

# United Nations Global Compact Communication on Progress 2015

## I. Human Rights Principles

<b>Principle 1</b>	Businesses should support and respect the protection of internationally proclaimed human rights; and
<b>Principle 2</b>	make sure that they are not complicit in human rights abuses.

### Assessment, Policy and Goals

ASR Nederland N.V. (hereinafter a.s.r.) supports the UN Universal Declarations of Human Rights and states this publicly on the website and in the latest Annual Report, to make this position clear to all our suppliers, employees and other stakeholders.

The values of a.s.r. are to be personal, approachable and accountable, and true to who we are. In its policies a.s.r. takes into account the interests of customers, employees and a broad group of external stakeholders (such as business partners, shareholders, regulators, vendors, politicians, regional governments, industry associations, trade organizations, trade unions, regulators, non-governmental organizations (NGOs) and local communities). These policies include its commitment to ethical and sustainable business practices and taking responsibility for the social and environmental impact of our decisions.

a.s.r.'s values provide a clear set of standards for its business conduct which, together with its commitment to responsible and sustainable business, guide our support and respect for human rights.

### Implementation and Measurement of Outcomes

a.s.r. respects and protects the Human Rights in their daily operations and encourages all relations to do the same.

#### Internal

##### Basic Human Rights for internal a.s.r. employees

a.s.r. has a range of Human Resources policies which reflect a.s.r. pro-active stance on human rights, including our Equal Opportunities policy, labour standards, an environmental safety standard, the right to join a trade union, etc.

As a complement to these policies, a.s.r. has established several roles to provide support to employees in order to the working environment. Confidential mediators are available both internally and externally, as well as a company social worker.

a.s.r. has not received any complaints from employees, business partners or clients in relation to potential Human Rights violations, nor was the organization involved in any human rights incidents during the report period.

## External

### Procurement

a.s.r. wants to ensure that international human rights are respected throughout the production process of the goods and services that are purchased. These sustainability aspects are assessed in all new contracts and contract renewals.

### Investment portfolio

Moreover, a.s.r. fully endorses human rights in its business dealings and by implementing different policies as the Voting policy or Socially Responsible Investment policy. a.s.r. signed the United Nations Principles for Responsible Investments (UNPRI) in 2011, and with the support of an independent international screening institute, a.s.r. we shall always verify that the companies included in the investment portfolio are not involved in Human Rights abuses.

a.s.r. excludes investments in companies in cases of complicity in systematic and/or gross violations of human rights. The human rights norms can be found in the International Bill of Human Rights (IBHR). This IBHR consists of the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, and the International Covenant on Civil and Political Rights as well as its two Optional Protocols. There are nine core international human rights treaties. Each of these treaties has established a committee of experts to monitor implementation of the treaty provisions by its States parties. Some of the treaties are supplemented by optional protocols dealing with specific concerns.

- International Convention on the Elimination of All Forms of Racial Discrimination (1065);
- International Covenant on Civil and Political Rights (1966);
- International Covenant on Economic, Social and Cultural Rights (1966);
- Convention on the Elimination of All Forms of Discrimination against Women (1979);
- Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (1984);
- Convention on the Rights of the Child (1989). International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (1990);
- International Convention for the Protection of All Persons from Enforced Disappearance (not yet in force);
- Convention of the Rights of Persons with Disabilities (not yet in force).

In line with the above, in 2015 a.s.r. excluded 15 companies from its investable portfolio which were alleged to be involved in controversial activities regarding Human Rights during 2015.

## II. Labour Principles

<b>Principle 3</b>	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
<b>Principle 4</b>	the elimination of all forms of forced and compulsory labour;
<b>Principle 5</b>	the effective abolition of child labour; and
<b>Principle 6</b>	the elimination of discrimination in respect of employment and occupation.

