

# DELA Group Annual report 2018

DELA Coöperatie U.A.  
(abridged version)



coöperatie  
**DELA**

**Photo cover: Marleen van Iersel (R) plays with Joy Stubbe**

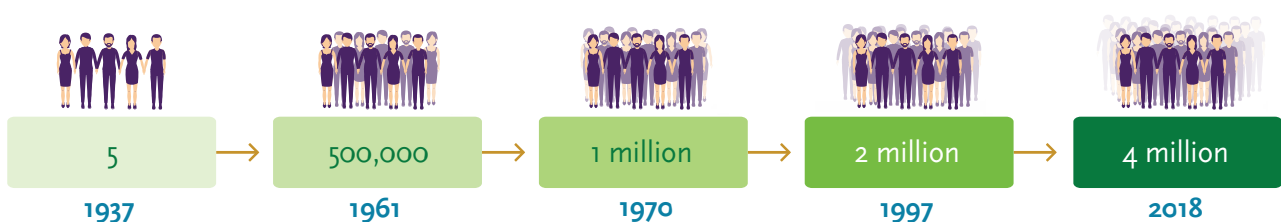
This report is a translation of the dutch abridged version of the annual report, which includes a summary of the statutory financial statement which was composed as follows: the original balance sheet from 31 December 2018 and the operational result statement over 2018 were copied integrally from the statutory financial statement. The statutory financial statement is based on Title 9 Book 2 of the Dutch Civil Code (BW). This summary suffices with repeating the principles for the material financial statement items. The notes that are required based on Title 9 Book 2 of the Dutch Civil Code are included in a simplified version, taking into account the intended purpose of these summarised financial statements. The summary also includes comparative figures. Consulting this summary cannot replace consultation of the statutory financial statement over book year 2018 as various simplifications are made in the summary.

Readers who would like more information can download a copy of the statutory financial statement via the website [jaarverslag2018.dela.nl](http://jaarverslag2018.dela.nl) (only available in dutch). All other chapters have been copied integrally from the original annual report.

Disclaimer: Parts of this annual report refer to future expectations. These components may – without limitation – include expectations about future realised and unrealised results, returns, payments, market developments, government measures, the influence of other regulatory measures on DELA's or its subsidiaries' activities, and macroeconomic trends and DELA's performance within them. Such statements are preceded by, followed by or contain words such as 'believes', 'expects', 'predicts', 'believes', 'anticipates', or similar expressions. These statements refer to future activities based on current assumptions and are subject to uncertainty, including known and unknown factors of which many are beyond DELA's control. This means that actual future results may differ materially from these expectations.

In accordance with part 9, book 2 of the Dutch Civil Code, the information presented in the section 'In brief', 'Governance and risk management', 'Annexes' and 'Definition & abbreviations' is considered part of the section 'Statement from the Executive board. For reasons of presentation, this information is not repeated in this section.

**DELA stands for:**  
**Carrying each other's burden**  
**A feeling of solidarity**  
**Standing strong together**  
**Sharing and making joint decisions**  
**Connecting generations**  
**And being there in the moments**  
**that matter most...**  
**For each other**



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**Jasper Bouter**

Played with Christiaan Varenhorst

**EC at home. A feast of fans and friends.  
Enjoying sports and life together.**

**#MyMoment # 2018 #ForEachOther**

DELA is the main sponsor of Dutch beach volleyball as we support both elite sports activities and recreational events. The cooperative has longstanding links with volleyball in the Netherlands, including a long-term partnership with the Dutch women's volleyball team in the period 2006-2016. Volleyball is an easy-going sport accessible to everyone.

LA  
elkaar



DELA Group Annual Report 2018

# In brief



# Foreword

The year 2018 has primarily been one of healthy expansion across the board. The number of people insured reached and then surpassed four million, with a strong start being made to our activities in the German market. We were also pleased to note positive developments in our core market of the Netherlands. Net growth in funeral insurance policies was better than expected and we are again seeing an upward trend in DELA's market share in the funerals we organise. Our policyholders continue to give us very high ratings, the net promoter scores have risen again, and employees in both the Netherlands and Belgium continue to express their pride in and praise for DELA as an employer.

## Digitisation & service excellence

Growth does not come easy, however. To enable our continued expansion and versatility, and prepare our people, systems and processes for the future, we are making major investments in digitisation. This will affect all facets of our business operations. These changes will, first of all, mean additional costs and efforts that will put pressure on the operational result and the organisation. At the same time, we have the benefit of knowing our destination: an organisation based on service excellence that provides personal attention with the help of digital processes. This ambition serves as a constant source of energy.

## Financial

The year 2018 was both challenging and exciting in financial terms. The investment result was negative, mainly due to a sharp fall in share prices. We had a considerable loss in 2018 following a highly positive result in 2017, a volatility which is in keeping with our business model. While our investments are part of a long-term strategy to generate maximum value for policyholders, there can be substantial fluctuations in the interim results. At the same time our solvency has remained strong. Reserves accumulated in the past were used to cover the distribution of profit determined for this year. A total of €42 million was deployed for distribution of profit aimed at increasing the insured capital. This partially compensated for the rise in funeral costs.

## Tried and tested

DELA encountered several difficulties in the final months of 2018: a fall in share prices was accompanied by allegations of unethical behaviour linked to the unauthorised taking and forging of fingerprints as tangible mementos for descendants. The accusations suggested serious privacy violations under the guise of commercial interest. In response we corrected our practices and carried out an independent investigation into the forgery claims, which found no forgeries had actually taken place. These events have further enhanced both our solidarity and our awareness of how the day-to-day dedication of employees makes all the difference. With full confidence in the future, we continue on our course to offer DELA clients an excellent and meaningful service.

