

Principles for Sustainable Insurance (PSI).

Report Zwitserleven 2013.

“We feel responsible
for the future of people.”



Preface

On June 19, 2012, Zwitserleven signed the Principles for Sustainable Insurance (UN PSI) of the United Nations. These principles are considered the insurance equivalent of the already existing Principles for Responsible Investment (UN PRI), which concern investing by financial service providers. Insurers who sign the principles undertake to integrate sustainability criteria in all their activities.

Zwitserleven thinks ahead and has therefore signed the principles with conviction. They are in line with its socially responsible business practices and its decision to make sustainability a core value of our business. We put the interests of our clients and society first and are now among the first insurers to adopt the principles as a standards framework for their insurance activities. This is how we work out the leading role that insurers can play in making the global economy more sustainable.

Zwitserleven takes action and implements the Principles for Sustainable Insurance. How? You can read it in this PSI report. Once you have finished reading, I am sure you will agree that we are on the road to a responsible Zwitserleven, with a feel for people and the environment. For now and later. Will you join us?

Maarten Edixhoven

Chairman of the Board of Zwitserleven



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1. Developments in the Dutch pension market

1.1 The Dutch pension market

The pension market is under serious pressure, due to several causes:

- The low interest rate causes an increase in the value of both the commitments and the bond portfolio. Hedging the investment risk on each euro payable in the future is becoming more expensive. As a result, Zwitserleven and other insurers have had to increase the premiums, especially for average salary schemes and final salary schemes.
- The higher life expectancy of the Dutch is leading to a higher cost price.
- The commission ban with effect from January 1, 2013 (<http://www.afm.nl/nl/professionals/afm-voor/adviseurs-bemiddelaars/provisieverbod.aspx> and <http://www.zwitserleven.nl/provisieverbod>).
- Stricter requirements on the expertise of advisers (<http://www.zwitserleven.nl/aanscherping>).
- Decreased confidence in the financial sector. The sector is transforming and shifting the focus to the interests of clients.

1.2 Zwitserleven

Zwitserleven feels responsible for the future of its clients, especially employers and employees. The clients of Zwitserleven include employers and employees of SMEs and large companies, and Directors-Major Shareholders (DMSs). Offering its clients “The advantage of thinking ahead”, Zwitserleven encourages them to join it in thinking about the future. For if you do, you will enjoy the famous Zwitserleven Feeling now and in the future, a catch phrase that is even in dictionaries: “A relaxed feeling, especially about life after work, based on the confidence that one is going to enjoy a financially carefree old age.” (Van Dale)

In their daily work and in new initiatives, our employees put the client’s interests first. We have formulated Our Responsibility as a social company:

“We feel responsible for the future of people.
We want to give the Netherlands the Zwitserleven Feeling.”

Based on four sustainability principles, Zwitserleven is taking responsibility for people’s future.



Our Responsibility and the sustainability principles have been developed in a dialog with clients, social institutions, regulators and employees. By adopting the 4 sustainability principles, Zwitserleven has integrated the PSI into the core of its business and strategy. Zwitserleven is at the center of society and cares for people and the environment.

Zwitserleven gears its organization, products and services to the rapidly changing market conditions. We are therefore working hard on:

- Greater simplicity and clarity in products, for example by splitting composite products and providing clients and their employees with realistic information about the costs and revenues of products;
- Multiple distribution based on long-term cooperation with clients’ advisers and the development of direct sales and advice;

- Added value through excellent service and communication, supplementary services and social responsibility that shows;
- Significant cost savings through greater efficiency in processes and systems.

Zwitserleven wants its activities to have a positive social impact, which is also the subject of an active dialog with its stakeholders, including clients, advisers, regulators and media. Zwitserleven invests most of its clients' pension money in companies that meet its requirements under the ESG criteria (Environmental, Social and Governance).

Zwitserleven is part of SNS REAAL. SNS REAAL is an innovative service provider in the field of banking, insurance and asset management, which focuses primarily on the Dutch consumer market, plus SMEs. The products it offers relate to savings, investment, mortgages, insurance and pensions. Based on a long tradition, SNS REAAL feels a strong connection with Dutch society. SNS REAAL goes back 200 years, when regional savings banks with a public utility function were established. Its insurance activities originate from the trade unions. Since February 1, 2013, the Dutch State is sole shareholder of SNS REAAL.



2. How does Zwitserleven implement the Principles for Sustainable Insurance?

We believe that it will help the sector and our company to conduct our business according to strong sustainability principles. In June 2012, Zwitserleven therefore signed the Principles for Sustainable Insurance with conviction. We are now using these principles as a baseline measurement to determine our current status as a sustainable insurer and give direction to our future activities. As part of the baseline measurement, we have questioned our organization about the issues covered by the principles. In early 2013, we selected the issues that we will report on. You can read in the following chapters how Zwitserleven is implementing the various principles.

2.1 Principle 1

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

2.1.1 Employees and management board

Zwitserleven pursues an active program to support the management board and the employees in fleshing out the term “responsibility.”.

Leadership program

We realize that confidence in the insurance sector, and especially pension insurance, has been shaken. In 2011, Zwitserleven therefore set up a program that combines leadership, business impact and social relevance. Zwitserleven wants to create added value for society in the long term. We want to make our clients promises that we can keep and that are relevant and meaningful. Zwitserleven is convinced that this can only be achieved if that conviction and the corresponding leadership become part of the DNA of managers and employees.

The program covers the following elements (from the edge to the center of the organization):

1. Inspiration: Seeing and experiencing how others achieve social and business innovation.
2. Conviction and connection: Team commitment and personal commitment, personal development, self-reflection and intervision linked to strategic development: what is the change that I and we are going to realize and how can I contribute?
3. Experiencing and clarifying: Experiencing how pension is perceived, for example by talking with people at their kitchen table about what they are doing about their pension and what they need from an insurer. Back to the human scale and from there to clear and concrete content and new conduct.

In 2011 and 2012, a first group of employees from all parts and levels of the organization, together with the management board, engaged in a discussion with social institutions, innovative companies in the service sector and clients (employers and/or employees). By listening and experiencing, Zwitserleven can gain insights into social trends, best practices, social innovation and clients’ practical needs and disappointments. Zwitserleven opts for social impact in the heart of the organization and at the core of its strategy. The experiences, mutual discussions and personal development have resulted in a definition of our social relevance: giving the Netherlands the Zwitserleven feeling. This was worked out in Our Responsibility and 4 principles. In October 2012, Our Responsibility and the 4 principles were launched within the organization through a fair. All day long, clients, social institutions and Zwitserleven presented their activities in the field of sustainability. People were inspired by the exchange of views. The day was given an average score of 8.1.

