

United Nations Principles for Sustainable Insurance

Progress report 2017

Principle 1

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

Company strategy		References annual report a.s.r. 2016:
Establish a company strategy at the Board and executive management levels to identify, assess, manage and monitor ESG issues in business operations	<p>Within the Executive Board, the CEO bears ultimate responsibility for a.s.r.'s CSR policy. A CSR task force coordinates the performance of the policy. The task force formulates a comprehensive vision and applies this vision to the respective focus areas of each of its members. The task force also monitors the status of the CSR-related KPIs it has set.</p> <p>Members of the task force are a secretary, the directors of the departments Corporate Communication, Human Resources, Group Asset Management and Real Estate Investment Management and since 2016, the Directors of P&C and Pensions also have a seat on this group.</p>	<p>References annual report a.s.r. 2016: 2.3.5 Sustainability Strategy (p. 31-32) 2.5 Sustainability governance (p. 38) 2.5.1 – 2.5.5 Key Performance Indicators (p. 39 – 55)</p> <p>3.1 Themes Executive Board (p. 62) 4.2 Supervisory Board Report (p. 110)</p>
Dialogue with company owners on the relevance of ESG issues to company strategy	<p>a.s.r. strives to provide relevant insight into its activities via selected financial and non-financial disclosures.</p> <p>The aim of a.s.r.'s investor relations program is to seek active engagement with shareholders and debt investors to build enduring relationships based on constructive dialogue.</p>	<p>References annual report a.s.r. 2016: 1.4 Investor relations (p. 13)</p> <p>3.1 Themes in 2016 (p. 60) 4.2 Supervisory Board Report (p. 110 – 111)</p>
Integrate ESG issues into recruitment, training and employee engagement programmes	<p>Training and Programmes In order to enable employees to participate in the labour market employees need to be motivated and have the right skills and training background. a.s.r. creates opportunities that enable each employee to increase their chances on the labour market by the guidance of career coaches and an extensive range of workshops and courses.</p> <p>Health and vitality a.s.r. is also committed to the health and vitality of its employees, for instance via its occupational health & safety policy and its focus on the importance of mental and physical health, the provision of sports facilities and online and other courses on time management and the prevention of work-related stress. Through The New World of Work and the provision of convenience services, a.s.r. tries to contribute to a healthy work/life balance for its employees.</p> <p>Training and development In addition to an extensive range of job-related development courses, a.s.r. has developed various initiatives that support employees in their further development. Relevant initiatives are:</p> <ul style="list-style-type: none"> • On the Move and On the Move Café • Four different development programs • Trainee program • Leadership development 	<p>References annual report a.s.r. 2016: 2.5.2 People (p. 45 – 46)</p>
Integrate ESG issues into recruitment, training and employee engagement programmes	<p>Recruitment and selection To attract the right people in the market, a.s.r. is making use of aptitude and ability tests in its recruitment process. This narrows down the group of potential candidates, so that a.s.r. engages only with candidates who are actually suitable for a role. a.s.r. is making more and more use of social media to showcase vacancies and what is like to work at a.s.r. a.s.r. employees are given priority to retain knowledge and experience for the organization and to increase people's internal agility.</p>	<p>References annual report a.s.r. 2016: 2.5.2 People (p. 45 – 46)</p>