### Assessment, Policy and Goals

a.s.r. strives to create a positive working environment for its employees. One in which all colleagues – whatever their origin – feel at home and have the opportunity to grow.

a.s.r. encourages employees to grow in terms of planning their career and realizing their ambition. The aim is not only to create a feeling of being ‘at home’ but to make the most of each employee’s talents and potential.

We want to reflect Dutch society and therefore strive to bring diversity to our company in various ways.

Employees are encouraged to be active in a number of networks, to achieve personal growth and realize their vision. In addition, we pay a great deal of attention to equal treatment of all employees.

### Implementation and Measurement of Outcomes

#### Internal

##### Basic Labour Rights for internal a.s.r. employees

All employees are given an employment contract that clearly states the terms and conditions of the agreement, including the pay rates. The contracts are fully regulated in the framework set by the a.s.r. Collective Labour Agreement. All employees receive a copy of this agreement, which contains information on standard terms and conditions of employment, company benefits, company rules, grievances and disciplinary procedures. a.s.r. has a 100% compliance on approved employment contracts.

##### Right to organize and collective bargaining

a.s.r. supports the right to assemble. The interests of our employees are maintained by the unions and all employees are represented by the Works Council, which is comprised of 19 members from each of the different business areas. Participation is arranged for the business units in their own 11 sub-committees (OC).

In addition, there are other active networks representing different employee groups: Nexus (for younger employees up to age 36), Secretariaats-Netwerk (for secretarial employees) and a.s.r. connect (for former a.s.r. colleagues).

### Health & Safety

Good working conditions are crucial to a.s.r. A health and safety committee is responsible for the preparation and implementation of the annual occupational health plan, which includes:

- Encouraging a healthy lifestyle;
- Reducing and preventing stress due to psychosocial workload;
- Conducting annual safety checks.

### Career development

At a.s.r., employees are encouraged to develop professionally in line with the ambitions of the organization and to take ownership of their personal development, career path and ambitions. The goal is to create an inspiring and healthy work environment that fosters the talents of employees and allows them to reach their full potential.

The New World of Work (NWW) is one such initiative aimed at creating a pleasant working atmosphere at a.s.r.

The key reasons for introducing NWW include:

- Providing a better work/life balance;
- Increasing employee motivation;
- Reducing energy consumption and carbon emissions.

### Training and personal development

At a.s.r., employees have access to a select range of vocational and personal training. Additionally, they can individually apply for a training course, development project or supervision by a coach or mentor. Function-related courses are generally (partly) paid by a.s.r.

### Sustainable employability

In 2015, a dedicated training budget focused on sustainable employability was set up and made available to all employees. All related training programs are meant to ensure that all employees are more broadly employable and to improve their internal labour market mobility. A broad training program, including a wide variety of workshops and individual career programs was made available to all employees who wish to take responsibility for their own career. The program included all kind of workshops but also individual career programs.

### Talent review

a.s.r. conducts an annual Staff Survey to assess everyone's performance and potential in a systematic way. The results serve as input for strategic capacity planning as well as for the Talent Development Program.

### Talent Development Program

In 2015, a.s.r. launched the a.s.r. Talent Development Program, which is designed for employees and executives from scale 9 who in the annual Staff Survey are considered to be 'Top Talent', 'up-and-coming Top Talent' or a 'Driving Force'.

The main principles of the Talent Development Program are:

- It supports the vision and strategy of a.s.r.;
- Participants are committed as well as ambitious to participate and demonstrate their initiative and responsibility;
- Participation in the program is voluntary, but not optional;
- Further career development is the responsibility of the employee.

This one-year program consists of ten thematically-organized modules.

### Traineeship

In the current labor market there are fewer possibilities for graduates to gain work experience. Thanks to the trainee program, a.s.r. positions itself as an insurer which offers work experience that will benefit society. a.s.r. currently operates a highly successful 1,5 year trainee program for recent university graduates.