In 2013, the program will address the elements described above from a top-down perspective and a bottom-up perspective.

1. Top down:

Responsible: The management board and managers and employees commit themselves to Our Responsibility and translate this to their own team and plans. At the end of 2013/2014, our HR policies will be reviewed and, where necessary, revised.

2. Bottom up:

Workshop on Our Responsibility: departments are assisted in contributing to a responsible Zwitterleven. Each department submits an A3 sheet with 3 activities for 2013. Managing directors organize dilemma sessions to confer on current issues in the organization. In April 2013, all departments of Zwitterleven attended this workshop and submitted their own A3 sheet. The workshops with the staff departments of the group have started.

Our Responsibility and the principles are increasingly used in internal decision-making. Our Responsibility and the principles are now embedded in our governance framework. Also, clients and regulators increasingly refer to them in discussions with us. Eventually, the principles should even become superfluous, because they will have become part of our employees' DNA.

All employees of SNS REAAL must comply with the Good Sense, Good Conscience code of conduct. This code of conduct formulates the principles of "respect and professional conduct," "careful handling of information and company assets" and "separating private and business matters" and is used in online training and team workshops.

Training and development

Training and education focus on knowledge about pension issues and personal development. For teaching professional knowledge, we cooperate with NibeSVV, the training institute for the financial sector. Together with this institute, we develop training programs and make these easier to understand for the participants.

Besides knowledge-based training, Zwitterleven provides training courses in skills: complimenting and addressing others with feeling, holding effective meetings and master classes (subjects on request of the target group). We integrate the client's interests in the skills training courses.

The current training courses include:

- Integrity tour, about integrity in business operations.
- Good Sense, Good Conscience, an e-learning module about the responsible organization, the code of conduct and how incidents should be discussed, reported and prevented. The target is that, at the end of 2013, 80% of the Zwitterleven employees will have participated in this e-learning module. The current percentage is 56%.
- Incidents, about discussing, reporting and preventing incidents. The target was 80%, but 84% of the employees have already participated. We see a positive effect on the number of incidents reported.
- Client integrity (bank/insurer), about preventing funding of terrorism and money laundering.
- Focus on client's interests.

Coaching/sounding board for managing directors

From 2012, Zwitterleven has provided the management board with coaching and a sounding board. Employees between 30 and 35 years are assigned to a managing director and coach him or her for 1 year on a monthly basis. Through this program, the management board wants to open up to and establish contact with employees and Generation Y. The dialog should give the management board new impulses and prevent it from taking decisions in isolation. The coaches learn about the importance of connecting to each other, understanding certain choices and gaining more insight into the environment in which the management board is operating.

The reactions are invariably enthusiastic. Managing directors and employees talk frankly with each other during lunch, jogging or in the managing director's home. Topics range from personal - "How do you combine work and private life?" - to business: "How to behave during meetings."

Both parties agree that this coaching/sounding board approach yields valuable information. The management board gains more insight into perceptions on the shop floor. The coaches gain more insight into the dynamic environment in which the management board is operating.

Permanent education of directors

All directors of Zwitserleven have signed the Moral Ethical Statement (banker's oath). This supports governance, risk management, auditing and the remuneration policy. In addition, Zwitserleven organizes five interactive sessions per year. These sessions are led by speakers from within and outside the company. Our directors' attendance is recorded and tracked during the year (see Annex A). In 2013, the management board will start preparations for the Financial Supervision Act Pension exam.

CSR training

We are currently developing a course for employees. It will start in the second half of 2013.

ESG workshops for marketing and distribution

Zwitserleven believes in responsible investment, because, as an insurer, we can make a difference. We want to make our clients aware of their sustainability options. In cooperation with SNS Asset Management, we therefore organize courses for our field staff, so that they can educate our clients about sustainable solutions. We are also preparing a Marketing & Distribution Day, which will be attended by SNS Asset Management. We want to use that day to strengthen our ties with our asset manager. We want to use the session to increase internal awareness about socially responsible business practices and give the starting signal for courses in cooperation with SNS Asset Management.

Remuneration

Zwitserleven's remuneration policy is based on results as well as on how these results have been achieved (competencies). Qualitative targets in regards to putting the client's interests first, mitigating risks and employee satisfaction play an important role. Zwitserleven wants to pursue a socially responsible remuneration policy that is easy to explain and fair to all stakeholders. The state aid that SNS REAAL has received and the fact that the Dutch State is now its sole shareholder call for a modest remuneration policy. Inflation adjustment has been minimal for all employees for some years now, and will even be nil in 2013. Furthermore, the annual assessment fee for employees under the CBA has been set at the lower limit of the range. Senior management will not receive a variable remuneration and the salary scales for senior management have been reduced with effect from 2013.

2.1.2 Products and services

Products

Product Approval en Review Proces

The Product Approval and Review Process (PARP) is crucial to the business operations of Zwitserleven. The PARP is based on the criteria cost-effective, useful, safe and understandable as well as criteria for socially responsible business practices. These criteria help us to ensure that decisions on products reflect the interests of all stakeholders and that people and the environment are given due consideration. The Product Management and Pricing Committee is one of the main decision-making bodies.

Zwitserleven Exclusief Pensioen

In 2010, responding to complaints from employers and employees about unclear costing of pension products, Zwitserleven became the first insurer to introduce a fully transparent product: the Zwitserleven Exclusief Pensioen. In this product, the costs are charged separately, so that employees know exactly how much is spent on their pensions. Such products have become the standard in the market. Accordingly, Zwitserleven decided in early 2013 that it would only offer this type of product. Only at the express request of an employer will Zwitserleven offer a pension scheme in which the costs are paid from the premium.

Zwitsersleven HorizonBeleggen

The lifecycle investments of the Zwitsersleven Exclusief Pensioen, as renewed in 2012, ensure a better balance between the return on premiums and the associated investment and interest rate risks. The low administration costs and risk premiums result in more pension for the same pension budget. Expectations are that the Zwitsersleven Exclusief Pensioen will give employees a higher pension compared to previous Zwitsersleven products and compared to the products of some major competitors. The full report about Zwitsersleven HorizonBeleggen by LNBB actuarissen + pensioenconsultants is available at <http://www.zwitsersleven.nl/rapportLNBB>.

