

# Progress report 2015

Principles for  
Sustainable Insurance



a.s.r.

de nederlandse  
verzekerings  
maatschappij  
voor alle  
verzekeringen

# Implementation Principles for Sustainable Insurance

In August 2013, a.s.r. joined thirty other leading insurance companies and became a founding signatory of the UN Principles for Sustainable Insurance. Through this document we aim to report on our progress in implementing the principles in our business operations

## Principle 1.

**We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.**

Environmental a.s.r. wants to treat nature and the environment with due care and lower its environmental impact, which is why it uses resources, energy and water efficiently. Furthermore, a.s.r. is actively getting to grips with waste management, mobility, energy reduction and carbon emissions, and for this purpose a.s.r. has developed a special-purpose environmental management system. The ESG criteria have been fully integrated into a.s.r.'s investment policy.

### Environmental performance

Carbon emissions Category in %	2014	2013	2012	2011	2010
Fuel and heat	9.70	14.21	14.50	12.40	14.40
Electricity	1.60	1.60	1.90	1.80	1.90
Cooling	0.80	0.54	0.50	0.40	0.50
Business travel	33.50	34.70	40.10	39.10	43.90
Commuting	51.70	47.30	37.50	40.10	38.70
Waste	2.70	1.65	5.40	6.20	0.60
Total	100.00	100.00	100.00	100.00	100.00

The results of the carbon footprint 2014 of Archimedeslaan in Utrecht are equivalent to 7,761.1 tonnes of carbon dioxide in total. Of this amount, 33.50% concerns business travel and 51.70% commuter travel. In 2013, the carbon footprint was equivalent to 9,130.69 tonnes of carbon dioxide (34.7% business travel and 47.3% commuter travel). This represents a 15% decrease, which was mainly attributable to:

1. A significant drop in gas consumption (i.e. carbon emissions) as a result of the renovation.
2. A considerable drop in vehicle emissions (mostly thanks to a reduction in business travel by car).

For more information about CO<sub>2</sub>-emission: See page 68 and 280/281 of the annual report 2014 and (<http://asrnl.com/sustainable-business/planet>).

### Multi-year energy efficiency plan

In 2008, a.s.r. signed the government's third multi-year energy efficiency plan (MYP3), in which it was agreed that organizations commit to the ambition to reduce their energy consumption by 2% every year, ultimately culminating in a 30% improvement by 2020 by the 2005 baseline.

In 2014 a.s.r. has met its targets of the MYP3 (2005-2020) and the progress of the energy objectives is on schedule.

For more information about energy see page 279 of the annual report 2014 and <http://asrnl.com/sustainable-business/planet>.

### Waste

One of a.s.r.'s priorities is to reduce and recycle waste volumes as much as possible. a.s.r. achieved a 2.7% reduction in carbon emissions in 2014, the equivalent of 208.4 tonnes of carbon dioxide. a.s.r.'s waste is processed by Sita, a waste-processing company. Sita has calculated that a.s.r. recycles 40% of its waste. The total volume of waste in 2014 was 272,865 kg. For a breakdown of waste flows, see the GRI Index on page 69 and 282 of the annual report 2014.

### Renovation of head office

The decision taken in 2010 stated sustainability reasons for the renovation of the head office at Archimedeslaan 10 in Utrecht rather than opting for a new building. The renovation started in January 2013 and is currently fully underway. The renovation of the first wing was completed in March 2014 and the new conference centre opened its doors in October of the same year. This is an important step towards a cost-efficient office that meets the strictest of sustainability requirements. After completion, the building will be 50% more energy-efficient. Its energy performance rating will improve from G to A.

The design of the renovated building on Archimedeslaan was awarded the BREEAM 'Excellent' certificate. The next step is that the 'real' certificate is obtained. a.s.r. is targeting the BREEAM 'Excellent' certificate, with energy performance rating A, for this as well.

