

# United Nations Principles for Sustainable Insurance

Progress report 2022

## Principle 1

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

Company strategy	References annual report α.s.r. 2022:
<p>Establish a company strategy at the Board and executive management levels to identify, assess, manage and monitor ESG issues in business operations</p>	<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 &amp; 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>
<p>Dialogue with company owners on the relevance of ESG issues to company strategy</p>	<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>
<p>Integrate ESG issues into recruitment, training and employee engagement programmes</p>	<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>

Risk management and underwriting	References annual report α.s.r. 2022:	
<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.</p> <p>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 90-96; 230-233</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 90-91</p>

Product and service development		References annual report α.s.r. 2022:
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 2022.	Page 35-37
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 63
Claims management		References annual report α.s.r. 2022:
Respond to clients quickly, fairly, sensitively and transparently at all times and make sure claims processes are clearly explained and understood	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, whereby they are required to periodically earn points by attending training sessions and courses. Customers give a.s.r.'s complaints handlers an average score of 8.4 on a scale of 1 to 10 (2021: 8.4).	Page 38-39
Investment management		References annual report α.s.r. 2022:
Integrate ESG issues into investment decision-making and ownership practices.	<p>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 <a href="http://www.asrnl.com">www.asrnl.com</a>.</p> <p>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.</p>	Page 41-43

**Sales and marketing**

**References annual report α.s.r. 2022:**

Educate sales and marketing staff on ESG issues relevant to products and services and integrate key messages responsibly into strategies and campaigns.

Make sure product and service coverage, benefits and costs are relevant and clearly explained and understood.

Customers are at the heart of a.s.r.'s purpose and its strategy is designed to meet their needs. a.s.r. closely monitors customer and advisor satisfaction by continuously measuring feedback, through the Net Promoter Score (NPS-r). The NPS-r score on a consolidated a.s.r. level is compared to the market average. Driven by the ambition to be the best financial service provider, the target aims to achieve an NPS-r by 2024 which is higher than the market average. The NPS-r is an analysis of the customer relationship; this extends the previous methodology of the NPS-c, which only measured customer satisfaction during contact moments. Product lines continue to report on NPS-c, refer to chapter 4 for the NPS-c scores of each product line. In 2022, the NPS-r decreased and remained below market average. The decrease is in line with the decline recorded in the overall insurance market in the Netherlands, and the gap between a.s.r. and the market average has remained stable.

The Product Approval & Review Process (PARP) is one of the internal processes for assessing the quality of products and services and their relevance for customers. The PARP ensures that a newly developed or improved product is reviewed before it is offered. It encourages continual improvement based on feedback from customers and advisors, social developments, and current circumstances, such as the impact of inflation 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.

The PARP checks the product against various criteria, including several criteria related to sustainability.

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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.

Clients and suppliers		References annual report α.s.r. 2022:
Dialogue with suppliers on the benefits of proper management of ESG issues	a.s.r. has tightened its procurement process, including in the area of human rights. Compliance with human rights and labour rights standards is reviewed during selection and monitoring. This information is used as input for annual, strategic discussions with suppliers. a.s.r. requires suppliers to be diligent in their own business activities and supply chain. In 2022, a.s.r. developed a Supplier Code of Conduct which includes expectations governing compliance with human rights standards.	Page 62
Provide suppliers with information and tools that help them manage ESG issues		
Integrate ESG issues into tender and selection processes for suppliers		
Encourage suppliers to disclose ESG issues and to use relevant disclosure frameworks		
Insurers, reinsurers and intermediaries		References annual report α.s.r. 2022:
Promote the adoption of the Principles	<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>	Page 41-43
Support the inclusion of ESG issues in professional education and ethical standards in the insurance	a.s.r. is actively engaged with a total of 599 companies (2021: 34). 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). One example of last year is our engagement with Volkswagen because of their (indirect) involvement in weapon production and to discuss an update regarding the Dieseltgate scandal. ESG is a standard topic on a.s.r.'s agenda at meetings with companies from its investment portfolio. a.s.r. engages with governments, societal organisations and peers through different platforms such as the International Responsible Business Conduct agreements. The significant increase is explained by a.s.r.'s new engagement provider Hermes, carrying out 557 engagements.	Page 41-43