### Diversity

At a.s.r., diversity comes in many forms. Employees are encouraged to be active in all types of business networks in order to broaden their horizons and advance their personal growth. a.s.r. believes that diversity within its organization is important and focuses on the recruitment, advancement and retention of women in management positions. This illustrates the value that a.s.r. attaches to a diverse organization. The Executive Board has been active in driving this issue forward with initiatives such as extra positions for women in development programs, a high-intensity monitoring program and a special focus on hiring women in management positions.

### Employee engagement

The Engagement Scan is a key indicator of how employees are feeling about a.s.r. during this time of transition, as a.s.r. prepares for the impending privatization. Employee engagement is essential if a.s.r. is to be considered a trusted insurer that is trusted by customers. In addition to questions about employee engagement, trust and team dynamics, the scan also includes questions relating to how a.s.r. employees ensure that customers' interests are met. The outcomes of the Engagement Scan are used to review the preceding period but also, and more specifically, to see how employee engagement can be strengthened going forward. According to the results of the Engagement Scan that was conducted in February 2015 and completed by more than 80% of the employees, the a.s.r. employee engagement score is 53.5% (49.5% in 2014).

### **External**

#### Procurement

a.s.r. wants to ensure that international human rights are respected throughout the production of the goods and services that are purchased. The Purchase department of a.s.r. requests providers to deliver the contracts according to the applicable (inter)national laws and regulations, a.s.r. rules, Fira Code and (inter)national standards, with which all suppliers are expected to comply.

#### Investment Portfolio

a.s.r. excludes investments in companies that have been complicit in systematic and/or gross violations of Labour rights. Companies must comply with the following fundamental ILO conventions ([www.ilo.org](http://www.ilo.org)):

- 29: Forced Labour Convention, 1930
- 87: Freedom of Association and Protection of the Right to Organize Convention, 1948
- 98: Right to Organize and Collective Bargaining Convention, 1949
- 100: Equal Remuneration Convention, 1951
- 105: Abolition of Forced Labor Convention, 1957
- 111: Discrimination (Employment and Occupation) Convention, 1958
- 138: Minimum Age Convention, 1973
- 182: Worst Forms of Child Labor Convention, 1999

During 2015, a.s.r. excluded 11 companies from its investment portfolio which were alleged to be involved in controversial activities regarding Labour Rights.

### III. Environmental Principles

<b>Principle 7</b>	Businesses should support a precautionary approach to environmental challenges;
<b>Principle 8</b>	undertake initiatives to promote greater environmental responsibility;
<b>Principle 9</b>	and encourage the development and diffusion of environmentally friendly technologies.

#### Assessment, Policy and Goals

a.s.r. wants to treat nature and the environment with care and lower its environmental impact, and so uses resources, energy and water efficiently. Furthermore, a.s.r. is actively getting to grips with waste management, mobility, energy reduction and carbon emissions, and for this purpose has developed a dedicated environmental management system.

In 2008, a.s.r. signed the government's third multi-year plan (MYP3), setting out national agreements between the government and industry on energy savings. In the MYP3 it was agreed that a.s.r. would make efforts to improve annual energy efficiency by 2%. The intention to reduce energy consumption by 30% in 2020 compared with 2005 has already been realized.

#### Implementation and Measurement of Outcomes

##### Internal

##### Headquarters' sustainable renovation

Sustainable considerations featured in the 2010 decision to renovate the head office building in Utrecht rather than opting to construct a new building. The renovation started in January 2013 and will be completed by the end of 2015.

In 2015, a.s.r. closed two offices: one in Amersfoort (De Amersfoortse Verzekeringen) and one in Utrecht (a.s.r. vastgoed). All those colleagues moved to the head office.

These are important steps towards a cost-efficient office that meets the strictest sustainability requirements. Upon completion, the head office will use 50% less energy (with an improvement in the energy performance rating from G to A).

During the renovation in 2015, a.s.r. installed and put into operation 592 solar panels. The remaining 592 panels will be placed in 2016, once the renovation has been completed.

