



Overview engagements H1 2019

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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 holdings.

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.

Governance engagements

Company	Reason for Engagement	Objectives	Status
Novartis	Novartis is facing corruption allegations in different countries and recently confirmed that a data manipulation issue created inaccuracies in its biologics license application by AveXis. The engagement focusses on establishing policy and assurance to prevent future controversies from happening. Also high medicine prices in the Netherlands are on the agenda. The company has hired an experienced Chief Ethics, Risk and Compliance officer following these allegations. The company is taken into consideration to implement external bribery monitoring.	Elimination of breach	Progress
		Risk management systems in place	Successfully closed
		Policy	Successfully closed
		Transparency	Progress
		Stakeholder dialogue	Successfully closed

Environmental engagements

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	Reason for Engagement	Objectives	Status
Bayerische Motoren Werke (BMW)	BMW has been identified as one of the European car producers that actively lobbies against more stringent GHG reduction targets. The company is considering to increase transparency on its lobbying activities. The company has an early start on electrification of its fleet but is now being surpassed by competitors. It's long term strategy will continue to be monitored.	Effective product quality management systems	Progress
		Impeccable product quality performance	Progress
		Forward looking product development	Progress
		Responsible lobbying	Neutral
		Innovative business model	Progress
Daimler	Daimler has published new targets for 2039 for electrification of its fleet. Dialogue on Daimler's lobbying practices will continue in the second half of 2019.	Effective product quality management systems	Neutral
		Impeccable product quality performance	Progress
		Forward looking product development	Progress
		Responsible lobbying	Neutral
		Innovative business model	Neutral
Ford Motor	By developing 2°C scenario analyses, Ford is a frontrunner in its sector. It's efforts to formulate Science Based Targets are being monitored. No other changes to be reported in H1.	Effective product quality management systems	Progress
		Impeccable product quality performance	Progress
		Forward looking product development	Neutral
		Responsible lobbying	Neutral
		Innovative business model	Neutral
Volkswagen	Engagement successfully closed Volkswagen was under engagement due to the Diesel emission controversy. The company has acted on concerns regarding the independency level of the Supervisory Board. As a consequence of a legal ruling in the US, the company has to implement independent monitoring. While other lawsuits are still pending, the company has sufficiently met 3 of the engagement objectives.	Elimination of breach	Successfully closed
		Risk management systems in place	Successfully closed
		Policy	Successfully closed
		Transparency	Progress
		Stakeholder dialogue	Progress

Animal Welfare

Since 2017, a.s.r. has engaged with 4 luxury brands – LVMH, Kering, Michael Kors and Burberry - on the use of fur and exotic leather. The sector has made large steps in committing to ban out fur from its collections in the second half of 2018 and first half of 2019. The engagement has therefore been successfully closed. A more extensive whitepaper on the engagement will be published in H2 2019.

Social engagements

Company	Reason for Engagement	Objectives	Status
Facebook	The previous engagement with Facebook will be continued with a focus on most salient issues regarding sound social management and privacy issues.	Human rights practices	Neutral
		Product stewardship	Neutral
		Human capital management	Neutral
			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 the first months of 2019, the methodology to assess the Retail and Food & Agri sectors was finalised and discussed with different stakeholders such as relevant NGO's and companies. A dialogue has started with a majority of the companies below and in the second half of 2019 assessments will be finalised.

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
Tesco			
Food & Agri			
Barry Callebaut	Nestle	Mondelez	Danone
Unilever	Conagra Brands	Tyson Foods	Costco

Weapons and Environment

Company	Reason for Engagement	Objectives	Status
Bayer	Unsuccessfully closed Bayer has since the merger with Monsanto been facing many lawsuits regarding the negative health consequences of Roundup. The company denies these allegations, while different Courts in the EU and US have ruled against the company. Also, the company (formerly Monsanto) produces an ingredient for Roundup: white phosphorous (WP). Bayer sells WP to the US and Canadian governments (defense departments) for military purposes. WP can be used as a chemical weapon. The production and sale of chemical weapons is excluded by a.s.r. SRI policy. As this is a minor activity for Bayer, several conversations have been held with the company both on the issues regarding Roundup and on WP. The company has indicated to have no plans to stop selling WP in the near future and therefore the engagement is unsuccessfully closed and positions will be sold.	Reconsider use of glyphosate in pesticides	Unsuccessfully closed
		Stop sale of white phosphor for military use	Unsuccessfully closed

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

Overview of previously closed engagements

Closed engagements		
BHP Billiton	Environment	Successfully closed in H1 2019
G4S	Human Rights	Unsuccessfully closed in H1 2019/ Positions sold
China Petroleum & Chemical	Human Rights	Successfully closed in H1 2018
General Motors*	Human Rights	Successfully closed in H1 2018
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

3. New public policy engagements

Environmental impact of meat sourcing

The way we produce and consume our food has a huge impact on the climate. Therefore, a.s.r. has joined forces with other investors to start a dialogue with large fastfood companies such as McDonalds. The initiative, coordinated and based on research by FAIRR and Ceres, asks the fastfood companies to be transparent on and subsequently reduce the environmental impact and CO2 emissions of their meat-production chain.

Forced labor in the clothing industry

a.s.r. has joined the KnowtheChain engagement with companies in the footwear and apparel sector to bring forced labor issues in the supply chain under attention. The initiative complements the work a.s.r. is already doing to engage apparel producers, retailers and the agri-food sector to take steps in paying living wages through the Platform Living Wages Financials.

PRI coordinated investor response to the Vale dam failure

On January 25th this year, the Brumadinho tailings dam in Brazil collapsed, with catastrophic consequences: over 240 people were found death and the mud floods that occurred after the collapse destroyed the entire area. The dam was owned by mining company Vale and many victims were employees of the company. The Brazilian government has taken action against the company. On behalf of a part the of international investor community, including a.s.r., the UN PRI has released a coordinated response to the Vale dam failure in order to call on mining companies in general and Vale more in specific to take serious measures to prevent disasters such as this to happen in the future.

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