Risk management and underwriting		References annual report a.s.r. 2016:
<p>Establish processes to identify and assess ESG issues inherent in the portfolio and be aware of potential ESG-related consequences of the company's transactions</p>	<p>Risk management is an integral part of our daily business activities. a.s.r. applies an integrated approach in managing risks, ensuring that our strategic goals (customer interests, financial solidity and efficiency of processes) are maintained. This integrated approach ensures that value will be created by identifying the right balance between risk and return, while ensuring that obligations towards our stakeholders are met. Risk management supports a.s.r. in the identification, measurement and management of risks and monitors to ensure adequate and immediate actions are taken in the event of changes in a.s.r.'s risk profile.</p> <p>a.s.r. manages its risk profile to ensure that the risk profile remains within the risk appetite and the underlying risk tolerances and risk limits. The risk appetite is defined for financial and non-financial risks, and describes the level of risk that a.s.r. is willing to accept. The risk appetite statements were updated and approved in 2016.</p> <p>The risk profile is discussed in the risk committees on a quarterly basis. The non-financial risk profile is reported to the Non-Financial Risk Committee (NFRC) and the financial risk profile is reported to the Financial Risk Committee (FRC). The integrated risk profile is reported to the a.s.r. Risk Committee. The committees are mandated to decide on corrective actions. This is how the risk governance structure ensures that the risk profile is monitored effectively and timely action is taken when needed.</p>	<p>3.5.1 Risk management (p. 93 – 96) 5.8 Risk Profile (p. 211 – 220)</p>
<p>Integrate ESG issues into risk management, underwriting and capital adequacy decision-making processes, including research, models, analytics, tools and metrics</p>	<p>a.s.r. has established policies for each of the main risk categories (market, counterparty default, underwriting, strategic and operational). These policies address the accountabilities and responsibilities for the management of the different risk types. Also the methodology for risk measurement is included in the policies. The content of the policies is aligned to create a consistent and complete set. The risk policy landscape is maintained by Group Risk Management and Compliance. These departments also monitor the correct implementation of the policies in the business. New risk policies or updates of existing risk policies, are approved by the risk committees as mentioned in chapter 5.8.</p>	<p>References annual report a.s.r. 2016: 3.5.1 Risk management (p. 93 – 96) 5.8 Risk Profile (p. 211 – 220)</p>

Product and service development		References annual report a.s.r. 2016:
Develop products and services which reduce risk, have a positive impact on ESG issues and encourage better risk management	<p>Insurance</p> <p>a.s.r. can justify its licence to operate by thinking in terms of customer interests and customer perception. a.s.r.'s products and services are at the basis of this licence to operate. Clarity, simplicity, efficient business processes and a robust financial position are essential in this context.</p> <p>Health insurance</p> <p>a.s.r. continued to develop the 'Doorgaan' proposition, which combines the products offered by the Disability segment with the health insurance products. a.s.r. launched additional modules aimed at preventing disability and improving reintegration.</p> <p>The 'Pechvogelhulp' is an additional service for all customers who have the Ditzo basic health insurance in 2017. The service covers additional costs resulting from an accident in the Netherlands not covered by basic or supplementary health insurance to a maximum of € 10,000.</p> <p>a.s.r. Bank</p> <p>a.s.r. Bank added 'Extra Pensioen Beleggen', a tax-driven retirement to its product line with.</p> <p>Sustainable investments</p> <p>The a.s.r. SRI policy describes the ethical and sustainability criteria that apply to a.s.r. investments for internal and external client portfolios, covering internally managed as well as externally managed assets.</p> <p>Sustainable real estate</p> <p>a.s.r. REIM seeks to minimize the presence of asbestos in its existing Dutch property stock. To achieve this, the entire portfolio of retail, office and residential properties has been made asbestos-safe. Some buildings in the rural real estate portfolio may still contain asbestos. In order to make its rural real estate portfolio fully asbestos-safe by 2020, the goal for 2016 was to conduct an asbestos screening and to perform asbestos abatement procedures at no less than 5% of at-risk addresses. a.s.r. exceeded this goal in 2016 was amply achieved: 27% of the addresses in the portfolio were declared asbestos-safe.</p>	<p>2.5.1 Insurance (p. 39 – 42)</p> <p>2.5.3 Investments (p. 47 – 50)</p> <p>3.3.1 Non-life (p. 72)</p> <p>3.3.3 Banking and Asset Management</p> <p>The full a.s.r. SRI policy is available on asrnl.com.</p>
Develop or support literacy programs on risk, insurance and ESG issues	<p>One way in which a.s.r. applies its motto 'helping by taking action' in concrete terms is through the a.s.r. Foundation. The a.s.r. Foundation executes the company's CSR policy by:</p> <ul style="list-style-type: none"> • Inspiring, motivating and mobilizing employees to volunteer their time for social projects. a.s.r. provides financial support and let employees volunteer during working hours; • Organizing projects to increase financial self-reliance. 	<p>References annual report a.s.r. 2016:</p> <p>2.5.5 Society (p. 54 – 55)</p> <p>Projects increasing financial self-reliance in the Netherlands</p> <p>See asrnl.com/sustainable-business/society/asr-foundation</p>