For more information see:

<http://asrnl.com/media/1566/4957breeam-renovation.pdf>

## Dutch Climate Coalition in 2015

In 2015 a.s.r. joined the Dutch Climate Coalition. Businesses, local governments and social organizations took an important step in preparation for the climate summit in Paris next year. They have formed the Dutch Climate Coalition, and they are taking initiatives to be climate neutral and not to inflict more damage.

With ambitious, realistic and sustainable solutions these businesses contribute to a more livable and prosperous world for everyone. Businesses, local governments and social organizations who join the Dutch Climate Coalition show not only ambition, but also open their doors to collaborate on climate innovation, new business models and sustainable business practices.

All participants in the Dutch Climate Coalition are responsible for their own actions. This means that they will:

1. Commit to climate neutral operational management as soon as possible, but at the latest in 2050;
2. Make the current CO<sub>2</sub>-footprint transparent;
3. Ensure that the road to climate neutrality is underway, for example by determining interim targets (2020);
4. Promote this initiative actively as ambassador in the own chain, department and/or industry;
5. Play a role during the climate summit in Paris, if possible.

In the United Nations Climate Summit in Paris next December worldwide agreements have to be made to restrict climate change. The participants of the Dutch Climate Coalition contribute to collective climate solutions and will be an example in Paris for other countries where cooperation is less active between the different participants. The Netherlands will show the other countries that it is economically clever to invest in climate innovation and green growth.

## Procurement policy

a.s.r. is committed to the Manifesto on Socially Responsible Procurement and Business Practices (MVIO) and a.s.r. has signed the GreenDeal manifesto on circular procurement. In June 2015, FIRA awarded a.s.r. the 'Silver' level. For more information about procurement: see page 70 - 72 of the annual report 2014.

## Financial knowledge sharing

### Money week

As a member of the Dutch Association of insurers and the Dutch Banking Association, a.s.r. actively partakes in Money Week. The goal is to teach primary school pupils financial literacy. Teaching children the value of money at a young age lays the foundation for self-reliance in adulthood.

### LEF (Life & Finance)

This is an innovative platform for the financial education of youngsters between the ages of 15 and 22. LEF helps them to understand their financial situation and teaches them what they need to do to make a wish come true or reach a goal. It also tells them about potential pitfalls and challenges. LEF

focuses primarily on the 500,000 young people who attend junior college.

## Products & Services

Helping customers is what lies at the heart of a.s.r.'s business. Everyone at a.s.r. knows this and puts this principle into practice every day. Treating Customers Fairly (TCF) frequently comes up during internal sessions and is often covered in internal communications. Various reports, including the TCF Dashboard, complaint reports and the Net Promoter Score, are used to gain an understanding of developments in, and the performance on, TCF on a regular basis. A lot of attention is also paid to knowledge development by sharing and discussing best practices.

The TCF Dashboard, which is defined annually by the Netherlands Authority for the Financial Markets (AFM), yields highly useful information that helps to further improve a.s.r.'s customer focus. This survey by the regulator annually benchmarks the extent to which Dutch financial institutions focus on customer interests in their products, services and processes. a.s.r. achieved a score of 3.4 out of 5 for 2014 on the Dashboard (2013: 3.6), this is equal to the average in the financial sector (3.4). a.s.r. scored well above average on claims handling and customer contacts in particular.

a.s.r. put this ambition and these principles into practice in 2014 by embedding the sustainability policy for the Product Approval & Review Process (PARP) firmly in its procedures for product reviews and for developing new propositions and adjusting existing ones. This allows a.s.r. to develop appropriate, fair and transparent propositions that truly add value for customers. a.s.r. also implemented a new customer information system that helps employees from different business lines to develop a complete picture of a customer, which can be used to fine-tune customer services.

The PARP is an assured part of the entire product development and testing process. Multidisciplinary development teams, the Product Teams and the PARP Board work in accordance with the PARP. The PARP Board tests the quality of new products and assesses whether customer information is understandable, balanced and complete. a.s.r. also conducts a risk assessment of its existing product line to verify whether products still satisfy today's requirements.