##### Thermal energy storage

The building in Utrecht is equipped with a system for Long-Term Energy Storage (Dutch acronym: LTEO). This method to cool or heat the building has been in use for quite some time. Ground water from a cool source (with a temperature of 10 to 12 degrees Celsius) is pumped up to the surface into a heat exchanger. Here, the air from the building's air conditioning moves past the water. The ground water transfers its cool temperature to the air. The water heats up, and is then injected into the heat source. In winter, the water follows the reverse direction. Using ground water from the heat source, the building is (partly) heated up in winter. This system provides a significant saving in energy costs, has a long lifespan and a high degree of reliability.

The system translates into a very concrete reduction in energy use:

- Electricity: consumption during the first 10 months of 2014 was 6,675,527 kWh, versus 5,644,680 kWh during the same period in 2015, a decrease of approximately 15%<sup>1</sup>.
- Natural gas: consumption during the first 10 months of 2014 was 347,569 m<sup>3</sup> versus 156,675 m<sup>3</sup> during the same period in 2015, a decrease of approximately 55%<sup>2</sup>.

<sup>1</sup> The lower electricity consumption is also related to disuse of part of the building in connection with the renovation.

<sup>2</sup> The low gas consumption has partly to do with the warm weather, the renewed building and the build of a new power plant.

a.s.r. is currently participating in a major study (Fome BES) related to the use of a collective thermal storage system at the office park. For a.s.r. in particular, expand the existing thermal storage system in the building of the Province of Utrecht.

#### Geothermal

Geothermal (or Geothermal Energy) is energy in the form of heat that is stored underground. In the convention with the United Nations, a.s.r. agreed to use its network for the development of renewable local energy. Geothermal falls under this category and is worth investigating to see if this geothermal energy can be used to heat the office in a virtually CO<sup>2</sup>-free way.

In May 2014, an investigation started, initiated by the University of Utrecht to see what information is available in the area (Utrecht region) about drilling, and how relevant it is for the purpose of this area. This investigation revealed that too little is known. In 2015, a.s.r. therefore examined how a.s.r. can obtain more information via, for example, a pilot bore. In consultation with the government, a business case has been made and the Go / No Go decision will be made in 2016.

#### Recycling

At the end of 2015, a.s.r. will implement "Cup to paper", a sustainable solution for the waste created by coffee cups. The cups stimulate re-use, are fully recyclable and are made in a fully CO<sup>2</sup>-neutral way. The Cup to paper concept also includes a procedure for collection after use.

Following the renovation, leaves and food waste will be composted at a.s.r.'s own environmentally friendly composting station, and will then be recycled as a fertilizer for use in the gardens. Composting on the property eliminates the need for transport to and from a waste facility. This saves both energy and CO<sup>2</sup> emissions.

#### 'Green' Gas

Also in 2015 a.s.r. used 'green' gas in the locations Archimedeslaan (Utrecht) and Amersfoort. Agreements have been extended with the energy advisor to offset the CO<sup>2</sup> emissions resulting from the use of natural gas. In addition to this compensation, a.s.r. is investing in a sustainable project in Ghana (VER Gold Standard).

One-third of the world's population cooks their daily meals on a wood burning fire and every year more than four million people die from the effects of smoke inhalation. That is three times more than Aids! In addition, cooking on an open fire uses a lot of wood and is the biggest cause of deforestation in the developing world.

There are plenty of good reasons why a.s.r. is contributing to the cookstoves project in Ghana. Old, inefficient cooking pots are being replaced with cook stoves, which use 50% less wood than an open fire and produce much less smoke. This is much better for the users, who no longer inhale the smoke and spend less time collecting wood. This project contributes to the reduction of CO<sup>2</sup> emissions and smoke (particulates). With this a.s.r. contributes to the preservation and possible improvement of the natural environment, better health and it also creates jobs.

#### Mobility policy

a.s.r. has an active mobility policy that seeks to improve accessibility to the buildings and reduce carbon emissions. In many areas, a.s.r. is making efforts to improve the sustainability of employee travel between home and work as well as business travel. For instance:

- The choice of company cars has been limited to those with an A or B energy label.
- The car sharing scheme is regularly highlighted.
- Employees from Utrecht are not allowed to park their vehicle at the office if they live within 12 kilometers of the office.

