



# Financial solutions for today and tomorrow

ESG policy Achmea Bank



## Our vision

Banks have an important social function: managing savings and investing these funds through mortgages. It is therefore important that we gain and maintain the trust of the customer and society.

During the past years, Achmea Bank has transformed from an organization that did everything in-house into a network organization that focuses on its core activities and collaborates in a network of internal and external partners. This enables Achmea Bank to respond quickly to changing circumstances.

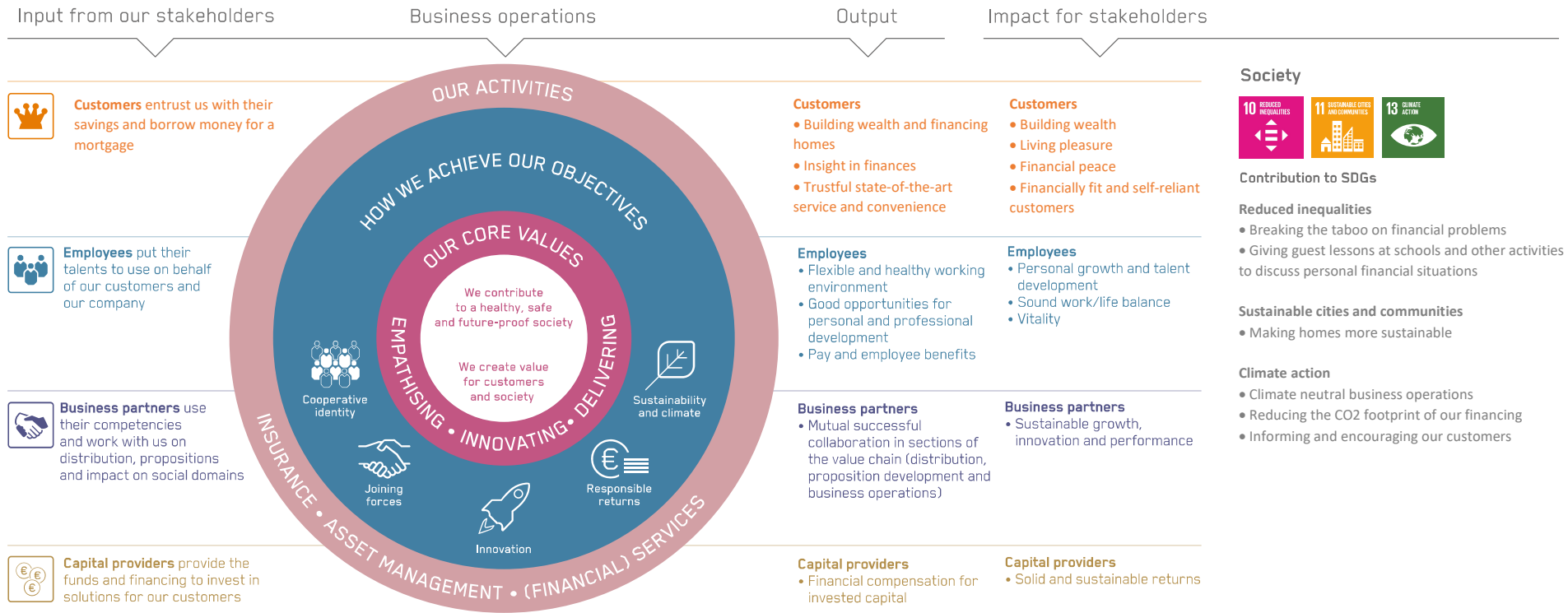
As a partner in value creation, we take our responsibility to explain how we do this for our customers, employees, partners, and investors. And especially together with them, because we are Achmea Bank: the bank that connects.

## Our mission

Achmea Bank believes that everyone should have the financial opportunities to lead a comfortable life; today and tomorrow. We do this by offering solutions, together with our partners, for building wealth and purchasing a house. We offer customers simple and transparent mortgage and savings products that belong to this time.

# Our value creation model

We want to create value for our customers, employees, partners, and investors by working in an enterprising and innovative way on financial solutions for today and tomorrow. We do this by developing savings and mortgage products with demonstrable added social value in which the customer's interests are central. The value creation model reflects how we create long-term value for our stakeholders and shows the relationship between our strategy, our business model, and the results we achieve. The dialogue we conduct with our stakeholders gives direction to our strategy, business model, and the impact we want to have on society.