Every two years, we have been reviewing our active products. It is tested on the KNVB criteria. In short, it is the product Cost Efficient, Useful, Safe and Reliable for the customer. It is assessed whether coverage, costs and benefits of products and services are relevant and clearly explained and understood. If not, here comes a recommendation for the product and adjusted accordingly.

a.s.r. works according to the Continuous Improvement approach and customer needs, complaints and contacts identified through closed-loop customer feedback. The a.s.r.-wide implementation of the closed-loop customer feedback

was completed in 2014. This system enables employees to obtain feedback from customers on a continuous basis, translate these into ideas for improvement and implement targeted improvements. For customer feedback to be truly valuable, it needs to be integrated into day-to-day processes and behaviour. In the Health Insurance business, for instance, 26 suggestions for improvement were implemented, resulting in a marked increase in its NPS-score.

Via the Customer Complaints department, a.s.r. also implements and assures issues that are important to its customers. This allows a.s.r. to be open to complaints, learn from them and strengthen ties with customers. The Executive Board is involved in the handling of complaints addressed to it and provides substantive input. In its complaints handling, a.s.r. aims for communication that is personal, engaged and written in plain language.

For more information about Complaints management:  
See page 56 of the annual report 2014.

## Products

Our home contents and buildings insurance is updated in 2015 to include cover for solar panels and charging stations for electric and hybrid cars.

## Product & Service Communication

### Continuous improvement

a.s.r. is continuously looking to improve the processes that are in place to help customers, for instance by helping unit-linked policyholders and by simplifying the product offering. We are constantly making sure that prospective and existing customers can access and understand the information we provide. The customer information improvement plan outlines the steps that a.s.r. is taking to make information more accessible and easy to read. We do so by rewriting our style guides and offering training courses in language level B1/ customer-friendly information. The a.s.r. core values and the various rules of conduct for sustainability in actions and habits contribute to this too. a.s.r. has already developed a number of new products that tie in perfectly with this ambition.

### Customer research

All new or substantially revised texts are first tested among customers, using qualitative reading tests, among other tools. The tested documents are rated for how easy they are to read by being assigned a colour label (green, orange or red). Every colour comes with an action point:

- If a document is assigned a green label, it is easy to read and only minor adjustments are needed.
- Orange-labelled documents are not hard to understand for the most part, but several significant passages need to be changed. Depending on the impact of the findings, the edited passages are tested again or submitted to an expert.
- Documents that are assigned a red label do not put across the message well or well enough. These documents need to be completely rewritten and tested again.

### Customer-Oriented Insurance Quality Mark

The Customer-Oriented Insurance Quality Mark is a measure of the quality of the level of service and customer focus of insurance companies. Customers of insurers holding the quality mark can trust that they receive easy-to-understand information, insurance products that are appropriate to their circumstances and the best possible service. The quality mark allows insurance companies to demonstrate that they truly have customer focus and that they are audited for being customer-friendly. The a.s.r., De Amersfoortse, Ditzo and Europeesche Verzekeringen labels have all been awarded the quality mark.

### Customer appreciation rating

In order to gauge how customers perceive a.s.r.'s products and services, a.s.r. uses the Net Promoter Score (NPS), among other tools. In winter 2014/2015, a.s.r.'s NPS stood at -41, the same as in winter 2013/2014. Just like last year, this is the highest score a.s.r. has achieved since the first rating in 2009. These results are not satisfactory to a.s.r. and we will continue to work to improve them.

## Employees and management board

At a.s.r. employees are encouraged to develop themselves professionally in line with the ambitions of the organization, and to take ownership of their personal development, career path and ambitions. The goal is to create an inspiring and healthy work environment that fosters the talents of employees and allows them to reach their full potential. The New World of Work (NWW) is one such initiative to create a pleasant working atmosphere at a.s.r.

Key reasons for introducing NWW include:

- Providing a better work/life balance
- Increasing employee motivation
- Reducing energy consumption and carbon emissions

In 2014/2015, a dedicated training budget was available for all employees with a focus on sustainable employability. All training programs in this field aim to ensure that all employees are more broadly employable and to improve their internal labor market mobility. The program included the following workshops: LinkedIn, Career and Mobility, Applying for a Job, Generation Management, Lifecycle Policy, Networking and Individual Career programs.