Claims management		References annual report a.s.r. 2016:
Respond to clients quickly, fairly, sensitively and transparently at all times and make sure claims processes are clearly explained and understood	<p>Transparent product and product descriptions a.s.r. works continuously to improve its processes to help customers, for instance by making information accessible and easy-to-understand. In this context, a.s.r. uses the results of various internal and external reviews of its intermediary channels and consumers. These reviews have been implemented at all a.s.r. labels and business lines.</p> <p>Customer-Oriented Insurance Quality Mark The a.s.r., De Amersfoortse, Ditzo and Europeesche Verzekeringen labels have been awarded the Customer-Oriented Insurance Quality Mark (Dutch acronym: KKV).</p> <p>Complaints management a.s.r. has a Complaints Management Team, which monitors that all complaints are handled in a consistent manner and ensures that complaints are managed accordingly.</p>	<p>Complaints management (p. 41 – 42) Internal and external reviews (p. 284 – 285)</p> <p>For information about the Customer Oriented Insurance Quality Mark: www.keurmerkverzekeraars.nl</p>

Sales and marketing		References annual report a.s.r. 2016:
<p>Educate sales and marketing staff on ESG issues relevant to products and services and integrate key messages responsibly into strategies and campaigns</p> <p>Make sure product and service coverage, benefits and costs are relevant and clearly explained and understood</p>	<p>a.s.r. is confident that it can justify its license to operate by thinking in terms of customer interests and customer perception. a.s.r.'s products and services are at the basis of this license to operate. Clarity, simplicity, efficient business processes and a robust financial position are essential in this context.</p>	<p>Internal and external reviews (p. 284 – 285)</p> <p>Customer-Oriented Insurance Quality Mark (p. 250) Net Promoter Score (NPS) (p. 40 and 282) AFM Customer Centricity Dashboard (p. 60) Complaints management (p. 41)</p>

Investment management		References annual report a.s.r. 2016:
Integrate ESG issues into investment decision-making and ownership practices	<p>The a.s.r. SRI policy has been integrated into the investment practice by way of:</p> <ul style="list-style-type: none"> • exclusion criteria for countries and companies • ESG integration for best-in-class investments • engagement • impact investments • voting • external recognition 	2.5.3 Investments (p. 47 – 50)

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.

Clients and suppliers		References annual report a.s.r. 2016:
<p>Dialogue with suppliers on the benefits of proper management of ESG issues</p> <p>Provide suppliers with information and tools that help them manage ESG issues</p> <p>Integrate ESG issues into tender and selection processes for suppliers</p> <p>Encourage suppliers to disclose ESG issues and to use relevant disclosure frameworks</p>	<p>Stakeholder dialogue 2016 a.s.r. is engaged in a dialogue with all its stakeholders about the priorities, objectives and further policy-making of its sustainability policy.</p> <p>ESG issues and suppliers In 2016 a.s.r. verified suppliers using FIRA and asked them if relevant sustainability questions were in accordance with the a.s.r. procurement policy and within the scope of CSR.</p> <p>Socially Responsible Procurement (SRP) a.s.r. implemented the SRP policy as follows:</p> <ul style="list-style-type: none"> • a.s.r. uses a fixed set of (category-specific) environmental and social criteria; • a.s.r. informs suppliers in advance that these criteria form part of the selection process; • a.s.r. challenges suppliers to come up with alternatives that are a good match for contemporary criteria. <p>Supplier code of conduct Within its sphere of influence, a.s.r. seeks to support the protection of internationally recognized human rights. a.s.r. also attempts to ascertain that it does not become an accessory to any infringements of these rights. a.s.r. demands from its (potential) suppliers that they proactively care for the environment and that they endorse a.s.r.'s position on the environment, human rights and human dignity.</p>	<p>2.4.2 Stakeholders (p. 34 – 36)</p> <p>2.5.4 Procurement (p. 52 – 53)</p> <p>Appendix H, Interaction with stakeholders and identified material aspects (p. 294 – 295)</p>