# SUSTAINABLE DEVELOPMENT GOALS



## Sustainable Development Goals

In 2015, the 193 member states of the United Nations set 17 global goals (Sustainable Development Goals) to end extreme poverty, inequality, injustice, and climate change.

Achmea Bank wants to contribute to these ambitious goals within its own sphere of influence. We therefore focus on the areas where our products and services have the greatest impact.

In 2019, we made a selection of the Sustainable Development Goals (SDG's) on which we will work in the coming years.

- 10. Reducing inequality
- 11. Sustainable cities and communities
- 13. Climate action

By implementing our ESG policy, we contribute to these three SDGs. Below, we indicate for each chapter which of the three SDGs we contribute to with the goals that are described.

## Our ESG strategy

We strive for sustainable development for our employees, customers, and our company. This goes beyond offering financial services. We want to have a positive impact on society. That is why we set targets for our impact on a sustainable living environment (*environmental*), a social society in which everyone can participate (*social*), and reliable and honest banking policy (*governance*).

As a network bank, we seek cooperation with our most important stakeholders: our **customers**<sup>1</sup>, **employees**, (outsourcing)**partners**, and **investors**. We set measurable goals, in the form of a KPI or KSF, in order to achieve profitable results together. Below is an overview of our goals, which are further explored and described in the rest of this document.

	 Our contribution for and with <b>Customers</b>	 Our contribution for and with <b>Staff</b>	 Our contribution for and with <b>Partners</b>	 Our contribution for and with <b>Investors</b>	
<b>Environmental</b> <b>A Sustainable Living Environment</b> We support the climate agreement commitment of the Dutch financial sector CO2 emission reduction of 49% in 2030 compared to 1990	Informing and encouraging mortgage customers to make their homes more sustainable Average energy label A in our mortgage portfolios in 2030	Offering a sustainable workplace Climate-neutral workplaces in 2030	Selecting based on and steering towards sustainability objectives at partners Outsourcing and contracting policy on sustainability	Providing sustainable investment opportunities Green Asset Ratio	KPI/ KSF
<b>Social</b> <b>An Accessible Society</b> We increase the financial fitness and self-reliance of Dutch people 1500 conversations about financial fitness in 2022 (in collaboration with Achmea)	Helping customers avoid payment problems, and offer solutions where necessary Use payment arrangements and breaks where necessary	Stimulate making financial problems a topic for discussion of employees within and outside the work context Annually 50 'Bank for the Class' guest lectures by employees	Selecting and steering based on labor standards and human rights (outsourcing) partners Outsourcing and contracting policy on social norms	Offering investment opportunities in a company with a cooperative foundation ESG Rating	KPI/ KSF
<b>Governance</b> <b>A Reliable Bank with Integrity</b> We are an honest and reliable counterparty for all our stakeholders Score of our brands Woonfonds and Centraal Beheer on the 'Banking Confidence Monitor' of the NVB	High quality service and reliable products and processes NPS > 50	Committed, enthusiastic and honest employees MBO score Commitment and Engagement at least 8 (on a scale of 10)	Continuous monitoring of service quality by partners 100% EBA compliant on outsourcing	Transparent reporting and accessible dialogue with our investors Credit Rating	KPI/ KSF

<sup>1</sup>In this document, we mean customers of our brands Centraal Beheer and Woonfonds.

## A sustainable living environment...

Achmea Bank and Achmea Group BV support [the commitment of the Dutch financial sector to the Paris Climate Agreement](#). This agreement aims the financial sector to:

1. Act as a financier of the energy transition
2. Create transparency about the CO<sub>2</sub> emissions of their investment portfolios
3. Announce new CO<sub>2</sub> emission targets, including reduction plans (by the end of 2022)

**With this, the sector aims for a reduction of CO<sub>2</sub> emissions of 49% compared to 1990.** Achmea Bank takes its responsibility by translating this target into relevant targets to be achieved with, and for, various stakeholders.



