets, one always relates to a behavior-influencing theme, for managers: personal leadership; for non-managerial positions: collaboration, development or integrity. The targets are agreed in the context of the business planning and strategy of the organization or business unit and the contribution that the individual employees must make to this;
- Each target/KPI that counts in the possible allocation of variable remuneration has the same weighting at each of the 3 organizational levels (group, component, individual) and can be composed of several sub-KPI's.

A general requirement for targets to be drawn up is that they are SMART and communicate transparently to the employees involved.

### 5.4.4 Retrospective 'Ex-post' risk adjustment in the assessment of the realization of agreements

Ex-post testing takes place by explicitly and documented the realization of targets. This happens on two occasions:

- When deciding on (conditional) granting and payment of variable remuneration in the year 't' after the end of the performance year;
- When deciding on the unconditional distribution of the previously conditionally granted variable remuneration to risktakers and identified staff, no later than year t+5.

Achmea has three instruments through which 'ex post' risk adjustment can take place:

#### 1. *Generic malus*

Achmea may decide not to grant variable remuneration in any year or not to pay a previously conditionally granted deferred variable remuneration or to suspend its payment. This is also possible when the agreed targets have been achieved. Achmea will decide to do so if there is a strongly disappointing or even

negative financial result or another extraordinary circumstance if variable remuneration in that regard constitutes a serious reputational or image risk. This generic malus applies to all employees who are eligible for variable remuneration.

#### 2. *Individual malus*

With variable remuneration based on targets, there is the possibility of an individual malus, i.e. for individual employees. The malus can apply both to the immediately attributable variable remuneration and to the deferred variable remuneration. The malus can be applied when the (re) assessment of performance shows that the achievement of previously agreed performance targets has not proved sustainable or, on closer inspection, has not been agreed on the right grounds. The latter can also be serious errors or unintentional violations of internal rules and/or laws and regulations with adverse financial consequences for the company or part of it. A malus can also be applied in the event of serious violations of the General Code of Conduct for Achmea.

There is also an obligation to make an individual malus in the following situations:

- The employee has not complied with appropriate standards of competence, integrity and correct behaviour (as included in the General Code of Conduct for Achmea), or
- The employee was responsible for conduct that led to a significant deterioration in the company's financial position (Art. 1:127 Wbfo).

#### 3. *Claw back*

If an employee has received a variable remuneration as a result of fraudulent acts, deception or other culpable behaviour, Achmea has the authority to recover all or part of the variable remuneration granted or paid out (claw back). This power concerns any employee who has wrongly received variable remuneration on these grounds.

Variable remuneration based on targets also applies to additional situations in which claw back can be applied. Achmea has a power to apply claw back in the following situations:

- The variable remuneration was granted on the basis of incorrect information;
- The variable remuneration leads to unfair outcomes due to extraordinary circumstances in the period in which the predetermined performance criteria have been or are to be achieved.

Achmea has the obligation to apply claw back in the following situations:

## 5. WHAT THE RISK MANAGEMENT OF ACHMEA'S REMUNERATION POLICY LOOKS LIKE CONTINUED

- The employee has not met appropriate standards of competence and correct conduct, or
- The employee was responsible for conduct that led to a significant deterioration in the company's financial position.

The authority to apply claw back in whole or in part lies with the Supervisory Board with regard to members of the Executive Board and with the Executive Board in consultation with the RemCie when it comes to chairmen division and other employees with variable remuneration based on performance objectives.

The claw back is up to the total net amount of the variable remuneration previously paid. The possibility of claw back applies up to 5 years after the payment of a variable remuneration.

Ex-post risk adjustment takes place by:

- reduce the size of the variable remuneration at the time of award if the risk appetite has been exceeded and/or integrity has not been acted upon;
- reduce the size of the variable remuneration at the time of distribution if targets have not been achieved sustainably and/or the risk appetite appears to have been exceeded over time;
- or, after the variable remuneration has already been paid, to have (part of the) variable remuneration repaid ('claw back') if there is reason to do so (serious errors, culpable actions, fraud).

In ex-post review, it is specifically determined whether cases have occurred in any year that have led to the risk appetite being exceeded and/or are contrary to the General Code of Conduct for Achmea. Based on the results of this assessment, the Executive Board or remuneration committee receives advice on whether there is reason to adjust the variable remuneration downwards over a period of any year. For example, it can be advised, or decided not to grant variable remuneration at all, to apply a generic malus to the variable remuneration (for example, a downward adjustment of the variable remuneration equal to everyone on the basis of the realization of the SVM Group Card, because a KPI has not been realized or to grant no or lower variable remuneration for specific (categories of) employees.

