



Overview engagements H2 2018

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a.s.r. seeks a constructive dialogue and engagement with companies about relevant Environmental, Social and Governance (ESG) practices, in accordance with the standards outlined in the a.s.r. Socially Responsible Investment (SRI) Policy. This engagement dialogue knows three forms:

1. Engagement with the *purpose of monitoring* a company's on-going sustainability, which takes place regularly and specially with a.s.r. largest holdings;
2. Engagement with the *purpose of influencing* the behavior of a company or sector where ESG issues have been identified; and
3. *Public engagements* together with policymakers, government, regulatory bodies, sector organizations and/or other stakeholders to implement and enhance sustainability practices.

1. Engagement with the purpose of monitoring

a.s.r. seeks contact with companies for the purpose of gathering ESG information and uses this input in the decision-making process or to trigger engagement for influence. This is an integral part of information exchange with our largest shareholdings.

2. Companies under engagement for influencing

Engagement for influencing focusses on specific and current environmental and social themes. The engagement can be focused on a sector as a whole or on individual companies.

Environmental engagements

Environment

Company	Reason for Engagement	Objectives	Status
BHP Billiton	The engagement is positively closed in H2 2018. Engagement with BHP Billiton was started after the 2015 collapse of the Fundão dam in Brazil. The dam was built by BHP Billiton daughter Samarco to accommodate the waste resulting from the extraction of iron ore in neighboring mines. The collapse led to a large volume of toxic sludge flooding several villages, 19 people were killed and 600 people evacuated. The toxic mud stream had devastating effects on biodiversity and water quality. BHP Billiton has been engaged on the remediation measures after the incident, as well as company-wide improvement of policy and mitigation measures. The company has been able to provide evidence that they have effectively worked on remediation. While the engagement has been positively closed, the company will continue to be closely monitored.	Elimination of breach	Successfully closed
		Risk management systems in place	Successfully closed
		Policy	Progress
		Transparency	Successfully closed
		Stakeholder dialogue	Progress

* In order to expand and enhance the engagement for influencing activities, a.s.r. embarked in a partnership with Robeco's Governance & Active Ownership department starting 2016. This enhanced engagement program is based on the remediation of UN Global Compact (UNGC) controversies in relation to human rights, labour rights, environment and ethical behaviour.

Environment – methane: Total S.A.

The oil and gas sector has a significant impact on global greenhouse gas emissions. More specifically, methane is an important driver of greenhouse gasses induced global warming and 25 times more harmful than CO₂. Being the World's 4th largest oil and gas company, Total SA has a high exposure on methane leakage during natural gas operations (with 1.7% leakage rate according to the IEA).

As part of the Dutch CIO Exchange Engagement on methane, a.s.r. has started conversations with Total SA on their methane-reduction targets. The Dutch CIO Exchange Engagement on Methane is an investor-led initiative to engage with those European oil & gas companies that are the largest corporate greenhouse gas emitters, with the objective to curb emissions across the value chain, strengthen climate-related financial disclosures and improve governance of climate-related risks.

While the company is a frontrunner in the industry regarding their ambition, they are not yet fully transparent on their progress. During a conference call with representatives from the company, Total's methane targets were discussed, focussing on the steps the company is planning to take and to what extent climate targets are incorporated in remuneration policies of senior management.

Environment - automotive industry

The automotive industry has been facing several controversies over the last years on – amongst others- manipulating data on emissions and fuel consumption. Furthermore, the business model of the auto industry is being challenged by new developments such as the demand for non-fossil ways of transport and increasing regulatory and technological risks. We believe that the business models of car makers will significantly change over the next decade due to, amongst others, mobility becoming a service, the increase of shared mobility solutions and the potentially wide-ranging use of batteries. a.s.r. currently engages 4 automotive companies, on different criteria:

Company		Objectives	Status
Bayerische Motoren Werke (BMW)	BMW is demonstrating a proactive approach towards sustainable mobility solutions. At the same time, the company has been reluctant to align its public policy activities and expenditures with the goals of the Paris Agreement.	Effective product quality management systems	Progress
		Impeccable product quality performance	Progress
		Forward looking product development	Progress
		Responsible lobbying	Progress
		Innovative business model	Neutral
Daimler	Although Daimler is taking proactive steps on electrification of its fleet, the company's lobbying practices are not supporting policies that aim to achieve the goals of the Paris Agreement.	Effective product quality management systems	Neutral
		Impeccable product quality performance	Progress
		Forward looking product development	Neutral
		Responsible lobbying	Neutral
		Innovative business model	Neutral
Ford Motor	By developing 2°C scenario analyses, Ford is a frontrunner in its sector. However, transparency can be improved. Future dialogue will furthermore focus on product quality performance.	Effective product quality management systems	Progress
		Impeccable product quality performance	Progress
		Forward looking product development	Neutral
		Responsible lobbying	Neutral
		Innovative business model	Neutral

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Volkswagen	Volkswagen is under engagement due to the Diesel emission controversy. There are questions concerning the independency level of the Supervisory Board of the company. The Braunschweig trial that started in September 2018, will determine to what extent Volkswagen (up to C-level management) was aware of the Diesel issue and should have informed the financial markets. The trial is expected to finalize in H1 2019.	Elimination of breach	Negative
		Risk management systems in place	Progress
		Policy	Neutral
		Transparency	Negative
		Stakeholder dialogue	Progress

Animal Welfare

In 2018, a.s.r. has engaged with 4 luxury brands – LVMH, Kering, Michael Kors and Burberry – on the use of fur and exotic leather. Following the announcements that several brands, among which Burberry, have committed themselves to stop using fur in their collections, the companies have been asked to explain their policies towards facing out fur and sustainable sourcing of other animal products. The dialogue will continue in 2019.

