

# SulAmérica PSI Disclosure Report 2014-2015

SulAmérica reaffirms its commitment to defend human rights, ethics and the environment, by participating and being signatory of national and international initiatives and voluntary commitments, among which the following are worth noting:

- The [Global Compact](#), of the United Nations (UN), by integrating the Brazilian Global Compact Network since 2009;
- The [Principles for Responsible Investment](#) (PRI), by means of SulAmérica Investments, since 2009;
- The [Corporate Sustainability Index](#) (ISE), of the BM&FBovespa, since 2009;
- The [Principles for Sustainable Insurance](#) (PSI), since 2012.

In the following pages, we show the main initiatives and projects aligned with the four PSIs, taking into account their strategy and operation, relationship with stakeholders and government, besides the communication of their main results for integration of environmental, social and governance issues since the publication of the latest progress report in July 2014.

**PRINCIPLE 1: We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.**

## *Strategy and Governance*

Since 2009 SulAmérica has relied on a **Sustainability Committee** formed by the main executives of the Company, including the CEO, that in 2011 became an advisory committee of the Board of Directors.

In 2013, the Sustainability Committee, together with the Board of Directors, approved the **Corporate Sustainability Policy**, which originated its **Strategic Initiative with long-term actions** to deepen the ESG issues in the Company's planning and management process.

In the **Corporate Sustainability Policy** five strategic themes are highlighted:

1. Quality of Customer Care and Services;
2. Innovation in Products and Services;
3. Responsibility in the Value Chain;
4. Development of Human Capital;
5. Financial Education and Conscious Use of Insurance.

In 2014, the Sustainability Committee approved the [Stakeholders Engagement Policy](#), which aims at improving communication and dialogue in order to develop products, services and processes, incorporating environmental, social and governance (ESG) issues.

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In addition, in June 2015, aiming at improving its management practices, the approval of the [Environmental Policy](#) materializes the Company's commitments on environmental and climate change challenges.

### **Risk Management**

A solid risk management strategy is fundamental to an insurance company. The mapping of risks related to the Company's operations and activities assure assertiveness in reserve management. In recent years, SulAmérica has improved its risk management framework, to guarantee the good performance of its operations. Between 2014 and 2015, SulAmérica has developed a series of improvements in its risk management and prevention process, listed below:

- The company has streamlined its risk management system by developing the Emerging Risks Framework (ERF), and, as part of the Strategic Sustainability Initiative, incorporated the monitoring of social and environmental risks, particularly of extreme climate events, in specific portfolios.
- SulAmérica has devised its [Anti-corruption Policy](#), aimed at providing guidance to its employees, partners, customers and other stakeholders on identification and defusing situations that may involve this kind of practice.
- The [Code of Ethical Conduct](#) consolidates all guidance on ethic in relations with public and corporate entities, and describes the channels, such as "Talk to Compliance", "Fraud Hotline" and "Whistle-blowing Channel". In addition, the Code includes directives on the prohibition of corruption, money laundering practices and started to incorporate its voluntary commitments and ESG risks related to the value chain.
- SulAmérica continues to adopt its **Procedure for Analysis and Review of Products, Services and Partnerships** (*Procedimento de Análise e Revisão de Produtos* or PARP in Portuguese) that includes the review by the Sustainability area of ESG issues. In the period, no product, service or partnership was subject to restrictions or refusal in relation to these aspects.
- The Investment Policy started to require investments of technical reserves to be managed by the signatories of the Principles for Responsible Investment (PRI).
- The [Policy on Responsible Investment and Social and Environmental Risk](#) of SulAmérica Investimentos (SAMI) was reviewed, and started to formally consider the social and environmental risk management as part of the investment analysis process.

### **Products & Services**

SulAmérica has continuously and systematically maintained the development and investment in products, services and partnerships that include ESG aspects. In 2014 the Company launched and keep up following products and services:

- **SulAmérica Saúde Ativa (Active Health):** [SulAmérica Saúde Ativa](#) is a set of programs for promoting health and preventing diseases that aim at enhancing quality of life by preventative actions. In 2014, R\$26 million was invested and 407,000 policyholders used the services. Since 2010, R\$103 million has been invested in the program, and over 1 million policyholders used the services.

