

Integration of sustainability in remuneration policy

Statement on the integration of sustainability in Achmea's general remuneration policy

In this statement, we explain why and how sustainability and dealing responsibly with sustainability risks are included in Achmea's general remuneration policy. This statement concerns the business units of Achmea BV that provide asset management services, develop, offer or advise on investment products or unit-linked insurance policies within the European Union.

Sustainable from our mission

Achmea sees it as its mission to contribute to a healthy, safe and future-proof society. We make this happen every day with the products, services and insights that we develop and offer. The customer's interests are thus intertwined with the world around us, for now and later. Dealing with sustainability risks and sustainability factors is an important element in this.

Sustainability is part of the general remuneration policy

The general Achmea remuneration policy supports the management of the organization based on stakeholder value management (SVM). In this way we ensure that the creation of value for customers, employees, partners, shareholders and society as a whole is an integral part of the management of our organization. The general remuneration policy does not contain any elements that encourage taking irresponsible risks. The (variable) remuneration structure is also designed in such a way that it does not encourage taking irresponsible sustainability risks.

Achmea's general remuneration policy pays attention to stimulating effective risk management that is geared towards sustainability. In this statement, we want to be explicitly transparent about the way in which (variable) remuneration contributes to the management of sustainability risks that affect the value of clients' investments.

No irresponsible sustainability risks

Integrating sustainability into the remuneration policy supports the achievement of sustainability goals and does not encourage taking irresponsible sustainability risks. By this we mean risks where, as a result of an environmental, social or governance event or circumstance - if that occurs, there may be an actual or material negative effect on the value of the client's investment.

Integration of sustainability in fixed and variable remuneration

Fixed pay reflects the employee's relevant work experience and organizational responsibility, set out in a job profile. The pursuit of sustainability objectives and the management of sustainability risks are inherent to the position with fixed remuneration and guaranteed in the regular remuneration system.

Variable compensation is a representation of a sustainable and risk-adjusted return based on the performance of the employee.

For all employees who qualify for variable remuneration, this amounts in total to no more than a legally capped share of 20% (for persons working abroad no more than 100%) of the total fixed remuneration of the employee concerned on an annual basis. The variable remuneration consists of a monetary remuneration.

Criteria for variable remuneration

The variable remuneration is based on predetermined, achievable goals (Key Performance Indicators, or KPIs) on which the employee has a certain direct (co) influence. Supplemented with measures that discourage taking excessive risks (Key Risk Indicators, or KRIs). This counteracts unacceptable sustainability risks and any misleading when selling products. The criteria also take into account the rights and interests of customers and the quality of the service to customers. In addition, they are in line with the company's mission and business strategy (including sustainability goals), objectives, values and long-term interests. This also includes the risk management strategy, risk appetite and risk profile. It is a careful balance between the interests of everyone involved in Achmea: customers, distribution partners, shareholders, colleagues and society as a whole.

Target realization and determination of variable remuneration

In practice, we assess performance based on both financial and non-financial criteria. When determining the target realization, it is assessed whether KPIs have been achieved and whether actions have taken place within the boundaries of the KRIs, including sustainability legislation.

If a KRI is not achieved, the variable remuneration is adjusted downwards, even if the KPIs have been achieved. For example, a variable remuneration that appears to have been achieved on the basis of only the assessment of the (financial or non-financial) performance criteria is adjusted downwards if the sustainability risks contained in a KRI are not sufficiently controlled.