## In Motion

This is an HR program that allows colleagues to take charge of their future, whether it concerns talent development, mobility, (sustainable employability within or outside a.s.r.) or dealing with redundancy. The goal is to spur employees into action, to facilitate their development and to increase their chances on the labor market (within or outside a.s.r.). HR is working towards the prevention of redundancies (in the long term); after all, employees have taken ownership of their own careers long before the redundancy issue will even come up. One of the initiatives in this context is a new talent development program.

## Talent Development Program

For several years a.s.r. was offering a Management Development Program (MD). This program stopped from January 2014. However, the organization still has a strong need to follow up the results of the employee performance scan in the area of development and coaching of talent. At the reorganization of the Human Resources (HR) department, a.s.r. has chosen for an HR Development Department. This department focuses on the development and provision of a strengthened MD program in line with the a.s.r. strategy.

In the coming period a.s.r. will be faced with the challenge of reaching certain objectives. Discovering and developing talent is essential to move the organization forward. It is important that the new Talent Development Program is aligned with what a.s.r. wants to be for the customer and in its market position as a 'different kind of' insurance company, which helps by taking action.

## Objective

To develop a talent Development Program which draws out the maximum potential from its talents and therefore contributing to the success of the organization and as well as giving direction to the future planning.

## Traineeship

a.s.r. positions itself as a 'different kind of' insurer, which helps by taking action and takes its responsibility in society. This will be considered in the selection of candidates for both vacancies and the trainee program. For example, the candidates are questioned on their involvement to social issues. Also important is if they have affinity with the a.s.r. values and thereby the direction which a.s.r. aspires to. Through the high number of candidates in the current the labor market a.s.r. can be more selective. a.s.r.'s market position can be used as a unique selling point. As an insurer a.s.r. has returned to the essence of the insurance business and thereby claiming a clearly sustainable role. In the current labor market there are less possibilities for graduates to gain work experience. With its trainee program a.s.r. positions itself as an insurer which will offer work experience that will be a benefit to society. a.s.r. inventorises the trainees requirements after which a selection process of appropriate candidates is started. At the moment, a.s.r. has a highly successful 1,5 year trainee program for university students who have recently graduated.

## Fraud prevention and fraud prevention policy

Fraud undermines the public trust in a.s.r. and in the financial sector as a whole. a.s.r. attaches great value to its integrity and good reputation as a financial services provider, as well as to preventing fraud. a.s.r. subscribes to the sector-wide policy that insurance companies have adopted to combat crime.

a.s.r. does not tolerate any unfair or fraudulent practices and pursues an active fraud prevention policy, basing itself on internal procedures as well as on regulations stipulated by the Dutch Association of insurers. This policy promotes compliance with relevant laws, regulations, ethical standards and the related internal procedures. The policy is designed to prevent, recognize, report and investigate fraud and/or unethical conduct, and to address it uniformly and adequately.

a.s.r.'s fraud prevention policy is structured based on the three-lines of defence model. Security, which is part of the Integrity department, is responsible for the integrated approach to fraud control within a.s.r. and for addressing fraud and unethical conduct displayed by employees and intermediaries. The management of the business lines is responsible for fraud coordination at entity level, for which purpose they make use of fraud contact persons. Audit is the third line of defense.

a.s.r. seeks to create a high level of integrity awareness and an environment in which employees feel free to report and suspicious circumstances or incidents directly to Security and the business lines. This is reflected in such policies as the whistle-blowing procedure and a tool for reporting incidents.

For information about:

- Education of the Executive Board, see page 86 – annual report 2014
- Education of the Supervisory Board, see page 88 – annual report 2014
- Remuneration, page 59-60 and 92-95 – annual report 2014

### **Solvency II at a.s.r**

In October 2014, the European Commission adopted the Delegated Acts containing implementing rules for Solvency II, which were approved by the European Parliament and Council in January 2015 and will become applicable in 2016. With the introduction of the Preparatory Guidelines and the Delegated acts, a.s.r. will continue with the preparations for Solvency II readiness as of 1 January 2016. a.s.r. will also adopt the Implementing Technical Standards and the guidelines that will be published in the course of 2015. a.s.r. is confident it will become Solvency II-compliant before the end of 2015.