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- **SulAmérica Idade Ativa (Idade Ativa):** SulAmérica Idade Ativa was created in 2012 to contribute to the healthy ageing of elderly. Policyholders with detected risks receive the assistance of specialized professionals by phone or at home. In 2013, nearly 9,000 people were invited to participate in the program and the results were very positive: decrease by 20% in risks in the home environment, and 29% of falls over the last year.
- **Descarte Responsável (Responsible Disposal):** In 2013 the Company launched the Descarte Responsável program for the customers of the Homeowners and Businessowners portfolios, facilitating the services for the collection, separation and recycling of home appliances, consumer electronics and furniture, in partnership with Ecoassist Serviços Sustentáveis. Since the beginning of the program 76 collections have been made in 19 cities of seven states, collecting 2,300 items, which represented 9.2 tons of waste, disposed of in an environment-friendly way.
- **Motorista Amigo (Driver Friend):** Since 2010 SulAmérica offers to its customers of automobile insurance the Driver Friend program, which provides a driver to take the policyholder and his/her car safely home if the driver is not in condition to drive. This service contributes to reduce risks of traffic accidents and to a culture of responsible driving. In 2014, the Company invested nearly R\$ 1.7 million in this service, up 4% on the previous year.

### *Management of claims and service quality*

As part of the process for improving the relationship with insureds and satisfaction in relation to the products offered and services provided, SulAmérica makes available a series of service channels, besides conducting several service satisfaction surveys. The general customer satisfaction index of SulAmérica Investimentos stood at 83.0%, up 3 percentage points on 2013. The call centers for claim reporting services, group health, SME health plans and 24-hour Service got 82.5 % user satisfaction, up 0.8% on 2013. The satisfaction level with the 24-hour Service providers stood at 85.4%, down 1.6% in relation to 2013. For further information on surveys, consult the [Company's website](#).

The highlights in 2014 include the following:

- **Gestão de Casos Complexos de Saúde (Management of Complex Health Cases):** With the purpose of improving the quality of life and recovery of policyholders who are hospitalized longer than ten days, the Gestão de Casos Complexos program aims at reducing the inpatient time and accelerating the return to their homes. This program won the [Antônio Carlos de Almeida Braga Award for Innovation in Insurance](#) for being pioneer and contributing to the recovery of patients, obtaining 99% approval from participants.
- **Índice de Qualidade no Atendimento Domiciliar (Home Care Quality Index or iQaD):** is a tool developed to rank SulAmérica's Home Health care service providers, according to the quality of their services, by monitoring indicators, focused on quality, efficiency and effectiveness. This tool is also used to define the percentage of annual adjustment of these service providers.

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## *Asset Management*

In 2014 SulAmérica Investimentos maintained its proactive approach to disseminate the Principles for Responsible Investment (PRI) to its team of analysts and managers. In this process, the [Policy on Responsible Investment and Social and Environmental Risk](#) has been revised to meet the requirements of the Resolution 4,327/14 of the Central Bank of Brazil, and all investment cases have been analyzed on social, environmental and corporate governance issues.

## *Human Capital Development on the ESG issues*

SulAmérica has continually invested in the improvement of the knowledge of its employees on ESG issues. Giving continuity to the implementation of its Sustainability Strategic Initiative, the Company has developed an e-learning program, launched in April 2015, and has worked to connect the topic with the formal development and management programs, besides giving several talks, even in its branches.

On issues related to **Ethics, and Fraud and Money Laundering Prevention**, in accordance with the requirements of the regulatory body, the Company maintains a training program, which has already counted over 5,000 employees and more than 23,000 training hours since 2002. In 2014, 649 employees were trained in more than 5,600 hours dedicated to the topic, besides 83 partner brokers.

Since 2014, SulAmérica, in partnership with the Global Reporting Initiative (GRI), the Carbon Disclosure Project (CDP) and the Brazilian Business Council for Sustainable Development (CEBDS), promotes talks on several topics that are pertinent to the insurance market and other companies. Throughout 2014, it ran 32 in-house and 39 external events, totaling more than 2,700 hours of talks and training to employees, business partners, customers, brokers and members of the civil society, with 1,239 participations.