There are also a number of schemes to encourage bicycle use, including:

- The Rijnsweerd bike hire scheme.
- An a.s.r. e-bike with charging points in the bike shed.
- A mobile bike repair person.

This translates into an employee mobility reduction and, as a result, a decrease of over 15% in CO<sup>2</sup> emissions.

a.s.r.'s CO<sup>2</sup> footprint in 2014 compared with 2013:

	2013	2014	Result
<b>CO<sup>2</sup> emissions:</b>	9,130,690 (100%)	7,761,100 (100%)	- 15.00%
business travel	(34.7%)	(33.5%)	
commuting	(47.3%)	(51.7%)	
<b>commuting mileage to the Archimedeslaan</b>	26,915,743	25,553,745	- 5.16%
<b>flight mileage</b>	785,949	704,106	- 10.41%

Other initiatives in the mobility policy include:

- Charging stations for electric cars: a.s.r. has a total of 43 stations for employees in the visitors' parking zone. These include a few fast charges.
- The bicycle parking lot features 35 charging points for employee e-bikes.
- 10 showers for cyclists (5 for men, 5 for women).
- 180 lockers (92 for men, 88 for woman).
- Dynamic travel and information display displaying current departures and arrivals of train / bus.
- Mobility budget as an alternative to lease cars.
- A number of major companies generate 80% of their mobility in this region. These companies want to preserve and improve accessibility and have therefore established the "Platform Better Access Utrecht East".

## External

### Dutch Climate Coalition

In 2015, a.s.r. joined the Dutch Climate Coalition, formed by businesses, local governments and social organizations which are taking initiatives to be climate-neutral and not to inflict further damage.

### Purchasing

a.s.r. is committed to the Manifesto on Socially Responsible Procurement and Business Practices (Dutch acronym: MVIO). This manifesto is an initiative of large businesses in the Netherlands and is supported by NEVI, the Dutch Association for Purchasing Management ([www.nevi.nl/mvi](http://www.nevi.nl/mvi)).

Since 1 January 2013, a.s.r. has included 'impact on society' in its procurement criteria. This impact can be social, environmental or economic.

Sustainable purchasing is about more than just applying certain criteria to the procurement process; it is also about choices made in business operations that translate to the activities, supplies or services to be purchased.

The implementation of the Socially Responsible Procurement policy focuses on the following aspects:

1. a.s.r. informs suppliers in advance that environmental and social factors are weighed in the selection process;
2. a.s.r. has adopted a set of (category-specific) environmental and social criteria; and
3. in sourcing processes and when relevant, a.s.r. challenges its suppliers to come up with alternatives that constitute a better match for today's environmental and social criteria.

In November 2013, a.s.r. signed the Green Deal Circular Purchasing, an initiative of the Dutch Government which takes into account during the procurement stage what will happen with goods which may not be used in the future. This helps to minimize the contribution to the creation of waste.

In 2014, a.s.r.'s key suppliers were asked to register in the FIRA database and to thus accredit their corporate social responsibility policy. A total of 91 a.s.r. suppliers have now been verified.

a.s.r. encourages its 60 key suppliers to undergo the verification and accreditation process, aspires to the quality label 'Bronze' level and aim to raise their social influence to an even higher point. a.s.r. is still in dialogue with a number of other suppliers.

All new suppliers (selected by Group Purchasing) undertake to register in the FIRA database (or to demonstrate that their environmental policy is already assured in another way, for instance by the sustainable repair business quality mark ('keurmerk duurzaam herstelbedrijf')). Within one year of their registration, they should have verified their policy and reached the 'Bronze' level. In June 2015, FIRA awarded a.s.r. the 'Silver' level.