**Insurers, reinsurers and intermediaries**

**References annual report α.s.r. 2022:**

Examples of engagements in 2022

a.s.r. signed the Valuing Water Finance Initiative, which is a new global investor-led effort to engage corporate water users and polluters to value and act on water as a financial risk and drive the necessary large-scale change to better protect water systems. a.s.r. will call on companies to better protect water practices and to meet a set of soon-to-be released Corporate Expectations for Valuing Water that align with the United Nations' 2030 Sustainable Development Goal for Water (SDG 6). a.s.r.'s collective fossil engagement procedures have already led to the start of 13 engagements with oil and gas companies. a.s.r. is aiming to have quarterly and/or semi-annual update meetings with these companies. Some examples of topics to focus on are boosting the availability of low-carbon solutions, setting short and medium-term carbon intensity and absolute reduction targets, the development of a decarbonisation strategy and the capital expenditures allocation of companies to support this strategy. a.s.r. does recognize different climate ambition levels between the companies that it is engaging. a.s.r. is therefore requiring companies to announce direct commitments and to set clear targets. Other examples include engagement on violations of the Clean Air Act and their climate ambitions, deforestation in the supply chain and contamination by PFAS chemicals.

Engagement reports H1 and H2 2022 can be found on our website:

[Engagement report H1 2022](#)

[Engagement report H2 2022](#)

### 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 α.s.r. 2022:
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 35 and 41 <a href="http://www.asrnl.com">www.asrnl.com</a>
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 the Group level, supervised entity (OTSO) level and business line level. The quarterly report at the divisional level is discussed with the management responsible and with the relevant Business Risk committees. The quarterly report at the Group and OTSO levels is presented to and discussed with the individual members of the EB, with the Non-Financial Risk Committee, with the Risk Committee and with the A&RC of the SB. The report is shared and discussed with Dutch Central Bank (De Nederlandsche Bank; DNB), the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten; AFM), and the internal and external auditors.	Page 99

Other key stakeholders		References annual report α.s.r. 2022:
Dialogue with other key stakeholders	<p>a.s.r. is in dialogue with stakeholders who influence the organisation both directly and indirectly. The main stakeholder groups of a.s.r. are:</p> <ul style="list-style-type: none"> <li>- employees;</li> <li>- customers;</li> <li>- advisors;</li> <li>- civil society organisations;</li> <li>- government, tax authorities and regulators;</li> <li>- trade unions;</li> <li>- media;</li> <li>- investors;</li> <li>- suppliers;</li> <li>- academics;</li> <li>- peers and business partners.</li> </ul> <p>Strategic, constructive and proactive consultations with all stakeholders are of great importance to a.s.r. a.s.r. does this by means of roadshows, customer or employee surveys, round table sessions, dialogue sessions and participation in sector initiatives. Members of the Executive Board (EB) also regularly engage in dialogue with advisors, shareholders, legislators, politicians and civil society organisations. The purpose of these discussions is to discuss strategic progress, receive feedback on a.s.r.'s contribution to society and discuss developments within the financial sector.</p>	Page 333-336

### Principle 4

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

		References annual report α.s.r. 2022:
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 2022.	Page 3-63
Participate in relevant disclosure or reporting frameworks	The Annual Report has been prepared in accordance with the GRI Standards: Core option. The GRI table, including additional information not included in the annual report itself, can be found in Annex F. In addition, the Integrated Reporting Framework of the IIRC (International Integrated Reporting Council) has been used to further integrate the financial and non-financial information into the management report.	Page 337-352
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 333-336