### ...for and with customers

As a provider of mortgage products, we ensure that our customers can purchase a home. Nowadays, Dutch houses have an average energy label C. We would like to contribute to making these homes more sustainable and, consequently, reducing CO<sub>2</sub> emissions per household. **That is why we aim for an average energy label A in 2030 for our mortgage portfolios.**

On the one hand, we do this by informing customers of our brands Centraal Beheer and Woonfonds about the options for making their houses more sustainable and by encouraging this. For example, we are working on customer communication with examples and inspiration regarding making houses more sustainable. And we also offer [Sustainable Living](#), through our label Centraal Beheer: all information and reliable services about making homes more sustainable, bundled in one place.

In addition, we offer financing solutions to facilitate our customers in the sustainability process. For example, in 2020 we introduced the Leef Hypotheek with Centraal Beheer, which gives customers the opportunity to borrow up to 106% of their home value for sustainability purposes. In addition, we are continuously investigating additional options to offer our customers more financing space for sustainability.

### ...for and with employees

As an employer, we also consider the interests of our employees in our sustainability policy. This way, we give substance to good employership and broaden our impact on sustainability with our workforce. **That is why we are working on climate-neutral business operations and workplaces by 2030.**

We are doing this in collaboration with Achmea Group BV, focusing on reducing the energy consumption of our office in Tilburg and the transition to sustainable energy sources. We also encourage working from home to reduce commuting.



### ...for and with partners

As Achmea Bank, we actively collaborate with partners within and outside Achmea Group to be able to offer good and honest banking services to our end customers. We believe that it is important that our partners share our sustainability goals. **That is why we consider sustainability aspects in our outsourcing processes, as can be read in our [sustainability statement](#).**

In addition, we are expanding our sustainability partnerships by participating in industry-wide initiatives that help us to achieve our goals faster and to increase our impact. For example, we are a participant in the Energy Efficient Mortgages NL Hub and we are affiliated with the Partnership for Carbon Accounting Professionals.

### ...for and with investors

Finally, we also want to work with our investors towards a more sustainable future. We also want to offer them transparency about the sustainability of their investment and work towards the issuance of green bonds. **That is why we are working on increasing the share of green assets on our balance sheet.**

To determine what we mean by green assets, we follow European frameworks in this area, which are currently still under development. Based on this development, we aim to sharpen this target in the coming years.

### In concrete terms, this means that we:

- Help customers to make their homes more sustainable and thus work towards an average label A in our portfolios in 2030
- Aim for climate-neutral business operations by 2030
- Consider sustainability aspects in our outsourcing
- Work on a higher share of green assets on our balance sheet





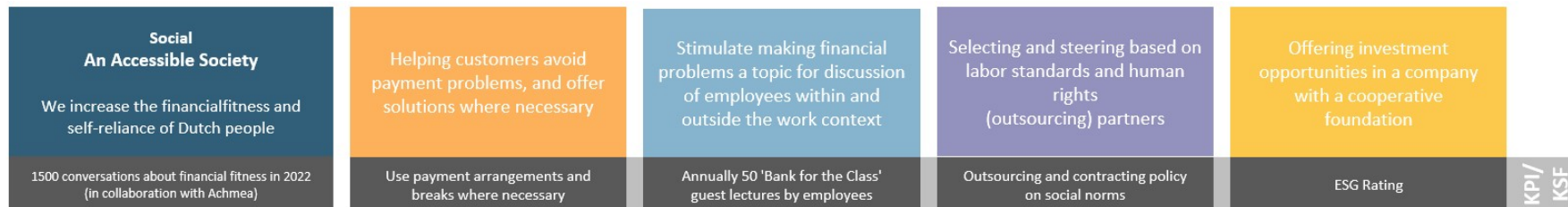
## An accessible society...

In addition to our objectives for a sustainable society, we also want to contribute to social norms in the Dutch society so that everyone has the opportunity to participate. Within this field, we seek to connect with the first sketches of a social taxonomy by the Sustainable Finance Platform of the European Commission. In a first report from July 2021, this platform states that social goals should be aimed at:

1. Avoiding negative impacts on human rights
2. Promoting adequate living conditions for everyone

**That is why Achmea Bank takes responsibility for protecting labor and human rights in our processes and chains. And, we have the ambition to improve financial fitness and self-reliance in the Netherlands with 'financial solutions for today and tomorrow'. For example, we want to enable our employees and Achmea colleagues to have 1500 discussions in 2022 about financial fitness, in order to break the taboo on financial problems.**

We are working on this objective in sub-objectives with our various stakeholders.