## *Environmental Initiatives*

In 2015, SulAmérica approved its [Environmental Policy](#) which contemplates its positioning and guidance on environmental management and climate change.

For the fifth year in a row, the Company published its [Greenhouse Gas \(GHG\) Emissions Inventory](#) according to the Brazilian GHG Protocol Guidelines.

In addition to the GHG emission management actions, SulAmérica has a series of initiatives to reduce the environmental impact of its activities with the engagement of its value chain. For further information on these initiatives, access our [corporate website](#).

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**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.**

## Brokers

- **Corretor Nova Geração (New Generation Broker):** Thinking about the future, SulAmérica created the Corretor Nova Geração program, which invites the children of brokers from all regions of the country to visit the headquarters of the insurance company in São Paulo, besides giving the opportunity for seeing closely how an insurance company operates. By means of group dynamics and guided activities, these youths attend talks by the company's executives and give suggestions and opinions to improve the products, services and processes of the company. Since it was launched, in 2013, more than 100 young professionals have participated in the program.
- **Building the capacity of brokers:** In 2014, nearly 5,000 brokers have increased their capacity in the several programs held by the company.

## Value Chain

As a multiline insurance company, one of SulAmérica's greatest challenges is its value chain management, once each segment has a different business model with totally diverse customers, business partners, regulatory authorities, products and services. In 2014 the highlights included the following:

- **Sustainability Clause:** To ensure that its suppliers share SulAmérica's commitment to sustainability, in 2014 all of the new contracts included a new [clause on Corporate Sustainability and Responsibility](#).
- **Automobile and Massified Provider Relationship Program:** In 2014, SulAmérica restructured its area of relationship with the providers of services to Automobile and Massified policyholders, broadening the regional service with representatives allocated to several regions in the country. The Company developed a Programa de Relacionamento com Prestadores (Service Provider Relationship Program or PRP) which contemplates the strategy of management, service and recognition of these partners which are in policyholder service front. Therefore, the program contributes to the development and qualification of service providers by means of training and regional meetings.
- **Guincho Selo Verde Auto (Green Seal Tow Truck):** Since 2011, SulAmérica has encouraged its tow service providers to adhere to the Green Seal Program. This program, which has already been adopted in cities like Rio de Janeiro, Nova Iguaçu and São Gonçalo, is aimed at adopting S10 diesel as alternative to S50 diesel, in addition, all tow trucks go through a quarterly monitoring process, following the parameter values of black smoke and particulates emission. Since it was launched, the initiative recorded over 71,155 requests, of which 8,016 in 2014.
- **Recycling of automobile glasses:** In partnership with the Autoglass Institute, SulAmérica recycles damaged automobile glasses of the automobile insurance claims. Since 2011, more than 3,000 tons of glasses have already been recycled by this program.
- **Water-based paint:** Since 2009, SulAmérica has encouraged the use of water-based paints in its accredited autoshops to repaint damaged vehicles. This paint contains 90% less solvents than

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traditional paints, thus cutting the emissions of volatile organic compounds (VOC) that threaten the health of painting professionals and the neighboring communities, besides contributing to pollution. In 2014, more than 5.5 tons of VOC were cut in relation to medium solids and 2.8 tons of VOC were cut in relation to the high solids related to the painting of 4,575 medium-sized cars.

**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.**

SulAmérica's support to the Society is not reduced to the employment created and taxes paid. By aligning its actions with the Public Policies of the State, the Company reaffirms its commitment to the society's sustainable development. Among the main actions in 2014 the following are noteworthy:

### **Financial Education Program**

Aligned with the guidelines of the [National Financial Education Strategy](#), which is aimed at promoting financial and pension education, increasing the citizen's capacity to make conscious choices on management of his/her own funds, and contribute to the efficiency and soundness of the financial, capital, insurance, pension and savings bonds markets, SulAmérica held, in March 2015, the Second Financial Education Week, with the participation of more than 400 employees in São Paulo and in Rio de Janeiro.

In addition, an e-learning of financial management with access for all employees was launched.

