

Remuneration Policy
sustainability related disclosures
EU 2019/2088

Zenkyoren Europe Limited
(“ZEL”)

Established on 10 March 2021

1. Background

This policy document sets out the remuneration policies of ZEL with respect to its investment services and the promotion of sound and effective risk management with respect to sustainability risks. Its aim is to ensure the structure of remuneration does not encourage excessive risk - taking into account sustainability risks in accordance with EU 2019/2088. There are no share-based remuneration structures and no policies adverse to sustainability risk.

2. Bonus schemes

ZEL operates two bonus schemes. The purpose of each scheme is to provide a general incentive for staff to deliver a higher than average standard of performance based on a variety of criteria including quality and quantity of work and specific targets agreed by the relevant staff member and their line manager.

A. Local staff bonus scheme

The local staff scheme is available to all Local Staff. The scheme structure is to pay out a cash bonus determined in accordance with a staff member's appraisal report with the bonus amount for any one Local Staff member being no more than 20% of their salary in the relevant performance appraisal year. The performance measures and achievement of personal targets are also the determinant for annual salary increases.

Performance measures are based on the Appraisal Report relevant for each individual Local Staff member.

These non-financial performance metrics are the sole means of determining the performance of an individual and include key factors of adherence to risk management policy and procedures and compliance with regulations.

There are no financial based performance criteria for local staff and in light of the work undertaken by Local Staff, ZEL does not undertake a multi-year performance framework. The structure of the bonus scheme does not encourage excessive risk taking and have no negative impacts on decision making around sustainability risks.

B. Seconded staff bonus scheme

The seconded staff bonus scheme is available to all Seconded Staff. cash bonuses are determined by capability and performance criteria of quality and quantity of work.

Bonuses do not relate to the profit of the parent entity National Mutual Insurance Federation of Agricultural Co-operatives, based in Japan. The assessment process of salary and bonuses is carried out by the parent.

In addition each Seconded Staff member must set a number of agreed non-financial targets (which do not include profitability or revenue targets). The structure of the bonus scheme does not encourage excessive risk taking and have no negative impacts on decision making around sustainability risks.

The firm's remuneration policies for Local Staff and Seconded Staff are consistent with its aim in achieving stable growth and long term success of the business with a focus on a range of staff skills and behaviours that it deems important for operating the business in a prudent and safe fashion.