



Quarterly ESG Update Q3

Responsible investing at a.s.r.

Responsible investing forms an integral part of the a.s.r. investment policy. The a.s.r. SRI policy has been developed and expanded over the years to make sure we invest in a responsible and sustainable way, without negatively affecting our returns on investments.

All investments managed by a.s.r. asset management are screened on ESG criteria for compliance with our SRI policy. Countries and companies that do not meet our ESG standards, are excluded from our investment portfolio: for example producers of weapons or tobacco or countries that do not meet our criteria on democratic freedom, anti-corruption and environment. Also, a.s.r. requires companies to comply with international conventions on environment and human- and labour rights. For more info, visit our website: www.asrnl.com/sustainable-business

In this quarterly update, we highlight new developments in our SRI activities. We practice active ownership by voting and engaging with companies we invest in: in this report we tell more about the newly launched initiative on living wages in the supply chain. Furthermore, a.s.r. is an active member of Platform Carbon Accounting Financials and we discuss the carbon footprint of our investments.



CO2-footprint of our investments

At a.s.r. we believe that measuring and reporting the carbon footprint of our investments is an essential first step to develop a climate change resilient portfolio. Together with 11 other Dutch financial institutions a.s.r. is part of Platform Carbon Accounting Financials (PCAF), developing an open source methodology for carbon accounting. As active members of the working groups Mortgages & Commercial Real Estate and Indirect Investments, we work to further expand the methodology for different asset classes.

Calculations lead to a carbon footprint for the a.s.r. investment portfolio of 112.07 ton CO₂ eq per million EUR invested at the end of September 2018. In figure 2 the actual development of the carbon footprint over the last 6 quarters is presented.

Calculation methods Q3 2018

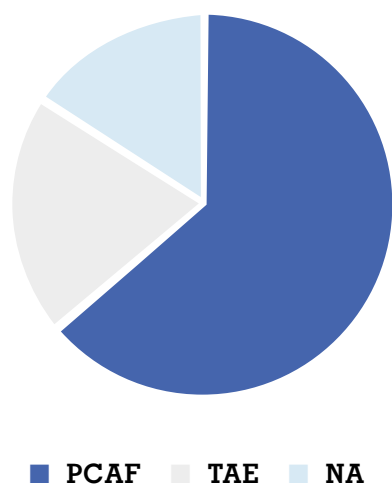


Figure 1: Method used for the calculation of the greenhouse gases attributable to a.s.r. asset management, September 2018.

tCO₂ per €Mln invested

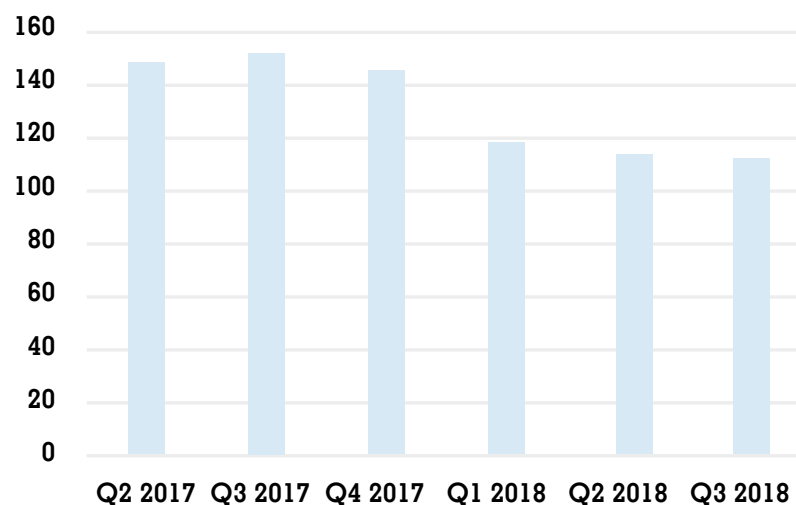


Figure 2: development of a.s.r.'s carbon footprint over the last 5 quarters

There has been a consistent reduction of emissions per million Euro invested. There are several factors driving this reduction. First and foremost, a.s.r.'s sustainable investment policy, which includes best-in-class investments and excludes large emitters such as coal companies. We see that best-in-class companies are often more aware of their environmental responsibilities, which may lead to more efficient use of energy.