### **Support to Social Projects and Actions**

SulAmérica supports social projects focused on Risk Prevention and Human Capital Development in alignment with the Public Policies of the State. In addition, for the Company, the private social investment contributes to the development of the society in the strategic topics listed in our Corporate Sustainability Policy, by investment of funds.

In 2014, the following supported projects were noteworthy:

- *Fundo Nacional do Idoso (National Fund for Elderly)*: Introduced by Act 12,213/2010, it is used for funding programs and actions on the elderly aimed at asserting their social rights and creating conditions to promote their autonomy, integration and effective participation in the society.
- *Programa Nacional de Apoio à Atenção da Saúde da Pessoa com Deficiência (National Program for Supporting the Healthcare of Disabled People or PRONAS/PCD)*: Introduced by Act 12,715/2012, it is aimed at raising funds for stimulating and developing the prevention and rehabilitation of disabled people.
- *Programa Nacional de Apoio à Atenção Oncológica (National Program to Support Oncologic Care or PRONON)*: Introduced by Act 12,715/2012, it is aimed at raising funds for stimulating and developing the prevention and rehabilitation of cancer patients.

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- *Fundo Municipal da Criança e do Adolescente (Municipal Fund for the Child and Adolescent or FUMCAD)*: Created by the Estatuto da Criança e do Adolescente (Statute of the Child and Adolescent or ECA), Act 8069/90, the FUMCAD is aimed at financing projects that assert the rights of child and adolescent.

In all of the above Public Policies the company may allocate up to 1% of the amount payable for Income Tax in order to give incentive to initiatives aligned with its social responsibility policies. In 2014, the total amount allocated was R\$ 3.9 million, totaling more than R\$ 8.8 million since 2009. For more information on incentive projects, access the corporate website on <http://portal.sulamericaseguros.com.br/>.

The Company also develops and support social projects and actions with its own funds, as follows:

- *Dia da Cidadania SulAmérica*: (SulAmérica Citizenship Day): social action aimed at providing free services to the local community, like providing legal and nutritional advisory services, running of health tests, recording resumes, raising awareness of health and citizenship, among other activities. For this action, the company relies on several partners like the NGOs of the neighboring area, Resident's Associations, and even government bodies.
- *Lideranças Comunitárias SulAmérica*: (SulAmérica Community Leaderships): social project aimed at the building the capacity of leaders who work on community base organizations (NGOs, resident's associations and other institutions) located in the surrounding areas of the SulAmérica's buildings in Rio de Janeiro and São Paulo, involving almost 80 organizations since the beginning of the project.

### Other Initiatives

SulAmérica also acts to create opportunities for social wellness and has developed a series of initiatives and actions that benefit the society as a whole.

- ***SulAmérica Trânsito (SP) and SulAmérica Paradiso (RJ) Radio***: the stations provide service to the population with information on traffic and live updates, and information on alternative routes to escape from the traffic jams, besides entertainment and culture tips.
- ***Economic Reports***: Periodically prepared to inform SulAmérica Investimentos' customers about the economic outlook, it has bulletins segmented by fund type or topic of interest.
- ***Guia do Uso Consciente do Plano de Saúde (Conscious Use of Healthcare Plan Guide)***: It adopts a simple and direct approach to topics related to private healthcare plans, like the technical terms used by the healthcare professionals and companies, processes, procedures and market decisions. The guide also clarifies the role of each individual in supporting a private health care system. In 2014, the website received nearly 84,000 hits, totaling over 220,000 hits since 2010, year when the guide was launched. For further information, access [www.sulamericausoconsciente.com.br](http://www.sulamericausoconsciente.com.br).

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**PRINCIPLE 4: We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.**

Since 2008 SulAmérica has published its Annual and Sustainability Report following the Global Reporting Initiative (GRI) methodology. Since 2011, this report has been checked by independent auditors as to the veracity of the published ESG information.

Since 2013, SulAmérica has published its [Annual Report, also available on the hotsite](#), that gathers in one site the videos with all relevant information on the company.

SulAmérica published this document in September 2015 as the 3<sup>rd</sup> report on fulfillment of the PSI.