Based on the Solvency II standard model, a.s.r. published estimates for FY 2014 and H1 2015.

For more information: page 51 of the annual report 2014.

### **Codes**

- Corporate Governance Code – page 231 – annual report 2014
- Governance Principles for Insurers – page 91 – annual report 2014
- Dutch Banking Code – page 91 – annual report 2014
- Professional Oath – page 92 – annual report 2014

### **Investment policy**

(<http://asrnl.com/sustainable-business/investment>)

- Exclusions and other investment information – page 62-64 – annual report 2014
- Voting policy ([http://asrnl.com/media/1556/49565-voting-policy\\_juni-2015.pdf](http://asrnl.com/media/1556/49565-voting-policy_juni-2015.pdf))
- Code for sustainable investments (Dutch Association of Insurers)
- UNPRI (United Nations Principles for Responsible Investing)
- UN Global Compact
- VBDO (Dutch Association of Investors for Sustainable Development)
- Eerlijke verzekeringswijzer (Fair Insurance Guide)
- ISAE 3402 type II assurance certification – page 64 – annual report 2014

## Principle 2.

**We will work together with our clients and business partners to raise awareness of environmental, social and governmental issues, manage risk and develop solutions.**

### Stakeholders dialogue

The principles and objectives of our sustainability policy are established through dialogue with all our stakeholders. a.s.r. maintains close contact with a broad of external stakeholders, including customers, regulators (AFM and DNB), a.s.r. shareholder, politicians and ministers, trade bodies and NGO's. Page 275 – annual report 2014

### Clients

- NPS (The Net Promoter Score) – page 56 – annual report 2014
- Client panels and customer arena's – page 275 – annual report 2014

### Shareholder

There were several meetings with (shareholder) NLF (NL Financial Investments). Where needed, contacts were maintained between meetings as well.

### Employees

- Staff magazine In Perspectief (6 times a year)
- a.s.r. Infonet (Internal website with latest news and information)
- In conversation with.... Where employees of specific divisions get the chance to talk with one of the members of the Executive Board

### Works council

Workforce is represented in the Work Council. The Works Council meets once per month and once per two months with the CEO and managing director of Human Resources and a few times per year with one the members of the Supervisory Board.

The Works Council (19 of employees) has a Safety, Health and Environmental Committee in which seven members represent the Works Council and two represent Human Resources. The Committee meets once per month and more when needed.

### Politics

a.s.r. stayed in close contact with politicians in 2014. Page 275 – annual report 2014

### Trade Unions

a.s.r. met with the trade unions seven times in 2014.

### Intermediaries

Several meetings and workshops were organized for intermediaries in 2014.

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### Suppliers – page 70 – annual report 2014

- Manifesto on Socially Responsible Procurement & Business Practices.  
This manifesto is an initiative by 39 large businesses in the Netherlands and is supported by NEVI, the Dutch Association for Purchasing Management ([www.nevi.nl/mvi](http://www.nevi.nl/mvi))
- FIRA  
a.s.r.'s key suppliers have been asked to register in the FIRA database and so to accredit their social responsibility policy. A total of 86 a.s.r. suppliers have now been verified. For more information: page 71 annual report 2014.
- Green Deal  
a.s.r. has signed the Green Deal for purchasing in a circular economy. This is an initiative by the Dutch Government that is designed to boost the (European) market for sustainable base materials and increase the re-use of scarce materials.  
For more information: page 69 and 71 of the annual report 2014.

## Principle 3.

**We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.**

### Regulators

The most important regulators are: De Nederlandse Bank (DNB, which is the Dutch Central Bank and insurance regulator, The Netherlands Authority for the Financial Markets. We consult with The Dutch Central Bank and the Netherlands Authority for the Financial Markets periodically.

### Umbrella organizations

a.s.r. is affiliated with the Dutch Association of Insurers.