Zwitsersleven Pensioen Services

The pension market was in a high state of flux in 2012. This was due to the preparations for the commission ban and the stricter requirements on the expertise of new advisers, which will also apply to existing advisers from January 1, 2014. This led to a decline in the number of advisers in the market. Zwitsersleven has responded to these developments by contacting employers who no longer used the services of an adviser. We have made an effort to help these employers find a new adviser. A new development is that employers can opt to be given binding advice through Zwitsersleven Pensioen Services (ZPS). In 2012, ZPS published a services catalog for employers with a clear description of the services (including consultancy and management services) provided by ZPS at prices on market terms. The catalog clearly explains to employers that consultancy, management and administration of the pension scheme are separate services, each with its own price.

Do I have a good pension?

A pension is an employment condition and thus subject to an agreement between the employer and the employee. Strictly speaking, Zwitsersleven only administers the pension scheme. However, we see it as our duty to be clear about the amount of pension that can be expected - to avoid disappointment among employees if the employer has only arranged for a small pension. That is why we will start a pilot project in 2013, in which the target amount of the pension scheme is explicitly stated in the offer.

2.1.3 Product and service communication

Services

UPS Video

Employees annually receive their Uniform Pension Statement (UPS). This statement is required by law, but hardly read by employees. Zwitsersleven therefore introduced a video in 2012 that enables employees to take note of pension information in 2.5 minutes.

Informative magazines and clips

Zwitsersleven also helps participants to get a better understanding of their pension through the online magazines Straks and Vandaag. Using short clips and animations, it is explained, for example, what the impact of the new state pension age will be (straks.zwitsersleven.nl and vandaag.zwitsersleven.nl).

Understandable language

Zwitsersleven wants to make information for employers and employees as accessible as possible. This means that we want all written communication at language level B1 (Common European Framework of Reference for Languages). We therefore began writing information on new products at this level in 2012. In 2013, we also began rewriting our information on existing products.

Services Catalog

We want to be entirely clear about the costs of our services. Accordingly, we introduced the services catalog for SMEs (www.zwitsersleven.nl/diensten) and large companies (www.zwitsersleven.nl/pensioenbox) in 2012. The catalog provides a clear overview of our basic services for employers and the additional services we can provide. In 2013, we

will add our new services to the catalog, such as presentations, training and making new statements. Our ultimate goal is to work with one comprehensive services catalog.

Complaints management

Complaints management requires a comprehensive approach with support from managers and the management board. It is therefore an integral part of our corporate culture and organization and a cornerstone of our policy to strengthen our client focus. Since 2011, we have recorded and analyzed all complaints. In 2011, the account managers recorded 1,321 complaints and the management board received 172 complaints. In 2012, these numbers were 1,345 and 244, respectively.

Based on our complaints analyses and client satisfaction surveys, we are continuously making improvements. In 2012, we introduced the following improvements:

- providing an explanation with financial communications;
- accelerating and simplifying the transfer of pension rights in case of a change of pension insurer;
- using simpler language in letters and limiting the number of questions to be answered and forms to be completed;
- follow-up calls to DMSs who have received a new policy, to check if everything is clear;
- in case of arrears in administrative work, calling clients who have waited longest to explain the delay.

Compensation for investment-based pensions

In 2009, the Dutch Association of Insurers conducted an investigation into the cost level of “defined contribution schemes based on investment”. Based on this investigation, the Dutch Association of Insurers has determined the maximum cost level. It turned out that we charged our clients too much for some of our products. Under the guideline of the Dutch Association of Insurers, we must compensate those clients at the latest on their retirement date. Zwitserleven, however, has decided to compensate these clients immediately. We are now examining approximately 400,000 policies. Expectations are that 15 to 20% will be eligible for compensation. At the end of 2012, approximately half of the (former) policyholders had received information on this. Before July 1, 2013, we want to have informed all policyholders. Within two months after providing information on the compensation, Zwitserleven will pay the relevant amount on the policy. At year-end 2012, the balance sheet included a provision of 35 million euros for this purpose.

We have learned from this that we must monitor costs at client level more closely. Zwitserleven wishes to bring the costs of its products in line with the recommended costs standard, both in percentage terms and nominal terms. We will also continue to communicate transparently and clearly about costs and revenues. The Zwitserleven Exclusief Pensioen, introduced in 2010, is a good example of this. We have also started a project in which Zwitserleven talks with clients about the products they have purchased and their understanding of those products.

Client Acceptance Policy

If an employer submits a request to Zwitserleven, we check the integrity of that employer. This check is currently limited to money laundering, funding terrorism and suspicious lines of business. We intend to extend the check to the social and environmental policies. In 2012, we refused one client on the ground of incompatibility with our policies. This client had been convicted for dumping poison in the African environment.

2.1.4 Codes

Insurers' Code

On December 15, 2010, the Insurers' Code was adopted. The Code contains principles that are in line with the Dutch Corporate Governance Code. The Code specifically addresses the role of the Management Board and the Supervisory Board of the insurer and the function of risk management and auditing at the insurer. The Code also contains principles regarding remuneration policies. By complying with this Code, we want to win back the confidence of clients. SNS REAAL has signed this Code. The Code is described on <http://www.zwitserleven.nl/code>.

Code of Conduct for Insurers

The Code of Conduct for Insurers was adopted in 2002. The foundation Toetsing Verzekeraars (Assessment of Insurers) sends an annual questionnaire to all affiliated insurers about how they have integrated the Code in their organization. Any action in response to the feedback is taken within 4 to 6 weeks. The text of the Code is available at: www.verzekeraars.nl/overhetverbond/zelfregulering/Paginas/Gedragscodes/Gedragscode-Verzekeraars.aspx.

2.1.5 Investment Policy

Zwitserleven believes in responsible asset management - with a view to people and the environment, but also with a view to financial return. Our Fundamental Investment Principles (<http://www.zwitserleven.nl/beginselen>) are based on international treaties, conventions and best practices regarding human rights, child labor, forced labor, corruption, pollution, arms and generally accepted ethical principles. Zwitserleven's influence is based primarily on its position as a shareholder. Commitment, exclusion and voting are essential tools in our strategy. To optimize research and active shareholdership, we have outsourced a number of tasks to specialized companies. This is the responsibility of SNS Asset Management, Zwitserleven's asset manager.

Commitment

Zwitserleven wants to avoid having to exclude a company from investment (responsive). That is why it acts proactively. On behalf of Zwitserleven, SNS Asset Management talks with companies about their options before an actual controversy arises. These proactive activities mainly concern companies in the natural resources industry (mining, oil and gas, paper and forestry, food and agriculture). Such companies pose the greatest risks to



shareholder value, but also provide the greatest opportunities for improving their policies by being an active shareholder.