Eindhoven, 17 April 2019

DELA Cooperative

### **The Executive Board,**

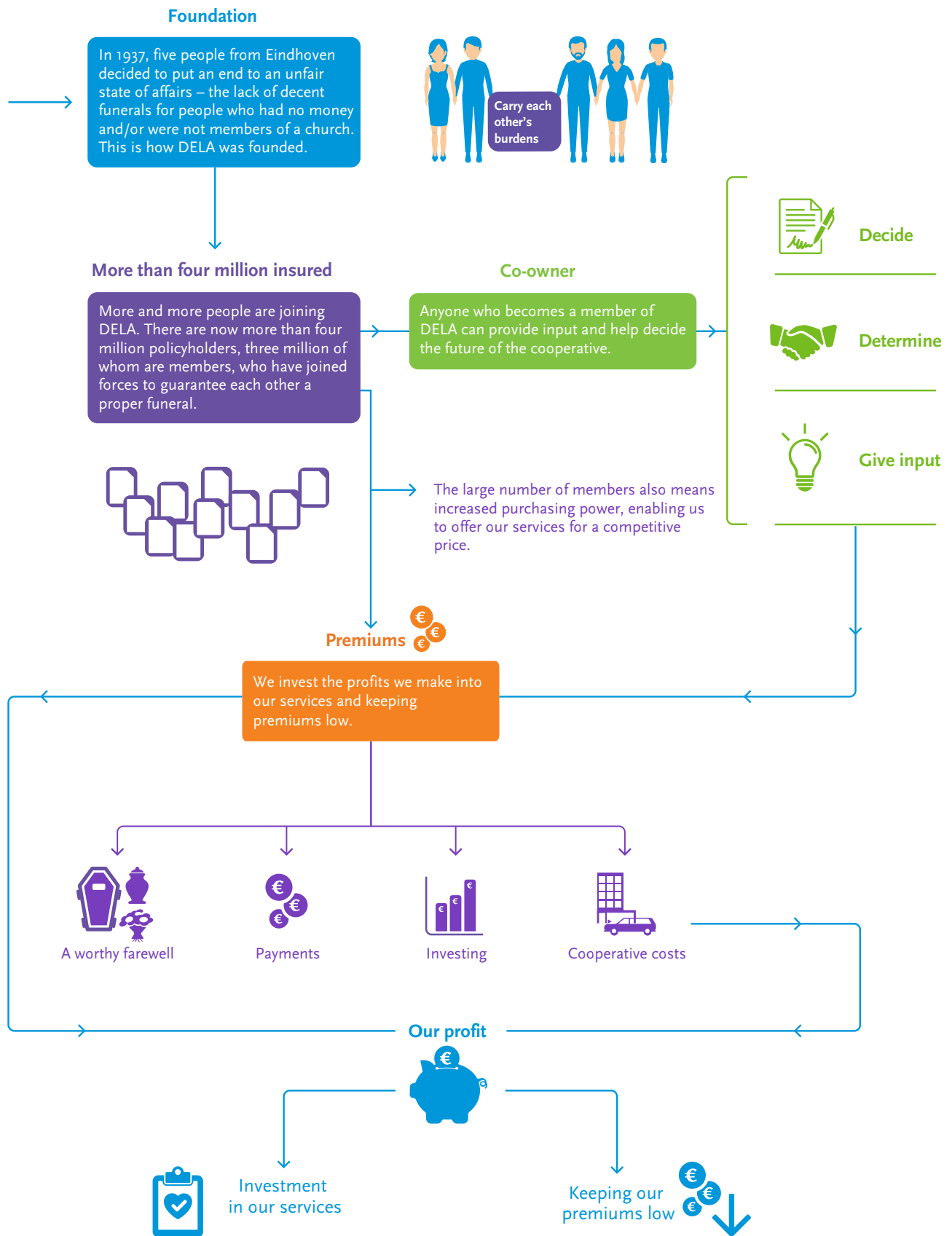
Edzo Doeve, chair

Jack van der Putten, vice-chair

Jon van Dijk, member

2018: A year of healthy growth during which we far exceeded the milestone of 4 million insured.

# Together we are strong



# Profile

DELA Coöperatie UA ('DELA', 'DELA Group' or the 'DELA cooperative' in the rest of this document) is an international insurer and funeral organiser active in the Netherlands, Belgium and, since recently, Germany. It insures more than four million people and is characterised by a cooperative model, with members being the collective owners.

## Insuring and caring

DELA was founded more than 80 years ago to ensure a dignified and worthy farewell for its members by insuring and organising funerals. Since our inception, DELA has focused on offering security, care and continuity.

## From and for members

DELA is a cooperative. The interests and satisfaction of our members are our highest goal. They are our 'shareholders' and their insurance policies make them members of the cooperative. DELA's Executive Board and Supervisory Board are accountable to the general meeting. The cooperative model is a unique safeguard for the interests of policyholders, whether they are active members or not.

## Increasing membership, guaranteeing solidarity

In the interest of providing high-quality services to members for the lowest possible premium, DELA strives to increase the number of its members, strengthen solidarity and achieve purchasing benefits. Having initially only done this in the Netherlands, we have since branched out internationally. Ever since its inception, the cooperative has operated according to the motto 'stronger together'.

Our members are the collective 'owner' of DELA and profits are for their benefit. This allows us to keep premiums low and cover the price increases of funeral services.

## International

DELA consists of insurance and funeral companies in the Netherlands and Belgium. This includes 28 funeral homes and 21 crematoriums in the Netherlands, and 54 funeral homes and 4 crematoriums in Belgium. All ensure a dignified farewell to the departed every day. DELA has also been active in Germany as an insurer since 2018.

DELA entered the German market in 2018 and made a very successful start.

## Financial buffers

DELA manages assets of more than €5.7 billion. Unlike non-life insurers, DELA has an insurance portfolio made up of long-term liabilities. This has consequences for our investment policy, which is therefore carefully aligned with our obligations. From the beginning we have built up financial buffers in good times to ensure sufficient reserves are in place when things are less rosy.

## Employees and society

At the end of 2018, DELA had 1,985 employees (1,494 FTEs). Committed, honest and enterprising, they work tirelessly to expand our membership, give people quality insurance products, ensure good investment results, provide an excellent service and dignified funerals, and offer sustainable and cost-efficient management, all with a sense of pride and satisfaction. In addition, the cooperative contributes to solving challenges in our society wherever possible.