Our CEO Jos Baeten is member of the Board.

a.s.r. is represented in the Board and working groups mentioned below:

- Chair of Investment Policy Committee
- Member of Insurance Fraud Prevention Committee
- Member of PKMM (Forum for small and medium sized companies)
- Member of the Board, Sector Board Life
- Member of the Board, Sector Board Non-life
- Member of the Board, Sector Board Health and various working groups

### Media

a.s.r. was mentioned in 4,312 media messages in total in 2014.

Breakdown of media messages:

- 74% posted online;
- 17% published in newspapers;
- 9% published in magazines.

There were more than 500 press contacts in total, including questions from the press, interviews with colleagues, press releases and photography sessions, etc. Contacts were maintained with 86 different media.

The top 5 with most publications are:

- FD (194)
- AM (156);
- De Telegraaf (102);
- Beurs.nl (65);
- VVP online (58).

34% of the questions were about three departments:

- Executive Board (13%) (annual/interim results, Vivat)
- Real estate development (12%)(Neude, Leidsche Rijn);
- Business support (9%) (renovation);

### Government

a.s.r. stayed in close contact with politicians in 2014. Both Jos Baeten and Karin Bergstein met with experts of the different parties represented in the Dutch House of Representatives. In 2014, a.s.r. also organized a round-table meeting with representatives of the youth chapters of political parties PvdA (social-democrats), VVD (liberals) and D66 (liberal-democrats) to talk about the future of the pension system with Fleur Rieter, who is managing director of the Pension business. In addition, there were regular meetings with cabinet ministers and MPs of different political parties.

### Employees

There are different initiatives in the new Talent Development Program (started 4 June 2015) aimed at sharing knowledge both within and outside the financial services sector. A project team is working on the different aspects of corporate social responsibility inside and outside a.s.r. There is also a colleague in the HR department who is responsible for all aspects related to vitality.

a.s.r. asked the company MindFree to undertake research into vitality among the a.s.r. employees. For more than ten years MindFree has been making people and organizations more energetic. They help people to take up the challenge of producing long-term outstanding performance and focus. They offer top quality advice, custom-made training and coaching and advanced tools for brain and peak performance monitoring and education. The basis of their services consists of detailed scientific knowledge about performance and years of experience in brain management in top-level sports.

### Social partnerships

The a.s.r. Foundation Stimulans Plan. This plan allows employees to obtain a financial contribution for any volunteer work they do outside a.s.r. More than 40 teams combined a team-building exercise with giving back to the community by doing odd jobs for various organizations, including Kamp Amersfoort and a number of care farms. Other teams helped out with the cooking for users of food banks, or by taking disadvantaged people for a fun day out.

### Helping by taking action

Under this motto, the a.s.r. foundation undertook activities that allow employees to actively contribute to the community. Within this context, employees took part in the national NL Doet volunteering programme and in sports events, not only as athletes, but also as organizers. These events are often for charity, such as the Classico Giro bicycle ride and the Singelloop run.

## **Social partner of Feyenoord football club**

As part of the sponsorship and partner agreement with Feyenoord, the a.s.r. foundation undertakes various community activities in collaboration with the Rotterdam-based football club under the name Feyenoord in Society. Within this context, a.s.r. developed a customized textbook that is used by various primary schools in Rotterdam to teach ten to twelve-year-olds. These initiatives often come with a need for financial education, which is where a.s.r. employees can help, for instance by teaching guest classes using the Fix Your Risk game or the Cash Quiz from Money Week. Besides Feyenoord, the a.s.r. foundation also supports projects undertaken by the Giovanni van Bronckhorst Foundation.

## Principle 4.

**We will demonstrate accountability and transparency in regularly disclosing publicly on our progress in implementing the principles.**

Registration document – annual report 2014

GRI 3.1 B-level – annual report 2014

Website: [www.asrnl.com](http://www.asrnl.com)

This is our second report since becoming a signatory on 28 August 2013 and we are committed to regularly communicating our progress in implementing the PSI in a transparent manner.

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