Voting

Zwitserleven has developed its own policy for voting on social and environmental issues. This policy provides guidelines for voting in more than 1,600 companies in 24 countries in the MSCI World Index. Zwitserleven reports regularly on how it has voted in each company.

Exclusions

Zwitserleven excludes countries if they violate the arms criterion, human rights, environmental standards or international standards. Companies are excluded in case of serious and systematic violations of our Fundamental Investment Principles or if responsive commitment does not lead to improvement. If we have already invested in a company, the investments are sold as quickly as possible.

Reports

We report on the implementation of our responsible investment policy. Only companies with which we are in a commitment process are excluded from reporting, to ensure the confidentiality of our discussions with them. If a commitment process has ended, we will disclose which company it concerned and what the outcome has been.

Zwitserleven further reports on:

- Exclusions (<http://www.zwitserleven.nl/uitsluitingen>)
- Votes cast (per company) (<http://www.zwitserleven.nl/stemmen>)
- A summary of the voting policy (annually and quarterly) (<http://www.zwitserleven.nl/stembeleid>)
- A quarterly overview of the policy conducted, including developments in commitments (<http://www.zwitserleven.nl/kwartaalbeleid>)

National and international standards

Zwitserleven's policy is measured against various national and international standards.

Code for sustainable investment (Dutch Association of Insurers)

The Dutch Association of Insurers has adopted a code for sustainable investing by insurers. Zwitserleven complies with this code: <http://www.zwitserleven.nl/codeduurzaam>

VBDO (Dutch Association of Investors for Sustainable Development)

The VBDO annually investigates the investment policies of insurers. Investigated are policy, implementation and transparency about investments. Zwitserleven achieved the highest scores on these three aspects.

Eurosif (European Sustainable Investment Forum)

Zwitserleven is the first Dutch pension insurer that has been granted the transparency mark for its entire fund range by Eurosif, a Pan-European organization that seeks to promote the sustainability of European financial markets. See also: <http://www.zwitserleven.nl/eurosif>

UN PRI (United Nations Principles of Responsible Investing)

SNS Asset Management represents Zwitserleven in endorsing the principles of UN PRI. The results of an annual measurement at SNS Asset Management are in Annex B. See als: www.unpri.org.

Positive selection

Zwitserleven applies the Basic Investment Principles to all investments. Based on the ESG criteria (environmental, social and governance) and a 3P (People, Planet, Profit) investment universe, the 40% best performing companies are selected. But not all companies that are making sustainable products or developing innovative technologies are in this top selection.

That is why we have introduced the possibility of a positive selection. It enables us to still include such a company in our investment portfolio. We will then discuss with such a company how it can improve its ESG performance. Positive selection does not only enable us to select companies that perform well, but our commitment also gives us the possibility to encourage companies to improve their ESG performance.

Responsible Balance Sheet

Zwitserleven reviews all items on its balance sheet for compliance with our responsibility. We assess per item whether we have a sustainability policy, whether this policy is adequate and how we execute it.

In 2012, we reviewed the following balance sheet items and examined various themes:

1. Intangible and tangible fixed assets.
2. Investments. This includes ESG policy.
3. Intercompany relationships.
4. Tax positions.
5. Employee benefits. This includes our personnel policy.
6. Purchasing policy.
7. Insurance commitments provisions, including the quality of our products and services, client acceptance policy and policy regarding distributors.
8. Share capital and loan capital providers. This also covers the broader concept of stakeholder policy.

The Responsible Balance policy will be further elaborated in 2013.

2.1.6 Environmental policy

Building management

Zwitserleven follows certain guidelines for the implementation of its environmental policy, which are set out in Annex C. We have recently performed a BREEAM quick scan (www.breeam.nl) in respect of our building. The result of this scan is given in Annex D. The conclusion is that Zwitserleven scores very well relative to the benchmark of March 2013 in the Netherlands. Just now, Zwitserleven prepares its application for the BREEAM Label and works on an action plan to make its building even more sustainable. Decision-making and investments will be linked to the implementation of HNW (Het Nieuwe Werken, the New Way of Living and Working, which includes working from home) in 2014.

CO₂ emissions

Zwitserleven's CO₂ emissions result from transport (2,288 tons - more than 13.5 million kilometers per year), paper consumption (75 tons), waste (23 tons) and water consumption (1.4 tons). Our CO₂ footprint in 2011 was 27% above the peer group (see Annex E). In 2012, we reduced our CO₂ emissions by 5%, which is also our target for 2013. The plans to achieve this are in preparation. We focus on mobility, the main cause of our CO₂ emissions and want to discourage use of a car for short distances. Since 2010, only cars with an A or B label fall under our lease policy. We have now tightened this policy by applying the CO₂ emissions criterion regardless of the weight of the car. In mid-2014, Zwitserleven will introduce HNW.

Energy Consumption

Zwitserleven's building has a heat and cold storage (TES). This system stores summer heat and winter cold underground. If the building must be cooled, it makes use of the stored winter cold - and vice versa. The system is supported by climate smart windows and ceilings. The system reduces our electricity consumption by 35% and our

gas consumption by no less than 80% compared to traditional systems. 85% of the electricity we consume is green electricity (purchased with green certificates for electricity).

Paper consumption

Since January 1, 2013, 95% of our paper has the FSC mark. Used paper is stored in sealed paper wheeled bins that are emptied periodically. The waste disposer is certified to process and transport this waste stream confidentially. This is checked periodically. We also contribute to print-free working at process, product and behavioral level.

Waste

In its offices, Zwitserleven separates residual waste, organic waste, small hazardous waste, plastics, cardboard and plastic cups. The amount of waste per FTE has decreased by 1.6%. Thanks to the separation of waste streams, only a quarter of our waste needs to be incinerated, while the remainder can be reused. In 2012, 71% of our office waste was suitable for reuse, compared to 74% in 2011. Our target for 2013 is 25% residual waste and 75% waste suitable for recycling and reuse.

Hygiene

Our cleaning organization applies a microfiber method, so that it hardly needs cleaning agents. In addition, cleaning is done during office hours instead of in the evening. This allows the cleaners to work regular hours and lead a normal social life and in addition results in savings on lighting and heating.