# Key figures

## Group

	2018	2017	2016	2015	2014
<b>Customer satisfaction</b>					
<i>NPS 12-month average</i>					
Netherlands	53	52	52	45	nb
Belgium	52	43	nb	nb	nb
Total (weighted by respondents)	53	49	nb	nb	nb
<b>Reputation</b>					
Netherlands, members	78.7	80.3	80.8	81.1	80.6
Netherlands, non-members	65.4	64.5	64.7	63.4	62.5
Netherlands (RepTrak pulse)	72.1	72.4	72.8	72.3	71.6
Belgium ('DELA = the funeral specialist')	70%	72%	62%	nb	nb
<b>Employee satisfaction</b>					
<i>'Great Place to Work' rating</i>					
Netherlands	89	84	81	83	83
Belgium	87	83	79	71	78
Total	88	84	80	77	81
<b>Employees</b>					
<i>FTEs, end of year</i>					
Netherlands	1,115*	1,017	1,038	1,084	1,076
Belgium	369	357	371	350	358
Germany	11	6			
Total	1,495	1,380	1,409	1,434	1,434
<b>Turnover</b>					
<i>x € 1,000</i>					
Insurance, premium income	450,782	434,773	399,569	367,088	341,438
Insurance, other turnover	109	3,418	1,654	1,659	1,841
Insurance	450,891	438,191	401,223	368,747	343,279
Funeral home	113,475	116,082	118,853	123,280	121,443
Turnover, excluding investment income	564,366	554,273	520,076	492,027	464,722
Income from investments	-139,287	422,973	333,402	107,458	257,985
Total	425,079	977,246	853,478	599,485	722,707

\* Including an increase of 90 employees (65 FTEs) compared to the end of 2017 due to business acquisitions

## Group

continued

	2018	2017	2016	2015	2014
<b>Balance sheet</b>					
<i>Unless otherwise stated: x € 1 million</i>					
Balance sheet total	6,159	6,111	5,722	5,303	5,014
Value of investments	5,686	5,742	5,293	4,793	4,599
Insured capital	42,765	38,548	34,981	30,012	24,759
Technical reserves	4,584	4,291	4,063	3,850	3,591
Equity capital	1,048	1,251	1,016	878	903
... as a percentage of the technical reserves	23%	29%	25%	23%	25%
<b>Solvency</b>					
Solvency II ratio	373%	309%	239%		
<b>Distribution of profits and result</b>					
<i>x €1 million</i>					
Distribution of profits	42	18	31	55	60
Net result	-203	235	137	-29	77
<b>CO<sub>2</sub> emissions</b>					
<i>x 1 tonne, only DELA Netherlands</i>					
<b>SCOPE 1</b>					
Gas consumption	4,133*	4,183	4,025		
Funeral transport	310	316	381		
Leased cars	1,541	1,589	1,812		
Other	82	82	98		
Total	6,066	6,170	6,316		
<b>SCOPE 2</b>					
Electricity	-	625	924		
Heat	3	3	3		
Total	3	628	927		
<b>SCOPE 3</b>					
Commuter travel	878	1,087	1,092		
Business travel	361	465	458		
Total	1,239	1,552	1,550		

\* Estimated, not yet known

## Insurer

	2018	2017	2016	2015	2014
<b>Customer satisfaction</b>					
<i>NPS 12-month average</i>					
Netherlands (excluding customer service)	43	42	41	28	nb
Belgium	39	30	nb	nb	nb
Total (weighted by respondents)	40	34	nb	nb	nb
<b>Policyholders</b>					
<i>Number at the end of the year</i>					
Netherlands	3,218,355	3,176,382	3,129,427	3,073,020	2,982,980
Belgium	835,392	758,456	724,868	686,576	666,293
Germany	4,100	-	-	-	-
Total	4,057,847	3,934,838	3,854,295	3,759,596	3,649,273
<b>Premium income</b>					
<i>x €1,000</i>					
Nederland Uitvaartplan (funerals)	257,445	254,172	246,915	242,541	235,293
Nederland Leefdoorplan (life insurance)	26,044	23,947	20,706	14,959	10,096
Nederland Spaarplan (savings)	58,091	57,741	39,808	24,215	12,110
Total Netherlands	341,580	335,860	307,429	281,715	257,499
Belgium	108,905	98,913	92,140	85,373	83,939
Germany	297	-	-	-	-
Total	450,782	434,773	399,569	367,088	341,438

## Customer service

	2018	2017	2016	2015	2014
<b>Customer satisfaction</b>					
<i>NPS 12-month average</i>					
Netherlands	35	32	26	32	nb
Belgium	32	26	nb	nb	nb
Total (weighted by respondents)	35	32	nb	nb	nb
<b>Telephone contacts</b>					
<i>Number</i>					
Netherlands	290,906	261,461			
Belgium	217,025	239,379			
Total	507,931	500,840			



## Funeral home

	2018	2017	2016	2015	2014
<b>Customer satisfaction of surviving relatives</b>					
<i>NPS 12-month average</i>					
Netherlands	71	70	68	58	nb
Belgium	74	71	nb	nb	nb
Total (weighted by respondents)	72	70	nb	nb	nb
<b>Care of surviving relatives</b>					
<i>Number of conversations</i>					
Netherlands (by telephone)	33,580	31,920			
Belgium (in person)	8,745	8,792			
Total	42,325	40,712			
<b>Funerals</b>					
<i>Number</i>					
Netherlands	33,422	31,821	31,433	31,264	29,730
Belgium	11,461	11,795	11,793	12,720	12,262
Total	44,883	43,616	43,226	43,984	41,992
<b>Cremations</b>					
<i>Number in own crematoriums</i>					
Netherlands	23,984	22,781	22,341	20,889	18,329
Belgium	8,367	10,013	12,658	13,050	16,263
Total	32,351	32,794	34,999	33,939	34,592
<b>Turnover</b>					
<i>x €1,000</i>					
Netherlands	188,635	182,508	179,613	179,129	168,922
Belgium	52,520	54,602	54,980	56,810	55,453
-/- internal turnover	127,680	121,028	115,740	112,659	102,932
Total	113,475	116,082	118,853	123,280	121,443
<b>Average funeral costs</b>					
<i>€ Naturapolis, adult, Netherlands</i>					
Increase compared to previous year	1.5%	0.9%	1.1%	2.0%	2.7%

# Year in focus

## January

- Renovation and expansion of In Pace funeral centre in Oldenzaal (NL).