Social engagements

Human rights

Company	Reason for Engagement	Objectives	Status
G4S Plc	<p>This engagement has been unsuccessfully closed in H2 2018.</p> <p>Security company G4S has been facing several allegations on human rights violations at Mangaung prison in South Africa and Brook House Immigration centre in the UK. After these incidents engagement has started with aim of implementing sound policies and other measurements to prevent future incidents. After 3 years of engagement, G4S has not shown enough evidence that the company has eliminated the risk of future human rights violations. Although the company has shown accountability and has been transparent, it was not able to prevent new incidents in the Brook House centre.</p>	Elimination of breach	Unsuccessfully closed
		Risk management systems in place	Unsuccessfully closed
		Policy	Unsuccessfully closed
		Transparency	Successfully closed
		Stakeholder dialogue	Successfully closed

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Human rights – data privacy

Data privacy is a growing concern of society, and telecom and internet companies increasingly face risks regarding privacy and freedom of expression related controversies. Such breaches could result in lawsuits and fines, and mistrust from costumers The relevance of these issues is becoming even more important due to continued digitalization. The growing importance of data privacy as well as recent controversies and new developments such as the EU General Data Protection Regulation (GDPR) were the focus of the engagement with Google and Facebook.

Company	Reason for Engagement	Objectives	Status
Google	Engagement positively closed in H2 2018. Google has shown its commitment to GDPR and took significant steps in their own engagement with their stakeholders on the topic of data privacy.	Policy	Successfully closed
		Partnerships and collaboration	Successfully closed
		Risk management	Progress
		Transparency	Successfully closed
Facebook	Facebook had been faced with a large amount of data privacy related issues over the course of 2018. Thus far, the company has not been able to show effective risk management processes are in place. Engagement will be continued in 2019.	Policy	Progress
		Partnerships and collaboration	Progress
		Risk management	Negative
		Transparency	Neutral

Labour rights – living wages

As recognized by, amongst others, the ILO and OECD, living wage is a fundamental human right. Under the Platform Living Wages Financials (PLWF) a.s.r., together with other Dutch financials assess and engage investee companies on the topic of living wage. The methodology for assessment (developed by Mazars) focusses on policies and mitigation measures in place to identify and act on living wage gaps in the supply and production chain.

In H2 2018, the platform has expanded its focus to include the retail and agri-food sectors.

Platform Living Wages Financials			
Garment and Footwear			
Adidas	The GAP	Gildan	ABF/Primark
M&S	Esprit	Asos	Anta
H&M	Puma	Asics	PVH
Nike	Lojas Renner	Amer Sports	VF Corp
Inditex	Kappahl	Burberry	Hanesbrands
LVMH	Home Depot	TJX Companies	Hermes
Hugo Boss	Ralph Lauren	Li & Fung limited	
Retail			
Ahold Delhaize	Casino Guichard- Perrachon	Metro A.G.	Carrefour
Food & Agri			
Barry Callebaut	Nestle	Mondelez	Danone
Unilever	Conagra Brands	Tyson Foods	Costco

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Overview of previously closed engagements

Closed engagements		
Glencore	Human rights	Successfully closed in 2017
Anglo American	Human Rights and related Labour Rights	Successfully closed in 2016
ENI SpA	Human Rights and Environment	Engagement closed in 2016 / Positions sold
GlaxoSmithKline	Corruption	Successfully closed in 2016
Rio Tinto	Human Rights and related Labour Rights	Successfully closed in 2016
VINCI SA	Labour Rights	Successfully closed in 2016
Total SA	Human Rights	Successfully closed in 2014
China Petroleum & Chemical	Human Rights	Successfully closed in H1 2018
General Motors*	Human Rights	Successfully closed in H1 2018

3. Public policy engagements

Investor letter to Roundtable on Sustainable Palm Oil

a.s.r. signed an investor letter to RSPO (Roundtable on Sustainable Palm Oil), asking to strengthen the standard for certified sustainable palm oil production – such as strengthening the standard to prevent deforestation, peatland clearance and protect human and labour rights.

Access to Medicine Index

a.s.r. became a signatory of the Access to Medicine Index. The index analyses 20 of the world's largest research-based pharmaceutical companies on how they make medicines, vaccines and diagnostics more accessible in low- and middle-income countries. By becoming a signatory, a.s.r. underwrites the outcomes of the index and the importance of access to medicine in working towards achieving the Sustainable Development Goals (SDGs), more in specific SDG 3.

Investor statement for alignment of sustainability requirements

PRI investor statement asking for harmonization of the efforts on performing due diligence according to the UNGPs and OECD guidelines (and textile specific OECD guidance) on an European level. In alignment with the Dutch and German sector initiatives 'Textielconvenant' and the 'Textilbündniss', the aim is better due diligence, greater transparency, and ultimately less admin burden for companies.

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