Insurers, reinsurers and intermediaries		References annual report a.s.r. 2016:
<p>Promote the adoption of the Principles</p>	<p>a.s.r. is committed to forging sustainable relationships with our customers and advisors (the intermediary channel). To achieve this, a.s.r. is continuously working to improve its services and offers sustainable insurance products.</p> <p>This also encompasses the a.s.r. investment policy and the insurance and banking products, as well as the procedures for selecting social projects to participate in.</p>	<p>3.1 Themes in 2016 - CSR and sustainability (p. 62)</p> <p>2.5.3 Investments (p. 47 – 50)</p> <p>2.5.5 Society (p. 54 – 55)</p>
<p>Support the inclusion of ESG issues in professional education and ethical standards in the insurance industry</p>	<p>a.s.r. supports the ethical standards in the insurance industry by numerous additional positions of executives and memberships.</p>	<p>References annual report a.s.r. 2016: Appendix C, Standards, covenants and memberships (p. 277 – 279)</p> <p>Appendix F, Additional positions of executives and memberships of a.s.r. (p. 289 – 290)</p>

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.

Governments, regulators and other policymakers		References annual report a.s.r. 2016:
Support prudential policy, regulatory and legal frameworks that enable risk reduction, innovation and better management of ESG issues	a.s.r. has undertaken a public commitment to act as a responsible insurer and investor. In evidence of this, it has signed the many national and international standards and covenants.	3.1 Themes in 2016 Appendix C, Standards, covenants and memberships (p. 277 – 279)
Dialogue with governments and regulators to develop integrated risk management approaches and risk transfer solutions	Weekly a.s.r. and the government have meetings, working visits or presentations for information provision on developments at a.s.r. and in the market. The most important supervisors 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.	References annual report a.s.r. 2016: Appendix H, Additional information-Interaction with stakeholders and Identified material aspects (p. 294 – 295)
Other key stakeholders		References annual report a.s.r. 2016:
Dialogue with other key stakeholders	a.s.r. is engaged in a dialogue with all its stakeholders. In 2016, a.s.r. expanded its stakeholder model to include a central stakeholder dialogue about the priorities, objectives and further policy-making of its sustainability policy.	2.4.2 Stakeholder dialogue (p. 36) Appendix H, Additional information - Interaction with stakeholders and Identified material aspects (p. 294 – 295)

Principle 4

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

		References annual report a.s.r. 2016:
Assess, measure and monitor the company's progress in managing ESG issues and proactively and regularly disclose this information publicly	In 2016, a.s.r. translated its sustainability strategy into goals and metrics for each of its five priorities. a.s.r. seeks to achieve its sustainability targets by measuring the KPIs periodically. The sustainable steering group assesses results achieved and provides guidance with respect to targets or action where needed.	2.5 Sustainability (p. 38 – 55)
Participate in relevant disclosure or reporting frameworks	The annual report 2016 is in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI). This is our fourth 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.	References annual report a.s.r. 2016: 1.1 Notes to the reader (p. 6)
Dialogue with clients, regulators, rating agencies and other stakeholders to gain mutual understanding on the value of disclosure through the Principles	Based on the stakeholder model, a.s.r. keeps in close contact with all its stakeholders throughout the year. a.s.r. has a keen eye for developments in society and keeps its finger on the social pulse in order to execute its strategy well and gear its products and services to the changing needs and requirements of its customers and other stakeholders, particularly with respect to changes in the long term to which a.s.r. wishes to align its product and service development.	References annual report a.s.r. 2016: Stakeholder dialogue (p. 33 - 36) Appendix H, Additional information- Interaction with stakeholders and Identified material aspects (p. 294 – 295)

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