## February

- Opening of DELA Germany office in Düsseldorf. [1]

## March

- DELA declared winner of Great Place to Work (GPtW) award in the Netherlands and scores a solid seventh place in Belgium. [2]
- Funeral service providers Uitvaartzorg Forrier and Vangrunderbeek open their doors in refurbished locations in Vilvoorde and Zaventem (B). [3]



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5

January

February

March

April

May

June



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## April

- DELA opens its head office in Eindhoven (NL) after a thorough renovation leading to increased sustainability. A publicly accessible restaurant is located on the ground floor. [4]
- DELA starts selling insurance in Germany and is given a five-star product ranking from Morgen & Morgen.
- Culmination of the Final Footprint Challenge (NL), a platform for sharing sustainable solutions with the funeral industry and the rest of the world.
- The Ecor/Chistann partnership wins with an almost CO<sub>2</sub>-neutral coffin which people can receive by post and put together by themselves. [5]

## May

- Het Zeeuwse Land crematorium inaugurated in Goes (NL). [6]

## June

- DELA Netherlands introduces “zit-lig-kist” coffin as an innovation in an increasingly personal funeral industry.

## July

- DELA starts building new funeral home on grounds of Zegestede crematorium in Roosendaal (NL).
- DELA Beach Open finals take place. [7]

## August

- Funeral service provider Uitvaartzorg Lantmeeters - Geyskens in Genk (B) welcomed into the DELA family.

## September

- Migration of approximately 41,800 policies to DELA as a result of earlier acquisition of Hooghenraed portfolio.
- DELA reaches new record, with four million policyholders!
- DELA charity fund awards the 'golden Venus of Milo', with Imke Emons designated as the most inspiring Dutch person with a disability. [8]
- 1,000th insurance policy taken out in Germany.

## October

- The beautiful new Bleyaert funeral home opens its doors in Knokke (B).
- Auditorium of funeral service provider Uitvaartzorg Marote in Ostend (B) given makeover.
- 'Mijn herinnering aan jou' ('My memory of you') app, designed to help people process their grief, launched by DELA Belgium. More than 1,200 users have already installed. [10]
- DELA funeral care plan voted best funeral insurance in Belgium in 2018 by DECAVI, a research institute active in the insurance sector.



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July

August

September

October

November

December



8



11



12



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## November

- DELA Netherlands is featured in Radar television programme by broadcaster AVROTROS to provide clarity on the fingerprints issue. [11]
- DELA connects the generations during GLOW light art festival in Eindhoven (NL). Colleagues from all over the country and more than 40 elderly people and 25 young people from Zonnebloem walk along the route covering the highlights of GLOW over two evenings.
- DELA Germany achieves sufficient number of observations for customer satisfaction rating and is designated as being 'very good'. [12]

## December

- New workplaces for funeral-service providers Uitvaartzorg Remans in Genk (B) and Uitvaartzorg Lambrecht in Blankenberge (B).
- Gifts for children from families who depend on the food bank placed under Christmas trees at the head office in Eindhoven by DELA charity fund together with Samen voor Eindhoven foundation. [13]
- Funeral service providers Uitvaartzorg Bemelmans in Trooz (B) and Laloux-Chaudoir in Salzinnes (B) are still in development, and will be ready in early 2019.
- Rating agency Assekurata gives DELA in Germany an A rating ('strong credit, stable outlook'). [12]

# Vision and strategy

DELA has been around for more than 80 years, and our mission has remained faithful to that of our founders throughout this time. We have a robust business model and principles that determine how we create value for our stakeholders. Our long-term strategy and bold objectives show the way to the future.

## Mission

DELA is a cooperative that focuses on continuity of life. We assist members with advice and a broad range of financial and practical services which ensure they can be as carefree as possible when looking to the future. DELA's mission is: 'we provide each other with security, care and continuity.'

## Business model

DELA's members and management together guarantee the continuity of the cooperative and ensure that the concept will continue to function and flourish for years to come. The business model is simple and revolves around:

- Bundling the purchasing power of as many members as possible;
- Cost-efficient purchasing and organisation of dignified funerals;
- Structural value creation for stakeholders by achieving the four main goals;
- Guaranteeing our social responsibility and relevance. Our operations should place the smallest possible burden on the environment while contributing to a society in which everyone matters and all can participate.



## **Ambition: a bold goal that is clear to all**

Where do we want to go? What is our ultimate ambition? Both our mission and strategy are reflected in the bold goal we have formulated for the DELA Group for the coming decade: 'by 2030, we will have five million members in Europe who provide each other with security, care and continuity.'

The goal of DELA Netherlands specifically in the current planning period focuses on social engagement and excellent service provision in particular. It states that 'by 2020, DELA will be the most committed cooperative and give life more meaning.'

DELA Belgium is in a phase of growth, both organically and through acquisitions. Its goal for this planning period is to build up name recognition and reputation. Its goal states: 'by 2020, DELA will be the foremost funeral specialist in Belgium and a warm family for all other families.'

Due to its recent creation, no goal has been formulated for DELA Germany as of 2018 other than making a strong entrance into the German market.

## **Our main goals: this is how we create value**

We measure our performance across four main goals. Reaching these goals enables us to create value for our main stakeholders.

- Our members: Do members and customers recommend our services? The indicator for this goal is our net promoter scores.
- Our finances: To what extent can we continue to distribute profits among our members, now and in the future? The relevant indicator here is the expected average distribution of profit.
- Our people: Do our employees think DELA is the best company to work in? Workplace pride and satisfaction are measured via the annual Great Place to Work (GpTW) survey.
- Our environment: What does the outside world think of DELA? As the indicator for this goal, we have the Reputation Institute monitor how we are perceived in the Netherlands. In Belgium, we keep track of the perception of DELA as the foremost funeral specialist.

## Multi-year strategy: our future plans

The course for the DELA cooperative is essentially timeless and equally relevant every year. Our strategy, however, is tailored to the planning period and reflects the phase in which we find ourselves as a company. At a group level, the strategy can be summarised as follows:

- Strengthen our position in our core markets of the Netherlands and Belgium by expanding product propositions and acquisitions;
- Use international expansion to increase the number of members, generating more and more economies of scale;
- Enhance the agility, digital mastery and adaptability of our organisation to ensure that DELA meets the expectations of its members now and in the future by providing excellent services and cost-efficient operations;
- Develop our social responsibility and relevance, and introduce relevant products and services containing the DELA DNA (under the name 'DELA connects').