### Property funds

All three property funds of a.s.r. real estate investment management received a higher Global Real Estate Sustainability Benchmark (GRESB) score in 2015:

the ASR Dutch Core Residential Fund was awarded a ranking in the highest GRESB category,

the ASR Dutch Prime Retail Fund and ASR Property Fund increased from Green Starter to Green Talker.

#### Investment portfolio

a.s.r. favors investments in companies excelling in ESG policy and implementation, who are classified as pioneering, best-in-class and sustainable. These classifications apply a relative, sector-related ranking for six domains of analysis, one of which is the company's environmental policy:

- Strategic incorporation of environmental issues
- Pollution management
- Development of green products and services
- Risk management related to the affection of biodiversity
- Sustainable water management
- Rational energy consumption
- Management of atmospheric emissions
- Waste management
- Management of local pollution
- Impact of transport and distribution
- Environmental impact on the overall lifecycle of products and services

#### IV. Anti-Corruption Principles

<b>Principle 10</b>	Businesses should work against corruption in all its forms, including extortion and bribery.
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##### Assessment, Policy and Goals

a.s.r. is committed to counteracting all forms of corruption.

All a.s.r. employees are expected to abide by the prevailing laws, regulations and ethical standards. a.s.r.'s Human Resource policy, as well as the Code of Conduct, a.s.r.'s personnel cannot be involved in any form of corruption. Therefore, neither employees nor member of the management staff accept incentives, gifts or remuneration outside of the agreed policy unless this is formally agreed.

##### Implementation and Measurement of Outcomes

###### Internal

For a.s.r. it is key to have and to actively demonstrate a principled Code of Conduct at all levels of the organization. The goal of Integrity is to promote and monitor the integrity of the management and employees of a.s.r. and to monitor the reputation of a.s.r. and its brands.

In practice, this translates into a number of guidelines how employees are expected to interact with each other and how to approach specific situations. These include for example an integrity code, insider rules, a whistle-blowing procedure, a policy on incidents and fraud management.

These guidelines are detailed in a.s.r. website Corporate Governance, available at: [asrnl.com/governance-and-organization/guidelines](https://asrnl.com/governance-and-organization/guidelines)

Failure to observe the rules of conduct is considered a serious breach of the employer's trust in the employee, and will lead to disciplinary actions, including termination of the contract. Integrity produces quarterly and ad-hoc reports which are discussed by the Executive Board and/or the Audit and Risk Committee.

###### External

a.s.r. also supports the industry's rules of ethics (such as the Code of Conduct for Insurers) and has codes in place relating to various themes, including:

- Client/Customer Due Diligence: know your client before doing business with them;
- Intermediaries: this includes a legal obligation to report suspicions of inappropriate conduct by an intermediary;
- Financial Services: this includes a duty of care and an incentives policy;
- ASR Bank N.V.: applies the Dutch Banking Code;
- UN Anti-Corruption and the Global Development Agenda: these urge governments to promote efficient and effective anti-corruption measures and to implement robust policies that will foster good governance;
- Code of Conduct for the Processing of Personal Data by Financial Institutions;
- Insurance and Criminality Protocol.

#### Investment portfolio

At a.s.r., we favor investments in companies that excel in ESG policy and implementation, are classified as pioneering, best-in-class and sustainable. This classification applies a relative, sector-related ranking for six domains of analysis, one of which is Market Ethics, which is further broken down into nine criteria:

- Product safety
- Information for customers
- Responsible relationships with customers
- Cooperation with suppliers in terms of sustainable production
- Integration of environmental factors in the production chain
- Integration of social themes in the production chain
- Prevention against corruption
- Prevention against anti-competition practices
- Integrity and transparency in terms of strategy and influencing tactics

As additional criteria, all companies are analyzed regarding the following elements:

- Rejection of tax heavens
- Transparency concerning taxes paid in each country of operation
- Internal practices when entering into agreements or contracts
- Relative changes in the remuneration of shareholders and employees
- Transparency concerning relations with suppliers and sub-contractors