2.2 Principle 2

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

2.2.1 Stakeholders Dialog

Zwitserleven deems it important to maintain a good dialog with its stakeholders. In 2013, we wrote a policy memorandum on this issue, including the following topics:

- Who are our stakeholders and how do they relate to each other;
- Why are we important to each other;
- Which communication channels do we use for the dialog;
- How often are we in contact with them;
- What issues and themes do we want to discuss with them in 2013;
- What issues and themes do they want to discuss with us in 2013.

We will start rolling out in the second half of 2013. We will also make the first steps towards defining, on the basis of client needs and in cooperation with one or more stakeholders, new concepts in areas yet to be determined.

In the autumn of 2012, SNS REAAL and Zwitserleven asked stakeholders to state on which issues they required information. The stakeholders, which included suppliers, municipalities, distribution partners, employees, clients and regulators, mentioned the following issues:

Corporate social responsibility strategy and organization;
Financial accountability;
Our role as an employer;
Our contribution in the chain (purchasing);
Product responsibility; and
Ethics and integrity.

We have subsequently included these issues in our annual report.

2.2.2 Clients

NPS

The Net Promoter Score (NPS) tells us how many clients would recommend Zwitserleven to other people. This NPS is determined by means of short questionnaires, which are designed to obtain feedback rather than just scores. The NPS of all client groups improved in recent years. The NPS showed an increase in 2009 through 2011 and a slight decrease to +6.8% in 2012 (this applies to the section Corporate Clients, subsection of employers). Our ambition is to have an NPS higher than 0 for all client groups in 2015. More information is provided in Annex F.

Client Panels

We test our communications about new products in client panels. We want to know how clients assess the usefulness, understandability and safety of our products. Based on the outcome, we rewrite the texts to an optimum level.

Employer and employee community

We use our community on LinkedIn to keep employers informed of pension developments and through discussions and polls we ask them for their views. Employers can use the community to ask us questions online. With 870

members, the employer community is now well represented. In 2013, we therefore also launched a pension community for employees.

Pension information and education

We inform our clients about pension as good as we can. We do this in several ways:

- **Pension evenings:** Four times a year, we organize an evening for participants who retire within three years. In cooperation with our employee desk, we inform the attending participations about financial and social aspects of retirement. In 2012, more than 150 people (12.5% of the total) participated in an evening. The evenings are very well rated and have a positive NPS score (+48%).
- **Pension three-day:** This national event is aimed at promoting awareness about pension. In 2012, we received 80 clients and non-clients in three locations (Amstelveen, Zwolle and Den Bosch). They saw a cabaret show about pension issues. The audience responded positively: “So pension can be fun.” The theme for 2013 is: “The role of the employer in pension communication”.
- **PPizza evenings/client sessions:** During dinners at Zwitterleven with employers and employees, we discussed ideas for products and services. We have found that the informal and positive critical setting gave us a clearer picture of what clients want from us. Clients appreciated that we listened to them. Issues in 2012 were pension perception (the employer chooses the pension, not the employee) and pension communication. Thanks to input from our guests, we have been able to optimize the video of the Uniform Pension Statement before it went live.
- **Employer Courses:** Zwitterleven organizes a number of courses to educate employers and their employees about pension. In 2012, approximately 100 people participated in an introductory course on the duty of care of employers, the importance of pension communication and changes in the pension field.
- **Human Resource staff:** We offer a one-day course where the Human Resource staff of our employers can learn how to answer the daily questions of their employees, such as questions about the consequences of events in the personal life of employees and the role of the government.
- **Pension Seminar:** Once a year, Zwitterleven organizes a seminar on current pension issues for pension fund managers, employers, employees and distribution partners. In 2012, the theme was “pension revolution, the employee at the wheel”. Renowned speakers such as Lex Hoogduin and Paul Schnabel gave their views and debated issues with each other and attendants. The proceeds of the seminar (10,159) were donated to KiKa, a Dutch fund for children with cancer.

2.2.3 Advisers

Businessclub en PensioenLab

At least twice a year, a group of advisers come together with the management board and employees of Zwitterleven for a brainstorm session about developments in the pensions market. The principle aim is to learn from each other and inspire each other to improve business operations.

For specialized pension advisers, we organize Pension Labs, knowledge sessions where pension issues are thoroughly explored. We organized a knowledge session on pension and investing for actuarial advisers.

Digitization of information

The website with information for advisers has been greatly improved in 2013. Advisers can now consult almost all necessary information online. In addition, almost all mailings have been digitized. Also Update, our magazine for advisers, is no longer available on paper. See for Update www.zwitterleven.nl/update.



2.2.4 Participants

Employee Unit

In 2012, Customer Services set up the unit Employees & DMS to give these target groups the service and attention they deserve. By putting these clients' interests first, we are able to deliver better quality and fulfill the employee central focus.

Employee Desk

Zwitserleven has a special employee desk for questions of participants. The employees of the desk can explain difficult pension issues in understandable language. They receive special training for this purpose, such as monthly telephone and e-mail coaching and the mandatory course "Writing with feeling". Recurring issues are the transfer of pension rights, the commutation of small pensions, divorce and factor A (pension growth). The desk also receives many questions from participants who have received a UPS, a pension policy, a value statement or a risk measurement letter. Employees are positive about the desk and appreciate that they get someone on the line immediately. The surveys we conduct after each call show that we are increasingly recommended by our clients (NPS -3% in the first quarter of 2013).

Employees also have access to www.mijnzwitserlevenpensioen.nl, where they can view their pension documents. As an additional service, an employer can give its employees the possibility to consult an online pension planner. The pension planner provides the employee with a comprehensive overview of his pension, in gross and net figures and in graphs. For an additional fee, we offer employers pension presentations, "one-on-one" talks with employees and personal pension calculations.

2.2.5 Suppliers

We select suppliers on sustainability criteria and ask them to sign a sustainability declaration. Zwitserleven does not only consider the sustainability policy of the supplier, but also the environmental and social aspects of the supplier's production process. SNS REAAL offers all suppliers equal opportunities. We select the supplier that best meets our requirements at the lowest costs.

2.3 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.”

2.3.1 Regulators

Zwitserleven falls under the supervision of various regulators. The most important regulators are: De Nederlandse Bank, the Netherlands Authority for the Financial Markets, the Netherlands Competition Authority, the Bank of the Netherlands Antilles, the Dutch Data Protection Authority and the Dutch Foundation for Assessment of Insurers. We consult with the De Nederlandse Bank and the Netherlands Authority for the Financial Markets at board level four times a year. Consultations concern financial data, market trends, strategic choices and projects - but also dilemmas, problems and specific themes. The launch of Zwitserleven Pensioen Services, for example, was first discussed with the Netherlands Authority for the Financial Markets. Since 2012, socially responsible business practices are on the agenda twice a year.