## Implementation 2018

The following strategic focus points applied in the year under review:

DELA Group	Increasing the number of members; Improving, expanding and guaranteeing the quality of our services; Enhancing our digital expertise and data management and use; Standardising the short-cycle management model; Embedding socially responsible, sustainable and transparent operations better in our cooperative, and making them more visible.
DELA Netherlands	Strengthening our position in private funeral sector; Safeguarding the outcomes of the cost reduction programme; Starting up a project to replace major underwriting systems.
DELA Belgium	Strengthening our position in private funeral sector; Growth through acquisitions and the integration of the portfolio acquired from Belgian funeral insurer Hooghenraed; Implementing the cost-reduction programme.
DELA Germany	Building an organisation and opening our own office; Introducing the DELA brand, starting with the insurance advisor industry; Starting the sale of life insurance policies.

# Personal details of Executive Board members

## **Edzo Doeve (1956), Chair**

Male, Dutch citizen. Position in the DELA Group: Chair of Executive Board (since 2004). Position in DELA Netherlands: Managing Director (since 2004) with a focus on general policy, cooperation, insurance and funeral management, HRM, communication, CSR, internal audit, legal affairs and compliance. Employment period: indefinite. Other positions: Chair of Executive Board of national funeral museum Tot Zover, Member of Supervisory Board and Chair of Audit Committee of Eindhoven 365, Chair of Stichting Promotors Van Abbemuseum, Board Member of DELA charity fund.

## **Jack van der Putten (1959), Deputy Chair**

Male, Dutch citizen. Position in the DELA Group: Member of Executive Board and Deputy Chair (since 2010). Position in DELA Netherlands: director (since 2010) with a focus on IT, purchasing, customer experience, customer process team and customer service. Position in DELA Belgium: CEO. Employment period: indefinite. Other positions: Member of Executive Board of DELA charity fund, Chair of Stichting Onbeperkt Genieten.

## **Jon van Dijk RA (1957), Member**

Male, Dutch citizen. Position in the DELA Group: Member of Executive Board (since 2014) and CFRO. Position in DELA Netherlands: Financial Director (since 1994) with a focus on finance, control, actuarial, risk management and investments, including the real estate organisation. Employment period: indefinite. Other positions: Treasurer of Stichting Los Niños, Member of Executive Board of DELA charity fund, Member of Supervisory Board, Member of Finance & Real Estate Audit Committee of Regionale Stichting Zorgcentra de Kempen.

Jon van Dijk, Edzo Doeve, Jack van der Putten



# Personal details on the members of the Supervisory Board

## **Wim van den Goorbergh (1948), Chair**

Male, Dutch citizen. Appointed in 2007, currently serving third and final term, which will end on 25/05/2019. Other positions: Chair of Supervisory Board of NIBC Bank NV (until 26/04/2019), Chair of Executive Board of Stichting Administratiekantoor Heijmans, Chair of Stichting Administratiekantoor ANWB, Chair of Executive Board of Vereniging AEGON, Chair of Supervisory Board of Leyden Academy on Vitality and Ageing BV, Member of Appeals Board of Tuchtrect Banken, Chair of Stichting Leefbaarheid Luchthaven Eindhoven.

## **Corjo Jansen (1961), Deputy Chair**

Male, Dutch citizen. Appointed in 2012, currently serving second term. Other positions: Chair of Business and Law Research Centre of Radboud University Nijmegen, Chair of Executive Board of Titus Brandsma Institute Nijmegen, Chair of Scientific Advisory Board of Royal Netherlands Institute in Rome.

## **Jan Pieter de Pender (1961), Secretary**

Male, Dutch citizen. Appointed in 2009, currently serving third and final term. Other positions: professor and exam secretary at De Nassau Scholengemeenschap Breda.

## **Willemien Caderius van Veen (1959)**

Female, Dutch citizen. Appointed in 2014 and reappointed for a second term in the current year. Other positions: Management Consultant/Interim Manager/Owner of Caadje BV, Member of Supervisory Board of housing association Waterweg Wonen, Chair of Supervisory Board of pension fund for agricultural and food supply sector, Chair of Supervisory Board of Distillers Group Toorank BV, Chair of Supervisory Board of Stichting Pensioenfonds Openbaar Vervoer, Chair of Review Committee of Pensioenfonds Lloyds Register Rotterdam.

Jan Pieter de Pender, Wim van den Goorbergh, Willemien Caderius van Veen, Corjo Jansen





### **Hans Leenaars (1952)**

Male, Dutch citizen. Appointed in 2015, currently serving first term. Other positions: professor emeritus in administrative information management at University of Amsterdam, Chair of Supervisory Board of Chassé Theater NV, Chair of Cultuurfonds Chassé Theater, Member of Executive Board of Stichting John van Geunsfonds, Chair of Advisory Board of ILFA Group.

### **Georges de Méris (1961)**

Male, Dutch citizen. Appointed in 2019, currently serving first term. Other positions: Partner in Corporate Finance at Forensics & Recovery Joanknecht, Member of Supervisory Board of Omroep Brabant, Chair of Elefunds, Member of Executive Board of Theaterfestival Boulevard, Member of Executive Board of Rotary 's-Hertogenbosch.

### **Van van der Weg (1955)**

Male, Dutch citizen. Appointed in 2015, currently serving first term. Other positions: Director of Stichting Merita, Director of Quality Assurance for Stichting Kwaliteitsgarantie Vleeskalversector, Director-Owner of Macotra BV.

### **Appointment after publication of this annual report**

### **John van de Steen (1954), Chair of Supervisory Board from 25/05/2019**

Male, Dutch citizen. Other positions: Chair of Supervisory Board of BinckBank NV, Chair of Supervisory Board of Princess Sportsgear & Traveller BV, Member of Executive Board of Stichting Donateurs van het Koninklijk Concertgebouw Orkest, Member of Executive Board of Stadhold Insurances SA, Member of Executive Board of Vereniging AEGON, Owner of Ansteen Holding BV.