1 For the most recent methodology description, please see our [website](#).

a.s.r. ESG corporate fund range

In 2017, a.s.r. launched a new ESG fund range for Euro sovereign bonds, Euro credits and European equities. While already having a strict ESG policy for the overall investment process within a.s.r. asset management, these ESG funds have additional guidelines on ESG indicators. As a result we see that a.s.r. ESG funds investing in companies already achieve a lower carbon footprint compared to their respective benchmark, see figure 3.

Carbon emissions ESG Corporate Funds Q3 2018

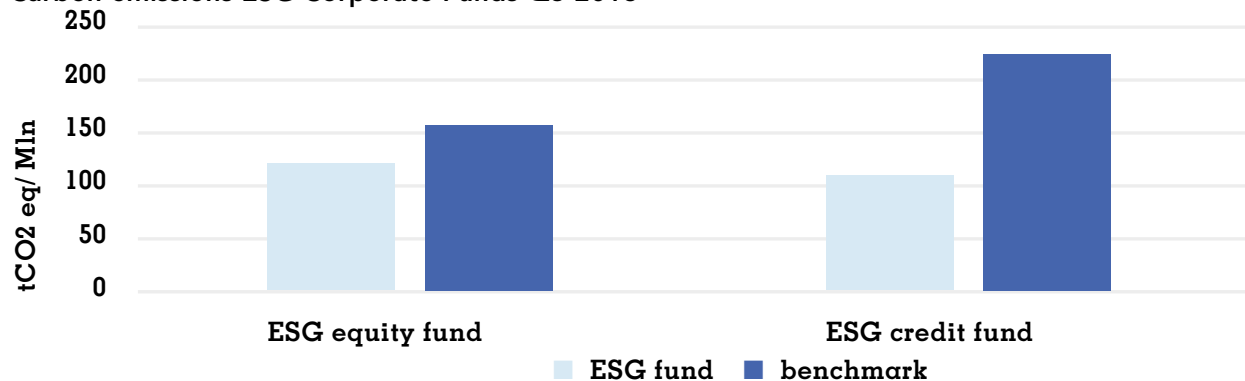


Figure 3: Carbon emissions for ESG credit and ESG equity fund end of September 2018. Results can be driven by coverage ratio of carbon disclosure, AUM of the funds, guidelines applicable to the fund and other factors.

New developments in climate and energy transition

Pioneering in climate-related risk scenario's

Together with Ortec and the financial institutions AP1, Philips pension fund, PME and OPTrust and several leading academic institutions, a.s.r. has launched a climate-savvy ALM/SAA pilot project. The pilot is one of the first efforts of its kind to integrate quantified risks associated with climate change into standard forward looking financial scenario sets that drive strategic investment decision making. The resulting insights will increase our understanding of the sensitivities of our strategic asset allocation to climate-related risks.

The project will link scientific climate data to ALM/SAA tooling and is a novel approach to mapping potential future climate impacts on investment performance. The pilot is expected to run until the end of 2018. The climate-savvy-scenario set is expected to be made more widely available by early 2019.

Active Ownership

Engagement with Platform Living Wages Financials

On September 27th, the Platform Living Wages Financials (PLWF) was launched in the Hague. Together with the platform members, a.s.r. has assessed and engaged 27 companies in the textile and garment sector on their performance and policy on paying living wages in their production- and supply chain. The following months new sectors retail and agri- and food will be included in the program.



Photo: members of the PLWF working group at the launch event September 27th 2018.

Voting

a.s.r. exercised its voting rights on 75 (98,68%) occasions in Q3 2018. Below an overview of the votes against and abstained/withhold, with a breakdown on proposal type category:

Total

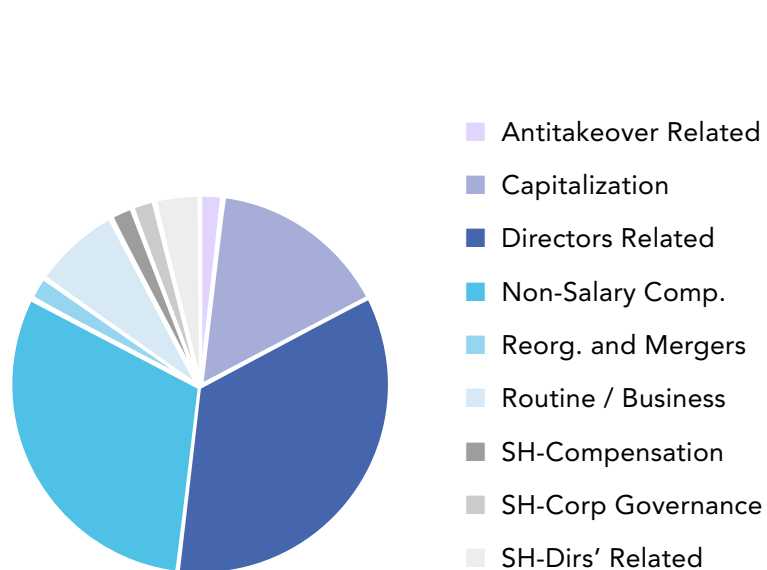


Figure 4: Votes Against, abstained or withhold in Q3 2018.
The indication 'SH' stands for motions put forward by shareholders.