2.3.2 Umbrella organizations

Zwitserleven is affiliated with the Dutch Association of Insurers. The future of the pension system and restoring consumer confidence are important issues for Zwitserleven. Zwitserleven is represented in four working groups:

- Member of the working group pension communication;
- Chairman of the working group pension communication;
- Member of the working groups compensation investment-based pensions and raising the retirement age;
- Member of the working group API;

We contribute to plans to change the pension system and campaigns to restore consumer confidence. Zwitserleven plays a pioneering role in the Association in the development of a new vision on pension and in making pension understandable and clear. Zwitserleven represents the Association in STAR (the Labor Foundation), where it participates in discussions about pension communication.

2.3.3 Media

Through direct contacts (and indirectly via SNS REAAL), we engage in an open and transparent dialog with the media - both for professionals and for the general public - about social issues. In 2012, the newspaper Het Parool published an opinion article by our director Maarten Edixhoven entitled ‘What will my pension look like?’ Maarten also participated in a discussion with youth about pension that was broadcast by BNR (Business News Radio). Zwitserleven recently participated in a discussion about the progress of the PSI initiative with signatories, journalists, CSR Netherlands and Butch Bacani (UN) in the media bar, organized by Achmea (Dutch insurance provider). We discussed how the signatories were working on socially responsible business practices and their PSI reporting. An extensive report is available at <http://www.zwitserleven.nl/mvoverslag>

Zwitserleven is taking the lead in the debate on pension awareness and individual saving for pension. The coming year, these themes will have to be brought to the attention of the public through opinion articles and proactive media contacts. There are three main issues in 2013:

- Reforms in the pension system.
- Youth and pension, part of the study program.
- The employee at the wheel.

2.3.4 Government

A good relationship with both political and social partners is crucial. Zwitterleven therefore acts as a discussion partner for the government and other organizations in pro-active thinking about social issues. We are in contact with various MPs and civil servants. Together with organizations like the Consumentenbond (the Dutch association of consumers), we advocate a pension system with more responsibility and freedom for the participant. More specifically, we address issues such as the Witteveen fiscal framework, pension communication and the UPS video.

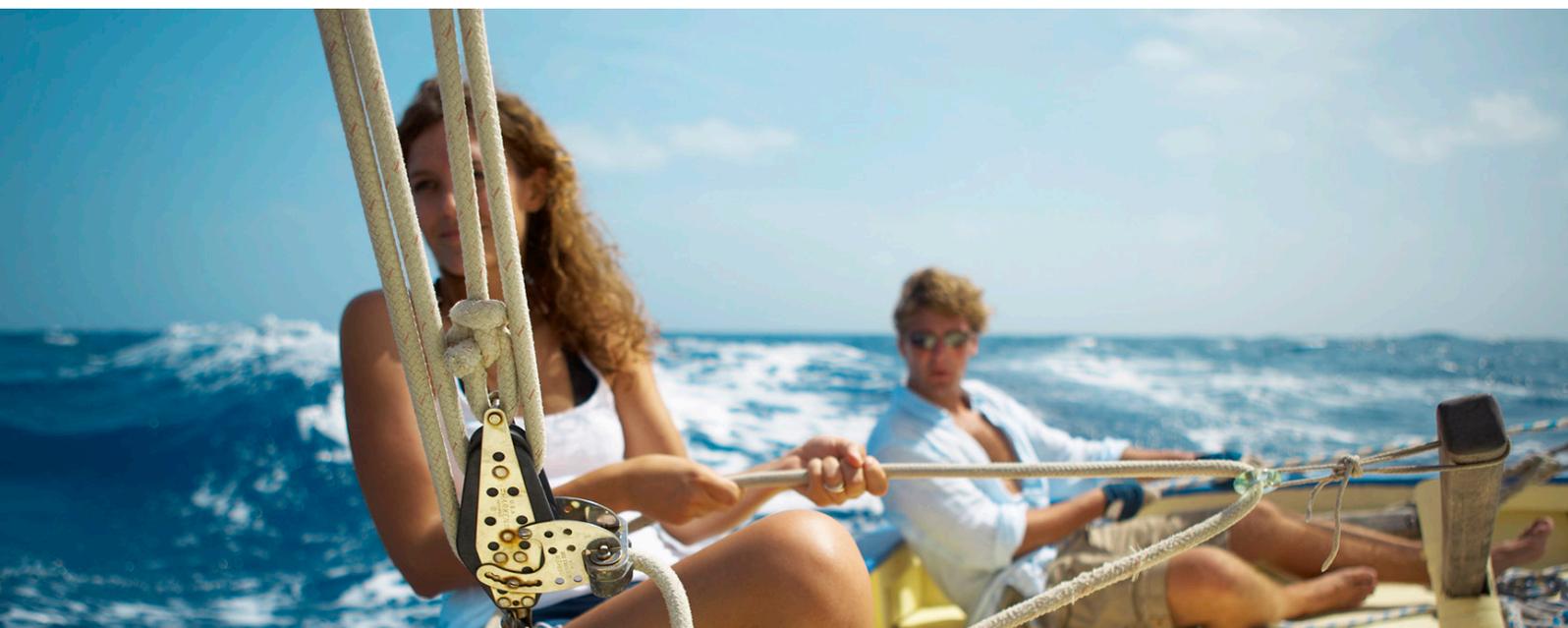
2.3.5 Youth and Educational Institutions

Zwitterleven deems it important to invest in the education and development of young talent. Zwitterleven therefore actively strives for cooperation with educational institutions. Examples of such cooperation are traineeships, graduation assignments, guest lectures, assisting in the development of a study program and grants. Young people thus get a more concrete picture of the professional practice and can gain experience in conducting job application interviews and giving client presentations. In turn, Zwitterleven learns from young people who are at the center of society and will be the clients and employees of the future.

Zwitterleven gives annual guest lectures at the business mathematics faculties of the universities of applied sciences in Amsterdam and The Hague. Students are then given the assignment to design a pension planner that gives consumers insight into their pension. Our feedback focuses on skills and content. One student is subsequently given the opportunity to do his or her graduation traineeship with us. Every student can apply for this traineeship and every applicant is invited for an interview. Eventually, the best student is selected. On average three to four other students do a traineeship or work at our company on a part-time basis during their study. Students learn a lot and indicate that it contributes to their person growth. Today, around 15 of our colleagues first joined the company as a trainee.

