

United Nations Principles for Sustainable Insurance

Progress report 2021

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. 2021:
Establish a company strategy at the Board and executive management levels to identify, assess, manage and monitor ESG issues in business operations	<p>a.s.r. aims to embed sustainability in all its core processes and activities. In order to continue to drive and monitor sustainability in all its aspects within a.s.r., sustainability has been earmarked as a strategic topic. Within the EB, the CEO is ultimately responsible for a.s.r.'s sustainability themes. The Sustainability Workforce supports the CEO in his responsibility for the development and implementation of a.s.r.'s sustainability strategy and policy. This workforce includes delegates from the business as well as staff departments. It reports quarterly on a set of sustainability KPIs and targets to the BEC, which evaluates the results achieved and takes action where necessary.</p> <p>The BEC also sets strategic sustainability targets as part of the total set of financial and non-financial KPIs. Each year, the SB, with advice from the Nomination & ESG Committee, discusses and approves the strategic targets and progress made in these specific areas. a.s.r.'s sustainability team coordinates the implementation together with the workforce. All members of the workforce subsequently promote this strategy, policy and targets within their own focus areas.</p>	Page 110
Dialogue with company owners on the relevance of ESG issues to company strategy	<p>a.s.r. attaches great value to maintaining a strong relationship with the investment community in the broadest sense and adheres to high standards relating to transparent communication and fair disclosure. The aim of a.s.r.'s investor relations is to provide all relevant information which can help investors make well-informed investment decisions. a.s.r. makes every possible effort to ensure that the information it discloses is accurate, complete and timely. a.s.r. provides relevant insight into its activities through selected financial and non-financial disclosures (including ESG issues).</p> <p>In December 2021 a.s.r. held an Investor Update (IU) in which it provided an update of its strategy and announced its medium-term financial and non-financial targets for the 2022-2024 period.</p>	Page 61
Integrate ESG issues into recruitment, training and employee engagement programmes	<p>Having a competent, agile, engaged, diverse and vital workforce is key in enabling a.s.r. to achieve its business targets. a.s.r. is therefore committed to attracting, retaining and inspiring the most suitable employees, offering them extensive opportunities for training and development, and facilitating a sound work/life balance.</p>	Page 43-50

Risk management and underwriting		References annual report a.s.r. 2021:
<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 a.s.r.'s day-to-day business operations. a.s.r. applies an integrated approach to managing risks, ensuring that strategic objectives are met. Value is created by striking the right balance between risk, return and capital, whilst ensuring that obligations to stakeholders are met. The Risk Management Function (RMF) supports and advises a.s.r. in identifying, measuring and managing risks, and ensures that adequate and immediate action is taken in the event of developments in the risk profile.</p> <p>a.s.r. has established a structure of risk committees with the objective to monitor the risk profile for a.s.r. group, its legal entities and its business lines in order to ensure that it remains within the risk appetite and the underlying risk tolerances. The performance against the statements (risk profile) is monitored by the risk committees. The risk profiles of the departments are periodically discussed in Business Risk Committees (BRC). After being discussed in a BRC, the non-financial risk profiles are reported to the Non-Financial Risk Committee (NFRC) and the financial risk profiles are reported to the Financial Risk Committee (FRC). The integrated risk profile is reported to the a.s.r. Risk Committee. The a.s.r. Risk Committee monitors a.s.r.'s overall risk profile on a quarterly basis. At least annually, the a.s.r. Risk Committee determines the risk appetite statements, limits and targets for a.s.r. In the event of infringements, the committees are authorised to decide on corrective actions. The risk governance structure ensures that the risk profile is monitored effectively and that action is taken at the correct and appropriate time.</p>	<p>Page 89</p> <p>Page 235-236</p>
<p>Integrate ESG issues into risk management, underwriting and capital adequacy decision-making processes, including research, models, analytics, tools and metrics.</p>	<p>Non-financial risk appetite statements are in place to manage the a.s.r. risk profile within the limits determined by the Executive Board and approved by the Supervisory Board.</p> <p>The Non-Financial Risk Committee (NFRC) monitors and discusses on a quarterly basis whether non-financial risks are adequately managed. Should the risk profile exceed the risk appetite, the NFRC will decide on steps to be taken. On a quarterly basis, the risk profile and internal control performance of each business is discussed with senior management in the business risk committees and the NFRC each quarter.</p>	<p>Page 89</p>