KPI/  
KSF

### ...for and with customers

As a provider of mortgage products, we play an important role in the accessibility of the housing market because we make it possible for our customers to buy a house. We believe it is important that we make a positive contribution to the financial fitness and well-being of the Netherlands. Achmea Bank applies a responsible lending policy. If customers nevertheless encounter payment problems, we use an approach that is aimed at preventing or rectifying payment arrears. **That is why our employees work very hard every day to prevent customers from getting into financial problems and to help customers find financial solutions.**

For example, we offer our customers a budget coach to help them gain an overview of their finances, or a job coach to help them find a new job. During the COVID-19 pandemic, we offered payment breaks to 430 customers. In this way, we contribute to good living conditions for everyone.

In addition, we see a role for ourselves in providing our customers with insight and an overview of their personal financial situation. Through our brands Centraal Beheer and Woonfonds, we offer complex financial products that are subject to a duty of care. This duty of care applies not only when the product is taken out, but also during the term. We think this is naturally and we also have a social role to take care of the financial well-being of our customers. An example of this is the 'Aflossingsblij' campaign in which consumers are made aware of the possible risks of interest-only mortgages.





### ...for and with employees

We believe that you can make the world a little more beautiful together. With the knowledge, skills, experience, and networks of our employees, we can achieve even more social impact. We are happy to help the whole Dutch society to be, and remain, financially fit. **That is why we encourage our employees to contribute to making personal finances a topic of discussion. In the coming years, we want to provide 50 guest lectures for the 'Bank voor de Klas' initiative.**

In 2019, Achmea set up an online platform where supply and demand of social goals come together. On this platform, employees can start or commit themselves to social projects. In this way, employees can also work with our other partners who support our objective, such as the 'stichting Leven en Financiën'. And in 2021, 90 colleagues from Achmea Bank and Achmea Group already followed the training course 'Hulp Bij Geldzaken', in which they learn skills to have this conversation with customers and their environment. In addition, we also want to help employees with any financial problems they experience themselves. Achmea has an internal Social Security Fund. This fund is committed to prevention and budget coaching and makes money available for refinancing small debts.

We also strive to be a good employer for our employees in other aspects. There is room for talent development and extra support for vitality and health. We also work on diversity in the workplace using our diversity networks such as 'Kleurrijk Achmea', 'HoLA!' for LGBTIQ+ colleagues, and the 'Neurodiversiteitsnetwerk' Achmea.

### ...for and with partners

Our social responsibility extends beyond our own organisation. Achmea Bank ensures that – in particular – outsourcing partners from outside the EU and their possible subcontractors act in an ethical and socially responsible manner and that they comply with international standards in the field of human rights and appropriate working conditions, including the prohibition of child labour. **That is why we aim in our outsourcing policy for partnerships with parties that do not exceed these social standards, as can be read in our [sustainability statement](#).** Where necessary, we also actively discuss these standards in our contract monitoring.

### ...for and with investors

As part of Achmea, we are an organisation with a cooperative basis that attaches great importance to social and sustainable values. Also, our investors think that it is important that their investments are spent in accordance with social standards and that they do justice to principles such as human rights and decent working conditions. **That is why we communicate to investors about our ESG rating and we continuously strive to increase this rating.**

#### In concrete terms, this means that we:

- Help customers who are at risk of payment problems
- Are committed to break the taboo on financial problems
- Select our partners based on compliance with social standards and adjust where necessary
- Be transparent to investors about our own ESG rating



## A reliable and honest bank...

Our social profile is also reflected in our governance. In collaboration with supervisors, partners, and employees, we ensure honest management and control over our processes. We work in accordance with the applicable standards and frameworks for banks, but also go a step further to really put the customer first and to make our processes and products understandable.

**In this way we guarantee that we are a reliable and honest party for our customers, employees, partners, and investors. The confidence of our customers is expressed in the scores of our brands Woonfonds and Centraal Beheer in the NVB's Banking Confidence Monitor. We fulfill this promise by working on the objectives below for each stakeholder.**





### ...for and with customers

We are constantly in contact with our customers. Our customers have a direct voice in our organization through customer councils. The customer council is involved in the development of new services, products, and customer communication, because we believe it is important that they match the expectations of the customer. **That is why we measure the quality of our services via NPS measurements on our processes and services. We aim for an NPS of 50.**

We also pay a lot of attention to customer communication. Achmea uses the 'trusted communication' standard for this, in which we and our partners write to customers in a clear and understandable structure with language level B1.