In order to get inspired and to learn how young people look at pension, Zwitterleven works with the Foundation Qloud Connect. Qloud Connect is an inspiring group of young students who strive for sustainability and dedicate their expertise to that goal. They have guided us through the process of developing the pension product of 2030. Four groups linked vision and product and presented the result. The most important insight is that still much remains to be done to explain pension properly to consumers. It again became clear that it is better not to think for the target group, but ask what it needs instead.

We were very pleased to find that young people are willing to spend money and energy on solidarity, even if it concerns something that is still far away. This inspiring collaboration helps Zwitterleven to further work out its vision for the future. Qloud Connect and Zwitterleven are now talking about how these results may be translated into concrete action. A recent brainstorm with trainees about pension in 2020 yielded surprising concepts for new



products and ways of distribution.

We also focus on broader groups of young people. A good example is the collaboration with the foundation Weet Wat Je Besteedt (know what you spend) and PGGM (Dutch pension administrator), through which we try to increase the pension awareness among young people. We develop teaching materials in collaboration with young people to support this. Zwitterleven is providing two guest lecturers for half a day per week for a period of six months. To get more publicity, we want to give around 30 guest lectures, starting with a lecture by a director of Zwitterleven. Our aim is to make pension a standard subject in the study programs of young people within five years.

2.3.6 Strategic and social partnerships

Strategic partnerships

Zwitterleven is involved in an increasing number of business partnerships. In 2012, there were two important examples.

Insurance: asset management outsourced to an American asset manager.

A client of ours asked if we were prepared to administer a pension scheme while the asset management would be outsourced to an American asset manager. Our Investment Support Manager entered into consultations with the policy makers of the Asset Manager and raised issues such as sustainable funds and UN PRI guidelines. The Asset Manager works with two sustainable funds, but we will continue to encourage the company to meet our sustainable investment criteria within 3 years. If it fails to do so, we may not renew the agreement. The pension planner system is currently the subject of consultations with the Netherlands Authority for the Financial Markets and we have developed a procedure for participants' information that will give our employee desk insight into the data of the participants.



Communication: Pilot with Execution Only Pension

To keep pensions affordable for small organizations (up to 25 employees), Zwitserleven is collaborating with Mercer Direct (www.mercerdirect.nl). Mercer Direct offers the Zwitserleven Exclusief Pensioen, a pension scheme without options for employer and employee. All communications with the employers and employees go through the Mercer Direct platform. Also employee insurance can be arranged through the platform - at sharp prices and without commission. The employer only pays for using the platform and does not receive advice. To determine whether this product is suitable for an employer, the employer must answer a questionnaire before contracting. that is used to assess the knowledge and experience of the employer. If the questionnaire reveals that the employer has insufficient knowledge, the product will not be sold.

Social partnerships

Zwitserleven enters into social partnerships from the foundation Stichting Samen voor Later (Together in the Future). “Financial self-reliance” is the most important theme. We are looking for partnerships with national partners, such as the Chamber of Commerce, the UWV (social security administration) and companies that can contribute to existing and new initiatives regarding self-reliance. From the Stichting Samen voor Later, we also support initiatives of Zwitserleven employees. Examples include the Pensioen3daagse, Money Week, Pension education for colleagues, Supporting women of the Blijf groep (women’s refuge group) and Supporting Migrant Teenage Mothers. Another initiative is the Micro Pension project, in which we join forces with Enviu and PGGM to build a pension company in Ghana within a year. For that we work together with local companies, such as micro-finance banks and insurance companies. In five years, we want to be able to conclude that we have given the pension sector in Ghana a big boost. Other insurers and pension funds have now indicated that they want to participate.

‘Caring with Feeling’ gives our colleagues the opportunity to do volunteer work one day a year at the expense of Zwitserleven. We believe that the enthusiastic commitment of a colleague is more valuable than a financial contribution.

2.4 Principle 4

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

2.4.1 Annual Report

Zwitserleven informs its stakeholders regularly about its sustainable policies, for example through our media and website. SNS REAAL has an integrated annual report. Both parts are reported according to the GRI 3.1 guidelines. This has been audited by KPMG. Besides the annual report, we also regularly report on investments, for example in this PSI report.

We record information about socially responsible business practices in a central place in our organization and seek to organize these records in such a manner that they enable us to produce customized reports. Stakeholders can then specify the issues they want to receive information on. This will enable us to inspire and inform people at any time.

2.4.2 Website

In 2012, the section of www.zwitserleven.nl designed for visually impaired employees was made barrier-free. Research bureau WUA! conducted a survey among employers about online orientation on group pension. Zwitserleven.nl came out best: we were given a Web Performance score of 7.0. By comparison: Brand New Day scored 6.3 and BeFrank 4.5. All scores are shown at: <http://www.zwitserleven.nl/wua>.

3. Plans 2013/2014

In the coming year, the focus will be on:

1. Personal leadership.
2. Embedding ESG policies in risk management, product policies, distribution policy and client policy.
3. Further development of the investment policy.
4. Dialog with stakeholders.
5. Communication



Annex A: Management board's attendance of permanent training.

	2/2/2012 AUDIT	3/22/2012 - 4/13/2012 CYBERCRIME	6/14/2012 FISCAL MATTERS	9/20/2012 - 11/19/2012 ETHICS AND GOVERNANCE	11/29/2012 CLEAR CONDUCT
Maarten Edixhoven	yes	yes	no	yes	yes + mc
Willem Horstmann	no	yes	yes	yes	yes
Rene Vermeirssen	no	yes	yes	yes	yes
Rolf van Woerkom	yes	yes	yes	no	yes

Annex B: PRI Table Zwitterleven

The following table provides a summary of your overall performance against your peers.