*All Supervisory Board members sit on Supervisory Boards of DELA Coöperatie UA, DELA Holding NV and DELA Natura- en Levensverzekeringen NV.*

Hans Leenaars, John van de Steen, Georges de Méris, Van van der Weg





**Sanne Keizer**

Plays with Madelein Meppelink

**EC title. Last match point. Suddenly you realise: we won together! Proud of each other. Super proud of the whole team [#MyMoment](#) [#2018](#) [#ForEachOther](#)**



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DELA Group Annual Report 2018

# Executive Board report

# Our members

The interests of our members and customers are central to everything we do. All the services we provide are aimed at helping the bereaved and supporting the connection between people and generations. Partly thanks to our focus on excellent service, customer satisfaction has increased across all activities of the cooperative. Through our cooperative panel, we involve customers in improving our products and services.

DELA is committed to increasing the number of policyholders so that we can achieve economies of scale in purchasing and keep premiums as low as possible. Despite a shrinking market in the Netherlands, we had a robust net growth in the number of policyholders in 2018. The increase in Belgium was relatively stronger than in the Netherlands: this is where DELA has the most potential for further growth. DELA has also been active in the German market since the spring of 2018, and has got off to a promising start. In total, we had some 123,000 policyholders more at the end of 2018 than a year before.

## Markets

DELA has core markets and new markets.

### Our core markets are the Netherlands and Belgium

According to our long-term scenarios, it seems inevitable that the funeral insurance portfolio – the heart of our activities – will shrink in the Netherlands. At the same time, the funeral market as a whole will grow strongly due to the expected demographic developments. This will require a reconsideration of our core products and markets, which must result in new ways to connect people to the cooperative before, during and after a funeral. This can be achieved by making improvements to the current insurances we offer, by finding new ways to fund funerals or by introducing new forms of membership. This will enable us to serve more customers in the growing uninsured funeral market.

Belgium is our second core market, with very different growth prospects – in the long term, this market may still triple in size. Sustaining growth, as well as realising synergies between insurance and service, is the challenge in this context. Our insurance company takes care of the financial security of funerals, while our funeral services assist surviving relatives with funerals, crematoriums, repatriation and bereavement services.

## Perspective for new markets: start in Germany

An exploration of possibilities in other countries in Europe has found opportunities for growth in several places, especially for entering markets via insurance. The basic principle here is that all growth abroad is at the service of the total cooperative. The German market is very large and our first point of order is to establish more of a presence there. This is why DELA opened an office in Düsseldorf in 2018.

## Insuring

The size of our total portfolio, measured by the number of policyholders, is a major priority for DELA. Despite the shrinking market for individual life insurance policies, we again achieved significant growth in 2018 across all three product groups: funeral insurance, life insurance and savings insurance. The broadening of our services means we do not just provide more for our existing members and customers, but also attract new policyholders. The consolidated organic net growth was some 81,200 new policyholders (this figure was approximately 80,500 in 2017). Including non-organic growth, the total net increase was around 123,000 policyholders.

## Policyholders

Number of policyholders per product at the end of the year and increase during the year under review

	2018	net growth	2017
Nederland Uitvaartplan (funerals)	2,897,923	+10,758	2,887,165
Nederland Leefdoorplan (life insurance)	282,153	+25,994	256,159
Nederland Spaarplan (savings)	38,279	+5,221	33,058
Total for the Netherlands	3,218,355	+41,973	3,176,382
Belgium	835,392	+76,936	758,456
Germany	4,100	+4,100	-
Total	4,057,847	+123,009	3,934,838

## Funeral insurance

The year 2018 was very good for funeral insurance. In the Netherlands, both new revenue –largely realised online – and the existing portfolio produced good results. DELA's share in the Dutch funeral insurance market increased in 2018 and is now 39.1% (37.2% in 2017). As the funeral insurance market is still developing in Belgium the growth opportunities are even greater than in the Netherlands. The organic net growth in the number of policyholders was more than 35,100 in Belgium in 2018 (around 33,600 in 2017). In addition, the acquisition of the Belgian insurance portfolio of Hooghenraed, completed on 1 October, led to a migration of approximately 41,800 policies to DELA. At the end of 2018, DELA Belgium had a total of 835,392 policyholders, no less than 10.1% more than one year previously. At the end of October, DECAVI proclaimed the DELA funeral care plan the best funeral insurance policy for the second year in a row. A funeral insurance policy was also developed for the German market in 2018 and will be introduced in 2019.

## Surrender of funeral insurance

As of 1 May 2018, deposits that include the previously surrendered amount of the funeral insurance can be surrendered. Since 2015, The Netherlands Authority for the Financial Markets (AFM) indicated that surrender should be made possible for new funeral insurance policies. DELA is a cooperative in which the members have the final vote. The surrender policy was adopted unanimously in the general meeting and implemented on 1 January 2017. A major difference with the previous scheme is that the calculated surrender value is paid out directly and no longer mandatorily placed in the deposit fund. This is under the condition that the surrender value before reduction is higher than a fixed minimum amount. In the old scheme, we did not pay out cash as the legislation and regulations did not allow insurance companies to do so. The surrender value would go into the DELA Deposit Fund instead. The amounts in this fund are supplemented annually by a good healthy interest rate. The built-up amount is released after death, allowing descendants to use it for the funeral.

## Life insurance

Net growth in life insurance policies was around 26,000 in the Netherlands (approximately 32,500 in 2017). This score was hit in the year under review by the challenging housing market, which makes it difficult for first-time home owners to get mortgages and means fewer life insurance policies are sold. Life insurance policies are mainly sold through intermediary channels. DELA is seeing increasing competition in the Netherlands. In Germany, where DELA started offering life insurance in 2018, the circumstances are different. Life insurance is already a well-known product on the German market. In its first year of operation, DELA Germany sold no fewer than 4,100 policies and received an excellent (A) rating for solvency and stability from rating agency Assekurata, as well as a five-star rating for its products from Morgen & Morgen. We are very proud of these performances. DELA is not yet widely known in Germany, but the Dutch have a good reputation there for being reliable and friendly. The idea of a cooperative is also attractive to Germans.

