



Overview engagements H1 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 spread the 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*	Engagement 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 neighbouring mines. As a result, a large volume of toxic sludge flooded several villages. 19 people were killed, 600 people had to be evacuated and the toxic mud stream had devastating effects on biodiversity and water quality. BHP Billiton is being engaged on the remediation measures after the incident, as well as company-wide improvement of policy and mitigation measures.	Elimination of breach	Progress
		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 - 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 need for non-fossil ways of transport and rising regulatory and technological risks. The industry has to answer fundamental questions related to their future product offering. We believe that the business models of car makers will significantly change over the next decade due to mobility becoming a service, the rise 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)*	Effective product quality management systems	Progress
	Impeccable product quality performance	Progress
	Forward looking product development	Progress
	Responsible lobbying	Neutral
	Innovative business mode	Neutral
Daimler*	Effective product quality management systems	Neutral
	Impeccable product quality performance	Neutral
	Forward looking product development	Neutral
	Responsible lobbying	Neutral
	Innovative business mode	Neutral
Ford Motor*	Effective product quality management systems	Progress
	Impeccable product quality performance	Neutral
	Forward looking product development	Neutral
	Responsible lobbying	Neutral
	Innovative business mode	Neutral
Volkswagen*	Elimination of breach	Progress
	Risk management systems in place	Progress
	Policy	Progress
	Transparency	Progress
	Stakeholder dialogue	Progress

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Social engagements

Human rights

Company	Reason for Engagement	Objectives	Status
China Petroleum & Chemical*	China Petroleum is being engaged on different (fatal) health and safety incidents in their production chain. Aim of the engagement is prevention of future incidents and overall improvement of company policy on social and environmental issues.	Elimination of breach	Successfully closed
		Risk management systems in place	Successfully closed
		Policy	Progress
		Transparency	Successfully closed
		Stakeholder dialogue	Progress

Company	Reason for Engagement	Objectives	Status
G4S Plc*	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.	Elimination of breach	Neutral
		Risk management systems in place	Progress
		Policy	Progress
		Transparency	Progress
		Stakeholder dialogue	Progress

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 drive the engagement with two internet companies:

Company	Objectives	Status
Google*	Policy	Successfully closed
	Partnerships and collaboration	Successfully closed
	Risk management	Progress
	Transparency	Progress
Facebook*	Policy	Progress
	Partnerships and collaboration	Neutral
	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.

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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. Progress will be monitored over multiple years. In 2018 the following 27 companies in the garment and footwear sector have been engaged by PLWF:

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	

Recently closed engagements

General Motors Co.

General Motors was under engagement because of a Global Compact breach for Principle 1, human rights. In 2014, General Motors was confronted with a major incident in their supply chain in China, where more than 70 people were killed and 160 injured due to an explosion.

Aim of the engagement with General Motors was for the company to improve measures and processes in place to prevent such accidents happening in the future. The company has been assessed twice a year on the following 5 criteria: elimination of the breach; policies in place to prevent future incidents; transparency; risk management systems in place; and active stakeholder dialogue.

In the years General Motors was under engagement, the company has specifically made improvements in their supply chain risk management, transparency on policies in place and has established a strong stakeholder dialogue. They have implemented an effective supply chain management tool which is being used to analyse all tier 1 and 2 suppliers for a variety of risks, including location specific safety risks. Also for Tier 3 suppliers risk engagement procedures are in place. A 'speak up for safety' company culture is being implemented.

With these improvements, the engagement targets have been met and the engagement was therefore successfully closed. a.s.r. will continue to monitor General Motors on potential (supply chain) risks in the future, as part of the regular screening process.

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

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3. Public policy engagements

Climate Action 100+

a.s.r. joined the Climate Action 100+ initiative in January 2018. Climate Action 100+ is a 5-year engagement initiative to engage the most important greenhouse gas emitters that have significant opportunities to drive the clean energy transition and help achieve the Paris Agreement. Together with other investors, representing over \$31 trillion in assets under management, to improve governance on climate change, reduce emissions and improve climate-related financial disclosures.

Lecture on ESG at Erasmus RSM University

In April 2018, the a.s.r. ESG team has given a lecture at Rotterdam Erasmus University on Sustainable Finance & Responsible Management. As part of the RSM Sustainability Forum 2018, students were educated on responsible investing.

ASR Nederland campaign on responsible investing

ASR Nederland has broadcasted a national campaign presenting our responsible investment practices; including several exclusions and several impact investing themes. Through the campaign, awareness on responsible investing is increased and people are engaged on their choices for financial institutions such as banks and insurance companies.

ASR Nederland N.V.

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