

Progress Report 2017

United Nations Environment Programme Finance Initiative (UNEP FI)

Principles for Sustainable Insurance (PSI)

Company Name	Suramericana S.A
Address	Carrera 43 ^a # 5 ^a -113 Piso 13 Medellin, Colombia
Country	Colombia
Date	June 2017
Membership	2015
Number of employees	16.554
Contact Position	Human Talent Manager
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The insurance sector is fundamental for the competitiveness of industries and the development of countries. This sector attains relations of trust by supporting fulfillment of the objectives of companies and people in different industries, contexts and stages of maturity, committed to being responsible, showing solidarity and being sustainable.

The support of the insurance industry has been described as a transfer of risk. However, the proper and efficient management of this is what enriches the actors who participate in the insurance value chain.

It is insurance companies, called to progress, to analyze the risks posed by the environment and create alternatives for their clients that increase the understanding of risks and making the most of the opportunities that may arise from them. With a rapidly changing environment, the risks are redefined both in their nature and in the probability of them materializing. Risks include climate change, demographic change or new technologies, among others. They become more relevant for companies and individuals and as such become material issues for the companies managing their insurance policies.

Suramericana, recognizing these facts and in connection with acting responsibly, has decided to adhere in 2015 to the Principles for Sustainable Insurance, promoted by the Financial Initiative of the United Nations Environment Programme –UNEP FI–. This public commitment involves implementing four principles which should guide the actions of the subscribing organizations:

1. We will incorporate environmental, social and governance issues (ESG issues) relevant to our insurance activity in our decision-making process.
2. We will collaborate with our clients and business partners to raise awareness of environmental, social and governance issues, manage risks and develop solutions.

3. We will collaborate with governments, regulators and other fundamental interest groups, in order to promote large-scale action in society as a whole, regarding environmental, social and governance issues.
4. We will be accountable and show transparency, publicly sharing our progress on a regular basis, applying the Principles.

The Company, through this affiliation, formalizes its public commitment which results in the implementation of the four principles which must guide the actions of our organization, as a sustainable strategy for risk management, which is an integral part of our way of doing business. Environmental, social and governance (ESG) criteria are part of the considerations taken into account when analyzing potential businesses and clients, always considering the sectors and contexts in which they operate.

The following table shows the correlation between the Principles for Sustainability in Insurance and the development of the Suramericana Annual Report:
<https://www.sura.com/corporativo/descarga/Informes/Informes%20de%20Gesti%C3%B3n%202016.pdf>

Principles for Sustainability in Insurance	Suramericana Annual Report 2016
1. Incorporating environmental, social and governance issues (ESG issues) relevant to insurance activity in the decision-making process.	<p>Letter from the President</p> <p>Strategy Strategic Direction Comprehensive risk management. Materiality analysis. Interest groups.</p> <p>Commitment to sustainable development</p> <ul style="list-style-type: none"> - United Nations Global Compact. - Alignment with the Sustainable Development Objectives. - Adherence to the PSI-UNEPFI. - Signatory of the Carbon Disclosure Project (CDP). <p>Social dimension</p> <ul style="list-style-type: none"> - Human Talent: management and development of talent, indicators of human management, well-being and occupational safety, corporate volunteering. - Clients: innovation; comprehensive offer of services and synergies. - Providers: selection, hiring, training and assessment. - Investors and shareholders: FTSE4good and FTSE4Good Ibex,

	<p>Carbon Disclosure Project (CDP), financial strengthening – Responsible investment.</p> <p>Environmental dimension.</p> <ul style="list-style-type: none"> - Commitment to the environment. - Eco-efficiency. - Carbon footprint. - Risks and opportunities.
<p>2. Collaborating with clients and business partners to raise awareness of environmental, social and governance issues, manage risks and develop solutions.</p>	<p>Strategy</p> <ul style="list-style-type: none"> - Strategic direction. - Comprehensive risk management. <p>Comprehensive Range of Services and Synergies</p> <ul style="list-style-type: none"> - Clients. <p>Expansion and development of markets</p> <ul style="list-style-type: none"> - Development of markets. - Financial inclusion. <p>Social dimension</p> <ul style="list-style-type: none"> - Human Talent: management and development of talent, indicators of human management, well-being and occupational safety, corporate volunteering. - Clients: innovation, communication. - Providers: selection, hiring, training and assessment - Social investment: SURA foundation, corporate volunteering, commercial initiatives with a social impact. - Financial inclusion. <p>Environmental dimension.</p> <ul style="list-style-type: none"> - Commitment to the environment. - 2016 actions: calculating and reporting 2016 carbon footprint, management of energy, water consumption and waste. - Solutions for mitigating and adapting to climate change.
<p>3. Collaborating with governments, regulators and other fundamental interest groups, in order to promote large-scale</p>	<p>Commitment to sustainable development</p> <ul style="list-style-type: none"> - United Nations Global Compact. - Alignment with the Sustainable Development Objectives.

<p>action in society as a whole, regarding environmental, social and governance issues.</p>	<ul style="list-style-type: none"> - Adherence to the PSI-UNEPFI. - Signatory of Carbon Disclosure Projects (CDP). <p>Environmental dimension.</p> <ul style="list-style-type: none"> - Commitment to the environment. - Inter-institutional participation.
<p>4. Being accountable and showing transparency, publicly sharing progress on a regular basis, applying the Principles.</p>	<p>Suramericana Annual Report 2016 https://www.sura.com/corporativo/default.aspx</p>

Responsible Investment

Grupo SURA, in conjunction with Suramericana S.A. and other subsidiaries, has drawn up a responsible investment policy.

The objective of this policy is to create general guidelines for incorporating environmental, social and corporate governance criteria (ESG) in all processes of analysis and decision-making for investing, which enables an active role to be taken in the management of risks and development of responsible practices. The policy also has a general framework for the construction of tools for the analysis of investments, managing any debate/discussion that faces the companies in their processes of selection and decision-making, and governance guide for application and management.

The investment decisions will be defined in the legislation of the countries in which the Companies are present or make their investments. Furthermore, the incorporation of international treaties and standards will be ensured for matters of work, the environment, human rights, and transparency, among others. Investments will not be made in sectors and activities that are considered to be against the Responsible Investment Policy and ethical principles. It is considered that a company is related to a sector when the entirety or a significant part of its income is generated by activities specific to that sector. The ESG criteria are included in the investment analysis and risk analysis procedures defined by the Companies, trying to invest in companies, projects and structure that, in addition to achieving financial returns, positively impact upon sustainable development.

Any investment decisions that provoke debate/discussion due to their social, environmental or corporate government impact will be reviewed in more depth to ensure compliance with the ESG criteria established. As part of this review, the companies will analyze the recurrence, severity, treatment and management of each case to determine whether or not the investment is being made.

<https://www.gruposura.com/en/social-responsability/responsible-investment/Documents/PDF/Responsible-Investment-Policy.pdf>