## Savings insurance

DELA also offers savings insurance on the Dutch market. This is a good way for consumers to put money aside for the long term at a fixed interest rate of 2.00%. This product offers a worthwhile alternative to banks now that they offer such low interest rates. Savings insurance policyholders deposit a periodical or one-off amount and receive a guaranteed amount at the end of the term. DELA renewed its savings insurance product on 1 January 2018, partly in relation to new European regulations (PRIIPs). The net increase in our number of savings insurance policyholders in the Netherlands was approximately 5,200 (8,800 in 2017). The decrease compared to the previous year is due to our interest rate adjustment at the start of the year. Towards the end of 2018 we again started seeing an increase in the volume of savings insurance policies.

## Marketing

The increase in the number of policyholders across the full range of our products and markets was, of course, not automatic. DELA has an active marketing approach which seeks an ideal balance between commercial goals (appropriate to our objective of becoming as large as possible) and restraint (suited to our brand and products). We choose to engage in an active dialogue about socially relevant events. We use posts on social media such as LinkedIn and Facebook to communicate about DELA and passing away.

We have implemented a range of campaigns in the Netherlands in which marketing automation and one-to-one marketing became even more prominent. As well as increasing the effectiveness of campaigns in the modern digital media landscape, this ensures a better customer focus. In 2018, DELA Netherlands developed new propositions for the private funeral market that went live in September. There has also been work on the translation of the very successful 'Waarom Wachten' ('Why Wait') brand campaign from 2012 into an updated version. This campaign will be rolled out in 2019 and run for several years.

### **My memory of you (Je ne t'oublierai jamais)**

Funeral specialist DELA aims to help people before, during and after the funeral. In light of this mission, DELA developed an online tool called 'My memory of you' together with bereavement specialists and bereavement therapist Lies Scaut to help children grieve. The fact that children mourn lost ones too is sometimes overlooked.

The app focuses on children in elementary school and aims to provide support with the bereavement process by keeping the memory of the deceased alive. The app's main characters, Leon and Marie, take the child on a journey through the labyrinth of bereavement, and help them create a world of memories.

As children often have a wrong impression of everything related to funerals, the deceased or viewings, we developed an educational segment with informative videos on saying goodbye to loved ones. This way they can start the bereavement process well-prepared and with the right expectations.



DELA Belgium conducted the media campaign ‘U bent onvergetelijk maar niet onsterfelijk’ (‘You are unforgettable but not immortal’) using the song Unforgettable (1952) by Nat King Cole. This included a successful radio campaign. In addition, there were several online campaigns throughout the year, regular posts on Facebook and publicity provided by PR. An important way to improve customer awareness and the idea of DELA as ‘Belgium’s foremost funeral specialist’ is also an active, visible presence in the field of public information.

## Funerals

DELA owes its success to a combination of insurance and care. Our employees offer concrete help and support our members and their relatives with advice and assistance. Originally this meant mainly taking care of the funeral, but the assistance that DELA offers has been expanded in recent years. At the end of 2018, DELA had a total of 145 funeral venues, including 25 crematoriums and 82 funeral homes.

In the Netherlands, over 153,000 people passed away in 2018 – more than had been projected by the mortality tables. This led to a busy period, especially in the first quarter. This was compounded by the fact that DELA had also strengthened its market share in private funerals. The number of funerals in Belgium fell slightly, however. Here, the focus was on strengthening the internal organisation, and we were aiming to achieve growth through acquisitions. The number of cremations in Belgium decreased, partly due to the fact that cremations in the city of Hasselt are no longer provided by DELA.

## Funerals

### Numbers

By country	2018	difference	2017
<b>Funerals</b>			
Netherlands	33,422	+1,601	31,821
Belgium	11,461	-334	11,795
<b>Total</b>	<b>44,883</b>	<b>+1,267</b>	<b>43,616</b>
<b>Cremations</b>			
Netherlands	23,984	+1,203	22,781
Belgium	8,367	-1,646	10,013
<b>Total</b>	<b>32,351</b>	<b>-443</b>	<b>32,794</b>

The total number of funerals in 2018 was approximately 44,900, a rise compared to 2017 of almost 1,300 funerals. This increase was recorded entirely in the Netherlands: the number of funerals in Belgium fell slightly compared to 2017, by around 300. The share of private funerals in the Netherlands rose every quarter in 2018, albeit gradually, ultimately going from 17% to 18%. In the four quarters of 2017, the proportion of private funerals fluctuated between 15% and 16%. This is a good development.

The funeral company in Belgium, on the other hand, focuses primarily on the private market. Growth there must primarily take place through acquisitions. Margins are under pressure at funeral homes, particularly in the Netherlands due to increased competition.

## Product development

DELA is committed to making funerals as sustainable and personal as possible, and our product development is focused especially on this.

In 2018, DELA and our supplier Kaspersma Uitvaartkistenfabriek developed a new type of coffin, which marks a significant leap forward in the field of corporate social responsibility. The sustainable coffin is expected to receive FSC certification and be introduced to the market in 2019.

The test phase of a new printing system, in which funeral directors arrange the printing themselves online, was successfully completed in 2018. A large-scale national rollout started in March 2019, after the usual busy period at the start of the year.

## Takeovers

On 1 August, DELA took over Uitvaartzorg Lantmeeters - Geyskens in Genk (B). Preparations for two other acquisitions in Belgium were started in 2018 and the takeovers should be completed in 2019.

### Zit-lig coffin

Sjeng Schellinx, a carpenter from Maastricht, joined forces with DELA in 2018 to develop the zit-lig coffin. It is common to tend to the deceased and then present them on their beds or in their coffin for a viewing. Initiator Schellinx developed a prototype based on his own personal wish to allow the deceased to be presented sitting up. The zit-lig coffin is suitable for burials or cremations.

## New construction and renovations

DELA has carried out work on the Zeeuwse Land crematorium in Goes (NL), which opened in April/May. The new Hoge Boght crematorium in Veldhoven (NL) was operational for its first full calendar year in 2018. We also renovated facilities in Leiden and Oldenzaal (NL). In April, DELA started building a new funeral centre on the grounds of the Zegestede crematorium in Roosendaal (NL). The Ommering Crematorium in Spijkenisse (NL) was renovated from May 2018 onwards and reopened in March 2019.