Product and service development		References annual report a.s.r. 2021:
Develop products and services which reduce risk, have a positive impact on ESG issues and encourage better risk management	In a changing world, there is a growing need for sustainable and socially responsible products and services which increase positive and reduce negative impacts. Developing and marketing these products is part of a.s.r.'s business strategy. An overview of our sustainable products and services can be found in our Annual Report 2021.	Page 32-34
Develop or support literacy programs on risk, insurance and ESG issues	As a financial service provider, a.s.r. believes it is important that people have financial continuity in their lives and are able to take responsible risks and make conscious financial choices, in such a way that they have their finances in order in the long and short term – in short, that they are financially self-reliant. Some people do not find this easy and need help. The core products of a.s.r. already assist customers in this way, but additionally a.s.r. initiates projects which help all people to make conscious financial choices. Numeracy and literacy and the ability to manage money and keep good financial records are all part of this. It is a.s.r.'s aim to prevent people getting into debt, or to help them resolve it.	Page 64-65

Claims management		References annual report a.s.r. 2021:
Respond to clients quickly, fairly, sensitively and transparently at all times and make sure claims processes are clearly explained and understood	<p>a.s.r. takes the view that complaints handling requires specific knowledge and skills. Which is why complaints officers keep their knowledge and skills up to date through continuous education. This means that they must regularly earn points with training courses.</p> <p>Customers give a.s.r.'s complaints officers a score of 8.4 on a scale of 10 (2020: 8.4).</p>	Page 36-37

Sales and marketing		References annual report a.s.r. 2021:
Educate sales and marketing staff on ESG issues relevant to products and services and integrate key messages responsibly into strategies and campaigns.	Customers are at the heart of a.s.r.'s purpose and its strategy is aimed at meeting their needs. a.s.r. measures how customers experience its services using the NPS-c. With the NPS-c, a.s.r. measures how employees interact with customers. The following question is asked: how likely are you to recommend a.s.r. to your family, friends and colleagues based on your experience with the a.s.r. employee? The NPS-c is measured separately for all business lines excluding Mortgages. The consolidated NPS-c is determined by the arithmetic mean of the scores of the business lines.	Page 19
Make sure product and service coverage, benefits and costs are relevant and clearly explained and understood.	<p>The Product Approval & Review Process (PARP) is one of the internal processes for assessing the quality of products and services and their relevance for the target market. The objective of this process is to ensure that the interests of customers are taken into account in a balanced way in the development of new products and the review of existing products. It encourages continual improvement on the basis of feedback from customers and advisors, social developments, current circumstances such as COVID-19 and changes in legislation and regulations. The PARP applies to products that a.s.r. actively offers, as well as to inactive products and services that are regularly revised. In accordance with the assessment framework of the AFM and in line with legislation and regulations, a.s.r. set up the PARP tests, which relate to matters including cost efficiency, usability, safety and transparency.</p> <p>The PARP assesses the cost-efficiency and usability of a product and / or service for the customer: to what extent does the product respond to a realistic need of the target group and does it have sufficient added value? The safety test concerns the outcome for the target group, which must be justifiable and acceptable in different scenarios. The transparency test is used to check whether the target group can properly assess the use of a product on the basis of the information that the customer receives from a.s.r. The comprehensibility test involves testing for comparability, the completeness of the information provided and / or whether product features are clearly defined.</p>	Page 35

Investment management		References annual report a.s.r. 2021:
Integrate ESG issues into investment decision-making and ownership practices.	a.s.r.'s SRI policy covers all its investments, both for proprietary assets (or own account) and those managed on behalf of third party clients. Over the years, a.s.r. has expanded its efforts from its original focus on exclusions to making a positive contribution to a more sustainable world. A regular update of a.s.r.'s efforts can be found in the quarterly ESG reports; see www.asrnl.com . a.s.r. is aware of the importance of and the responsibility expected from its role as investor; both as asset owner and as asset manager. Therefore sustainability is an essential part of a.s.r.'s investment beliefs. For a.s.r., the integration of ESG factors in the management of its investments contributes directly to the reduction of risks (both financial and reputational risks) and has a positive effect on its long-term performance.	Page 38

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. 2021:
<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>In 2021, a.s.r. tightened its procurement process, including in the field of human rights, and on the basis of (international) guidelines and standards in the fields of social responsibility, such as the OECD guidelines for Multinational Businesses, the UNGC initiative and the UNGPs. On the basis of the procurement process and the Customer Due Diligence (CDD) policy, a.s.r. checks suppliers for human rights and labour rights, and for environmental and business ethics-related risks and impact. This information is used to avoid or reduce negative impacts. With these checks, a.s.r. ensures that due diligence is observed in procurement procedures. a.s.r. also requires suppliers to exercise due diligence in their own business activities and in their supply chains. a.s.r. intends to develop a Supplier Code of Conduct no later than in the first half of 2022, with more specific expectations for compliance with the human rights standards.</p>	<p>Page 52</p>