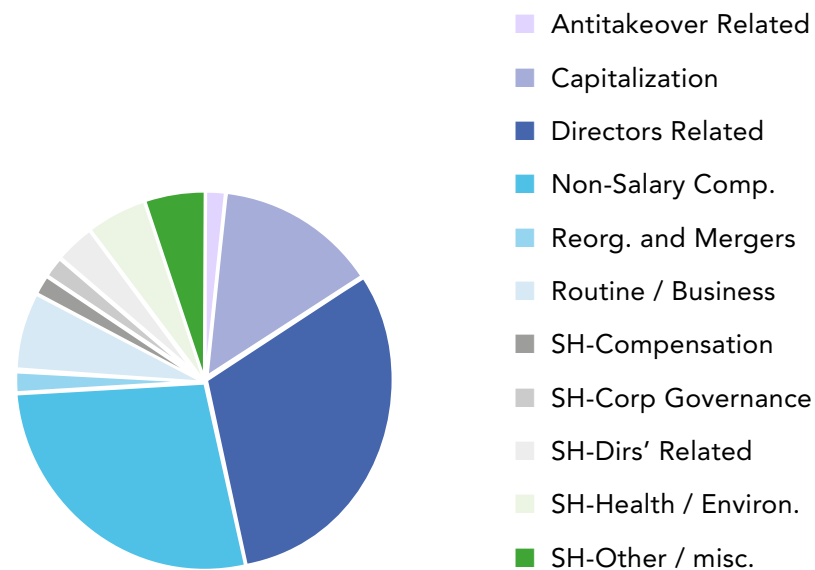


Figure 5: breakdown of votes against management (5,27%) in Q3 2018.
The indication 'SH' stands for motions put forward by shareholders.

Other news

a.s.r asset management joins Institutional Investors Group on Climate Change

The Institutional Investors Group on Climate Change (IIGCC) is a forum for investors to collaborate on climate change. By joint efforts of its members, the platform aims to engage policy makers, investors and companies to address climate related risks and opportunities. Efforts that perfectly match a.s.r.'s activities on climate change and energy transition.

Covenant for international responsible investment in the Dutch insurance sector

On July 5th the insurance sector, civil organizations and the Dutch Government have signed the Covenant for International Responsible Investment in the Insurance Sector (in Dutch: IMVO Convenant Verzekeringsector).

The Dutch insurance sector globally invests more than 500 billion euro in companies and governments and thereby has the opportunity to influence their behavior. Through this collaboration, the signatories hope to gain better insight and realize a positive impact on international ESG factors.

Access to Medicine

Medicine development evolves rapidly and the possibilities are ever increasing. At a.s.r., we believe that pharmaceutical companies have a responsibility to make these medicine as broadly available as possible, also to the poorest. Therefore, we have committed ourselves to the Access to Medicine Index. The Index provides a yearly overview of risks and opportunities with the largest pharmaceutical companies regarding access to medicine.

Tobacco-Free Finance Pledge

According to the World Health Organization (WHO), tobacco consumption is the single largest preventable cause of death. Annual costs to the global economy are over 1 trillion USD. We believe the finance sector can play an important role in addressing global health issues, including tobacco and a.s.r. has excluded investments in tobacco since 2007. By signing the recent Tobacco-Free Finance Pledge, we emphasise the role the financial sector can play in addressing tobacco companies.

Investor statement for alignment of sustainability requirements

a.s.r. has signed the 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 'Textilbundniss', the aim is better due diligence, greater transparency, and ultimately less administrative burden for companies.

Investor letter to Roundtable on Sustainable Palm Oil

Together with other institutional investors, a.s.r. called on the Roundtable on Sustainable Palm Oil (RSPO) to strengthen its standards for certified sustainable palm oil production. Palm oil, used as ingredient in nearly 50 percent of all packaged goods, is a key driver for deforestation, clearance of peatland and violation of labour rights.