Every year, it is assessed whether targets from previous years have been achieved sustainably (the so-called 'sustainability test'). In doing so, it is assessed whether the realization has not had any negative consequences in the longer term. It is examined whether cases have occurred that have led to exceedances of

the risk appetite. Think of possible result adjustments, sanctions from regulators, legal disputes, material issues & incidents and serious violations of the General Code of Conduct Achmea. The test takes place:

- prior to the granting of variable remuneration (the part to be paid immediately);
- prior to the unconditional making of conditionally granted variable remuneration;
- and when paying out the deferred part of the variable remuneration from an earlier performance year.

When such cases occur, it may result in the conditional allocation of variable compensation not being made unconditional and/or the deferred part of it not being paid (in full). In the event of a serious violation of the General Code of Conduct for Achmea, variable remuneration will be recovered from the employee(s) concerned ('claw back').

### 5.4.5 Other consequences of the target realization assessment

- When part of the variable remuneration is paid, it is determined whether the part to be paid out is paid in full or partly based on ex-post risk assessment. For the employee concerned, this means that the part of the variable remuneration that was previously granted to him or her (conditionally), but is not paid, will permanently expire. Unpaid portions of the deferred variable remuneration, which have been definitively established to have led to overruns of the risk appetite, can never be paid out at a later date.
- Risk adjustment in the event of payment of a deferred part of the variable remuneration is in addition to the risk adjustment / downward adjustment that has already taken place at the time the variable remuneration has been granted, on the understanding that the total discount on grant and on distribution can never exceed 100%.

### 5.4.6 Determination and control of target realization

Ex-post risk adjustment at the level of the group, including the individual members of the Executive Board, is done by the remuneration committee. Under the management of the Director of the Executive Office, the ex post review is prepared by directors of the audit functions. The remuneration committee determines whether targets have been achieved at group level and whether this has been done within the risk appetite and the framework of the General Code of Conduct for Achmea. Compliance monitoring is done by Group Planning & Control and Compliance. The Supervisory Board finally adopts the decisions on the advice of its remuneration committee.

## 5. WHAT THE RISK MANAGEMENT OF ACHMEA'S REMUNERATION POLICY LOOKS LIKE CONTINUED

Ex-post risk adjustment at the level of the business units is done by the Executive Board. The Executive Board determines whether targets have been achieved and whether this has been done within the risk appetite and frameworks of the General Code of Conduct for Achmea. The starting point for his assessment of the realization of targets is that they have or have not been achieved. On the basis of fairness considerations, the Executive Board may deviate from this, decide that there is partial realization. The CCBB prepares the ex-post award as an advisor to the Executive Board, the Executive Board submits a decision on this to the remuneration committee for final determination. Group Planning & Control and Compliance check compliance with the assessment requirements in this process.

Ex-post risk adjustment at the level of individual targets is initially done by the manager as part of the assessment of the realization. Before this assessment becomes final, the results of the assessments of employees with variable remuneration are

discussed in the management meeting of the relevant business unit. In a 'calibration session', the proposed realizations are examined in conjunction with each other. It is also evaluated whether the realization has remained within the risk appetite and/or targets have been achieved within the framework of the General Code of Conduct for Achmea.

Finally, it is examined whether there were any incidents with regard to the performance year that should lead to a downward adjustment of the realization and variable remuneration. The final results of the calibration session of the management meeting are fed back to the relevant employees by the responsible manager.

Summarized in the following overview, at various levels where risk adjustment occurs, there are different stakeholders with varying responsibilities in the process of target setting and realization:

### Process VR targets Group & individual Executive Board members

	<b>Uitvoerend verantwoordelijk</b>	<b>Eindverantwoordelijk</b>	<b>Vorbereid</b>	<b>Adviserend</b>
Setting targets ('target setting')	Executive Board (Group) RemCie (Executive Board members)	Supervisory board	GP&C, HR (Executive Board members)	CCBB
Assessing the realization of targets ('target realization')	RemCie	Supervisory board	GP&C, HR (Executive Board members)	CCBB

### Proces VB targets bedrijfsonderdelen

	<b>Uitvoerend verantwoordelijk</b>	<b>Eindverantwoordelijk</b>	<b>Vorbereid</b>	<b>Adviserend</b>
Setting targets ('target setting')	Business unit	Executive board	Control staff	CCBB
Assessing the realization of targets ('target realization')	Executive Board manager	Executive board	Control staff	CCBB

### Proces VB targets individuele medewerker

	<b>Uitvoerend verantwoordelijk</b>	<b>Eindverantwoordelijk</b>	<b>Vorbereid</b>	<b>Adviserend</b>
Setting targets ('target setting')	Supervisor	Management of the business unit	HR	Decentralised control bars
Assessing the realization of targets ('target realization')	Supervisor	Management of the business unit	HR	Decentralised control bars