Insurers, reinsurers and intermediaries		References annual report a.s.r. 2021:
<p>Promote the adoption of the Principles</p>	<p>a.s.r. also assesses businesses on their level of compliance with international conventions such as the Organisation for Economic Cooperation and Development (OECD) guidelines, the UN Guiding Principles on Business and Human Rights (UNGPs) and the UN Global Compact principles (UNGC).</p> <p>Best-in-class investing is part of the a.s.r. selection process for companies based on ESG best practices and products. a.s.r. favours companies that achieve an above-average performance in the area of ESG policy and implementation.</p>	<p>Page 38</p>

<p>Support the inclusion of ESG issues in professional education and ethical standards in the insurance industry</p>	<p>a.s.r. engages with companies that have either shown controversial behaviour (e.g. UNGC violations) or are controversial in another way (e.g. as a result of societal discussions). Sustainability is a standard topic on a.s.r.'s agenda at meetings with companies from its investment portfolio, for monitoring purposes. a.s.r. engages with governments, societal organisations and peers through different platforms such as the International Responsible Business Conduct (IRBC) agreements.</p> <p>A few examples of engagements in 2021: a.s.r. participated in a joint programme around deforestation where satellite imagery is used to highlight changes in vegetation cover associated with plantation expansions or forest fires. These deforestation activities take place in the supply chains of soft commodities like palm oil. The first phase of the engagement programme ran from August 2020 until early 2021, and subsequently won the ESG engagement initiative of the year at the 2021 Environmental Finance Awards. The second phase started last year, where the number of investors participating expanded, but also the number of companies under engagement has doubled.</p> <p>Within the IRBC agreement the focus of 2021 was biodiversity. a.s.r. started an engagement with three companies on no-deforestation in the soy supply chain and the protein transition towards more plant-based foods. This was a unique cooperation with insurers, pension funds, NGOs and the Dutch government.</p> <p>a.s.r. additionally continued to contribute to the development of a global carbon accounting standard through PCAF and in 2021 was an active member of five working groups operated by the Dutch PCAF organisation. In 2021, a.s.r. continued its active involvement in the Biodiversity Working Group under the Sustainable Finance Platform of De Nederlandsche Bank (Dutch Central Bank (DNB)).</p> <p>Due to the importance of engagement, a.s.r. began a new partnership with engagement providers in order to reach out to more companies in an efficient way, by pulling a.s.r. assets next to a sizeable number of like-minded investors.</p>	<p>Page 39</p>
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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. 2021:
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 many national and international standards and covenants.	Page 32 and 38 www.asrnl.com
Dialogue with governments and regulators to develop integrated risk management approaches and risk transfer solutions	The compliance manager issues quarterly reports on compliance matters and on the progress made regarding advised business measures and actions at Group level, supervised entity (OTSO) level and business line level. The quarterly report at division level is discussed with the management responsible and with the relevant Business Risk committees. The quarterly report at Group and OTSO level is presented to and discussed with the individual members of the EB, with the NFRC, the a.s.r. Risk Committee and with the A&RC of the SB. The report is shared and discussed with DNB, the AFM and the internal and external auditor.	Page 95
Other key stakeholders		References annual report a.s.r. 2021:
Dialogue with other key stakeholders	The a.s.r. organisation has a diverse set of stakeholders with varying interests and expectations. a.s.r. identifies customers, investors, employees and society as a whole as its most important stakeholder groups. These stakeholder groups significantly influence the performance of a.s.r. and are conversely affected by the organisation's activities, products and services. Other stakeholders of a.s.r. include business partners, regulators, tax authorities, suppliers, trade unions, the media and civil society organisations.	Page 325-327

Principle 4

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

		References annual report a.s.r. 2021:
Assess, measure and monitor the company's progress in managing ESG issues and proactively and regularly disclose this information publicly	a.s.r. describes its long term sustainable value creation in chapter 3 of the Annual Report 2021.	Page 29-65
Participate in relevant disclosure or reporting frameworks	The Annual Report has been prepared in accordance with the GRI Standards. These in 2021 revised Universal Standards represent the most significant update since GRI transitioned from providing guidance to setting standards in 2016. The GRI Standards provide relevant and clear requirements for reporting on economic, social and environmental aspects.	Page 328-336
Dialogue with clients, regulators, rating agencies and other stakeholders to gain mutual understanding on the value of disclosure through the Principles	The a.s.r. organisation has a diverse set of stakeholders with varying interests and expectations. a.s.r. identifies customers, investors, employees and society as a whole as its most important stakeholder groups. These stakeholder groups significantly influence the performance of a.s.r. and are conversely affected by the organisation's activities, products and services. Other stakeholders of a.s.r. include business partners, regulators, tax authorities, suppliers, trade unions, the media and civil society organisations.	Page 325-327