	2010			2011		
	Your score per Principle	Median score: All IMs	Your quartile rank	Your score per Principle (↑ ↓ from 2010)	Median score: All IMs	Your quartile rank
GPS	100%	78%	1	98% (↓)	79%	1
Principle 1*	96%	57%	1	100% (↑)	63%	1
Principle 2	97%	68%	1	100% (↑)	73%	1
Principle 3	99%	70%	1	99% (-)	74%	1
Principle 4	71%	58%	2	87% (↑)	59%	1
Principle 5	95%	75%	1	100% (↑)	75%	1
Principle 6	75%	58%	2	100% (↑)	62%	1
No. of peers		260			345	

Top quartile 1 (green), quartile 2 (yellow), quartile 3 (orange), bottom quartile 4 (red)

Annex C: Services Guidelines

General:

- UN Global Compact (signed)
- OESD guidelines (endorsed)
- ILO (endorsed)
- Universal Declaration of Human Rights (endorsed)

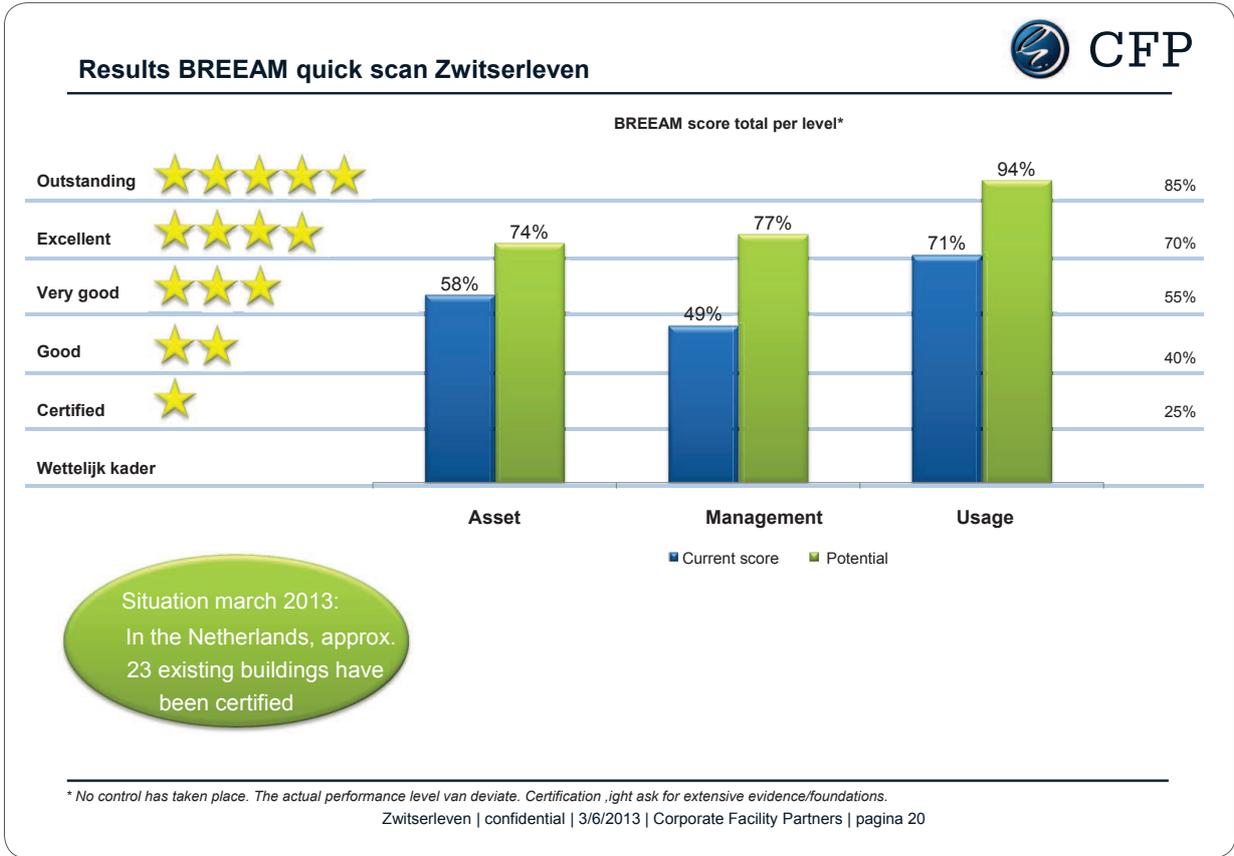
Reports:

- GRI 3.1
- CDP (Carbon Disclosure Project) (signed)

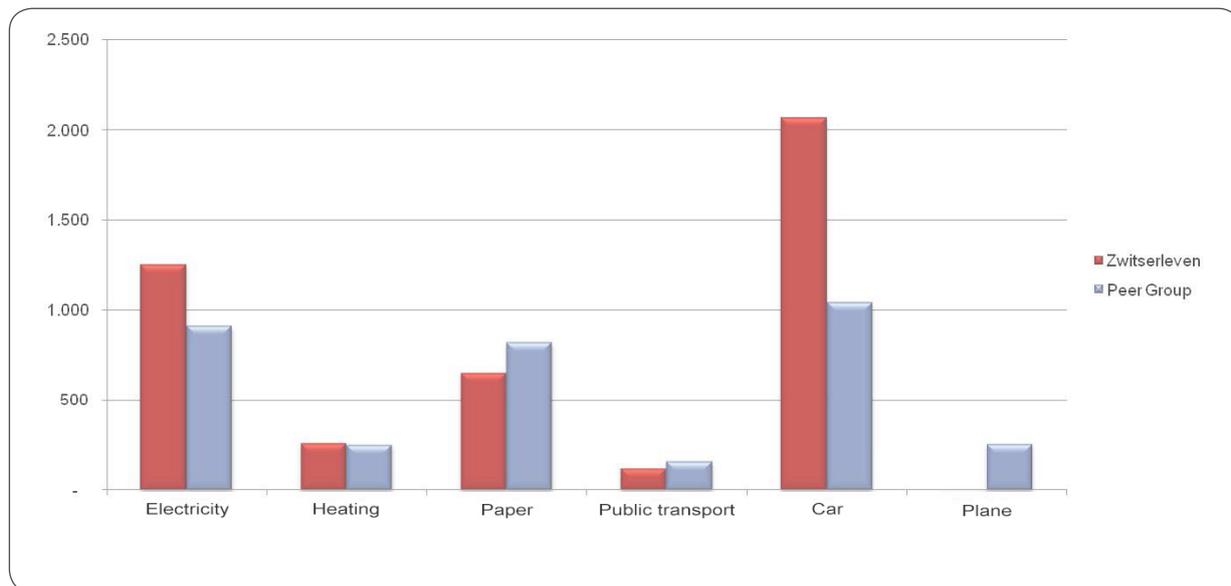
Facilities service:

ISO 14.001

Annex D: BREEAM Scan.



Annex E: Zwitserleven's energy consumption in 2012



Annex F: NPS scores.

CLIENT GROEP	SCORE NPS		AMBITION NPS		
	2011	2012	2013	2014	2015
Employers (CC and SME)	-29,4%	-16,5%	-13,0%	-3,0%	0,0%
DMSs	-46,6%	-7,6%	-5,0%	-2,5%	0,0%
Participants	-47,0%	-41,0%	-27,0%	-12,0%	0,0%