### ...for and with employees

We cannot perform without our committed and professional colleagues. Investing in their development is also investing in our end result. We want to be experienced as an attractive employer where everyone can work. **That is why we measure the involvement and enthusiasm of our employees in our annual Employee Engagement Survey. We aim for a minimum score of 8, on a scale of 10, on the themes of involvement and enthusiasm.**

We also want to safeguard the integrity of our employees' actions. We therefore carry out a pre-employment screening. In addition, all our employees take the Banker's Oath within 3 months of employment. We have an open culture in which the dialogue about integrity dilemmas can take place without restraint. The most important rules of conduct and integrity are laid down in the 'Achmea General Code of Conduct'. This code of conduct describes how we treat each other, company information and resources, the work environment, conflicts of interest, incidents, and complaints.

We also aim for integrity in our remuneration policy. Our remuneration policy is aimed at achieving both the short-term ambitions and the long-term strategy and does not contain financial incentives that increase risk-taking. The remuneration policy focuses on performance targets in a balanced manner. The performance targets reflect the interests of the various stakeholders. There is always a balance: at least half of the performance targets are non-financial. We provide insight into the remuneration of the Management Board and the Supervisory Board via Achmea Bank's annual report. In addition, Achmea's remuneration policy is described in detail in Achmea's remuneration report. These annual reports can be found at [www.achmea.nl/investors/publicaties](http://www.achmea.nl/investors/publicaties).

Finally, our employees have a voice in our decision-making through the works council. Important decisions are submitted to this council. Final responsibility rests with the management and an independent Supervisory Board oversees this.





### ... for and with partners

Achmea Bank considers it important that there is a shared vision in cooperation with partners and that objectives are pursued together. A win-win situation is sought with potential partners. For entering into partnerships, it is important that there is agreement about the objectives to be achieved, about everyone's role in the collaboration, and about the way of working (together). **That is why Achmea Bank continuously monitors the quality of the products and/or services supplied by its outsourcing partners. In periodic discussions, that are captured in the contract, the services provided are discussed and optimized where necessary and possible. We apply the standard that we are 100 percent in line with the guidelines of the European Banking Authority in the field of outsourcing.**

Achmea Bank consciously chooses to outsource non-distinctive activities to take advantage of the scale, expertise, or innovative power of the outsourcing partner. In the context of the transformation into a network bank, collaboration with our partners has become even more important. We are ahead in managing our outsourcing.

The cooperation between partners and Achmea Bank is based on trust. At the same time, the statutory board of Achmea Bank is and remains responsible for the outsourced activities. To be in control of these outsourcing activities, the Bank has chosen for a risk-based approach in managing the outsourcing. Before entering into a new collaboration or outsourcing, we determine whether the identified risks should be accepted or mitigated. The implementation of the mitigating measures is done in consultation with the partner and is evaluated on a regular basis.



## ...for and with investors

Achmea Bank has a varied mix of capital and liquidity sources. This includes savings, secured funding, and unsecured funding. We believe that the best way to maintain good relationships with our investors and the wider financial community is an open and honest dialogue. **That is why we report on our financial results via the applicable standards and transparency requirements, and our Investor Relations team is easily accessible for investors.**

In our approach, we strive to carefully weigh the interests of all our investors and to guarantee a solid financial result. In doing so, we ensure that we fulfill our long-term promises to our customers. In this way, we play a role in the growth of the Dutch savings and mortgage market. This approach translates into a strong credit rating of Achmea Bank, respectively A and A- by Fitch and S&P, with a stable outlook. In this way, we guarantee that our investors can count on a stable return on their investments.

### In concrete terms, this means that we:

- Guarantee the quality of services to customers and measure this via the NPS
- Ensure engaged and committed employees, with a good score in our annual MBO
- Guarantee the quality of services provided by partners in our outsourcing and contract monitoring policy
- Conducting a transparent and open dialogue with investors



## Colophon

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