## 5. WHAT THE RISK MANAGEMENT OF ACHMEA'S REMUNERATION POLICY LOOKS LIKE CONTINUED

### 5.5 SOLVENCY AND LIQUIDITY TEST

The payment of variable remuneration must not result in undesirable consequences for the financial situation of Achmea. That too is a risk to be controlled. Therefore, as part of the decision-making on the distribution and payment of variable remuneration (including a possible proposal for profit distribution), it is tested whether the distributions are justified on the basis of prudent financial policy. This test assesses whether, after payment of the total amount of variable remuneration, solvency and liquidity remain at a level acceptable to Achmea.

### 5.6 RISK ADJUSTMENT OF PROFIT SHARING AND ONE-TIME BONUSSES

The Achmea Remuneration Policy has the possibility, under certain conditions, to pay employees who are not already covered by a variable remuneration scheme an one-time bonuses for exceptional performance. This possibility is limited to a maximum of one month's salary and to collective agreement (CAO) employees. Employees who fall under a variable remuneration scheme are not eligible for this in order to prevent the cumulation of variable remuneration. Ex-ante risk adjustment takes place by attaching the following criteria to the granting of an one-time bonus:

- There is an exceptional performance that has been performed within the framework of the risk appetite;
- Its justification shall be recorded in writing as part of the award;
- The nominations for an occasional bonus are approved by the chairman of the board of the business unit.

A profit sharing is a form of variable remuneration. In the Netherlands, this is regulated in the Achmea collective labour agreement, a profit-sharing scheme also occurs in OpCo's abroad. In order to prevent the cumulation of variable remuneration, the scheme does not apply to collective labour agreement employees, who are also risktakers or belong to the identified staff. The profit sharing is also part of the distribution of variable remuneration on which the solvency and liquidity test is carried out.

## 6. HOW ACHMEA COMMUNICATES ABOUT ITS REMUNERATION POLICY

### 6.1 ANNUAL REPORTING AND THE ACHMEA REMUNERATION REPORT

#### *Remuneration of directors in annual report and annual accounts*

Under the management of Group Finance Reporting, the usual annual remuneration reports on the executive remuneration in the annual report and the consolidated financial statements of Achmea B.V. The same applies to the remuneration of the relevant directors in the annual accounts of Achmea Pensioen- en Levensverzekeringen N.V., Achmea Schadeverzekeringen N.V., Achmea Reinsurance N.V. and N.V. Hagelunie. In addition, the directors' remuneration in the banking sector is published as part of the annual report of Achmea Bank N.V.

#### *Publication of variable remuneration in remuneration report*

Achmea also publishes its remuneration report every year. It publishes information in line with obligations under remuneration regulations and guidelines from supervisory authorities, insofar as this has not already been done in the annual report. In particular, Achmea provides detailed insight into the variable remuneration granted to directors and other categories of staff, including risktakers and identified staff, over the past performance year. Publication in the form of a separate Achmea Remuneration Report is necessary, because the decision to grant variable remuneration at Achmea takes place after the adoption of the annual accounts.

#### *Publication based on AIFMD requirements in Remuneration report and annual report on entities*

The remuneration rules in Article 22 of the AIFMD impose separate requirements for transparency on the remuneration of staff, in particular those of identified staff. The required publication takes place both as part of the Achmea Remuneration Report and in the statutory annual accounts of Achmea Investment Management NV and Syntrus Achmea Real Estate & Finance.

#### *Publication of remuneration of top executives on the basis of the WNT in the annual report of Achmea Zorgverzekeringen N.V.*

Finally, under the WNT, specific publication obligations apply annually with regard to the incomes of, among others, top executives, partly to provide public insight into how they comply with the WNT standard. It is published in the remuneration section of the annual report of Achmea Zorgverzekeringen NV. The Achmea Remuneration Report refers to it.

The publications of the remuneration and remuneration policy in the various annual accounts of Achmea and in the Achmea Remuneration Report form an integral whole. These can be found at [www.achmea.nl/investors/archief/publicaties](http://www.achmea.nl/investors/archief/publicaties).

### 6.2 INTERNAL COMMUNICATION

The Achmea Remuneration Policy is placed on the intranet within Achmea. As a result, the remuneration policy can be read for all Achmea employees. This also complies with the Solvency II remuneration rules for the insurance components.

### 6.3 OTHER ASPECTS

The sustainability regulations, in particular the SFDR/ Transparency Regulation, provide some specific rules for the justification of remuneration policies. The implementation for Achmea is detailed in Annex 2.