The locations of Uitvaartzorg Forrier and Vangrunderbeek in Vilvoorde and Zaventem (B) have been refurbished. The beautiful new Bleyaert funeral home in Knokke (B) opened its doors. The auditorium of Uitvaartzorg Marote in Ostend (B) received a makeover. Uitvaartzorg Remans in Genk (B) and Uitvaartzorg Lambrecht in Blankenberge (B) were given new workplaces. New facilities at Uitvaartzorg

Bemelmans in Trooz (B) and Laloux-Chaudoir in Salzinnes (B) are still under construction and will be ready in the first half of 2019. Taken as a whole substantial investments have been made and the facilities have been further modernised.

### **Mortuary Brussels Airport**

DELA has its own repatriation centre by the airport in Zaventem, called Mortuary Brussels Airport. Our employees are available to help descendants repatriate their loved ones to and from foreign countries. Thanks to the extensive DELA network, we can provide smooth repatriation with respect for any religion, customs and rituals of the deceased and their descendants, always guaranteeing a personal and humane approach. The location has its own viewing facilities and auditorium for farewell/funeral ceremonies.

### **Learning and improving**

By focusing on excellent services and continuously learning and improving together, we have enhanced customer satisfaction and with it our NPS figures, both in the Netherlands and in Belgium.

#### **Excellent service**

It is good to regularly test what we stand for and the service we offer on a daily basis with our members and customers. It is important to ask ourselves whether our services still fit their needs, wishes and expectations. The DELA assets (called the DELA pillars in Belgium) represent the issues policyholders consider important in our services. Things that sometimes feel ordinary in our work can be what make the most difference in the eyes of others. Working together on an excellent service level requires everyone to understand the essence of the assets and know how to translate them into their daily work.

#### **Net promoter score**

The net promoter score is the system we use to measure the satisfaction of our customers, our members and surviving relatives. NPS measures whether customers are likely to recommend us to others. Our overall score in the Netherlands rose to 53, and there was a very clear increase in our score in Belgium to 52 during the year under review.

## Net promoter score

12-month average. Total DELA Group, weighted by respondents

	2018	2017	2016	2015
<b>Netherlands</b>				
Insurance	43	42	41	28
Funeral services	71	70	68	58
Customer service	35	32	26	32
Total (weighted by respondents)	53	52	52	45
<b>Belgium</b>				
Insurance	39	30		
Funeral services	74	71		
Customer service	32	26		
Total (weighted by respondents)	52	43		
<b>Total group</b>	53	49		

### Excellent service

The funeral business in the Netherlands initiated the 'Most Hospitable' (*Gastvrij de Beste*) programme, focused on improving the competences of managers, detailing the value of engagement and developing a uniform impression, desired employee behaviour, an optimal working environment and simplified & clear protocols. The programme aims to ensure everyone receives a warm welcome.

### Product development: *ThuisBest*

The elderly are now living at home independently until a much older age. In 2018, DELA started to develop a product that would enable insurance to be paid out for certain care needs related to old age, illness or accident. Research was carried out for this purpose in 2018, and product development under the name *ThuisBest* was initiated. It was eventually decided not to market the product, as the research showed that the target group of the product did not have a sufficient interest in the insurance.

## Promoting members' interests

### By and for members

In the Netherlands, policyholders and co-insured individuals are members of the cooperative and therefore represent the collective 'owners' of DELA. Work on the legal structure for our policyholders in Belgium is still underway and will be completed before 2020: the intention is for them to join the cooperative as well. Once the number of policyholders in Germany reaches a certain number – for now we are considering a cut-off point of 100,000 – we would like them to become members of the cooperative too.

### Taking part in consultations and decision-making

The general meeting represents our members and is the highest organ of our cooperative. It has the final say in appointments and policy, and appoints the Members of the Supervisory and Executive Boards. The way in which our cooperative is managed and our members' interests safeguarded is described in the Corporate Governance section.

### General meeting in 2018

There were two sessions of the general meeting in 2018, in January and May. The focus in the autumn was on continuing education.

The following matters were discussed on 13 January:

- Seventeen new delegates or deputy delegates joined the general meeting;
- The results of the FIT programme, which aims to make the cooperative more financially sound, innovative and future-oriented). This was started in mid-2015 after costs were found to be rising faster than turnover. FIT aimed to break this trend and structurally save €17 million by 1 January 2018 compared to the 2015 budget;
- The deflation policy. Within DELA, we deal with the annual increase in average funeral costs by raising the funeral insurance premium. This increase is submitted to the general meeting for approval every year. A deflation policy has now also been established;
- The reappointment of Ms Caderius van Veen to the Supervisory Board;
- The budget, which was shared with the general meeting;
- The capital policy, which was approved;
- The profit-distribution scheme, which was approved;
- The adjustment to the savings insurance policy that DELA introduced in 2018.

On 26 May, the general meeting discussed:

- The surrender of deposits which include an already-surrendered amount on a funeral insurance policy;
- The election of the Confidential Committee. In accordance with Article 10 of the Rules of Procedure, four members were appointed. The members are appointed for a maximum period of

four years and one resigns in accordance with the pre-set rotation schedule each year. A vote designated Mr Slenter to fill the vacancy which arose in 2018;

- The annual report. After detailed clarification by the Executive Board, the general meeting approved the financial statements for 2017 and the result appropriation, officially adopting the DELA annual report;
- Discharge. The general meeting unanimously granted discharge to the individual members of the Executive Board for the policy pursued and to the Supervisory Board for supervising the policy pursued by the Executive Board;
- The remuneration report. On the basis of the remuneration report, the general meeting established that remuneration for 2017 had been allocated with due care;
- The average funeral costs;
- The premium adjustment. The general meeting approved an increase in the premium to reflect the rise in the average funeral costs of 1.90%;
- The determination of the distribution of profit for the DELA Spaarplan (savings plan);
- The extra expenditure on digitisation over the previously discussed budget.

## Consultation of members

### DELA cooperative panel

To properly represent our members' interests, we conduct research and make choices with our members on matters such as products and operations. Consulting the members is an important aspect of this work. We have had a cooperative panel organised and run by and for our members since 2010. This panel was converted into an online platform in 2015, allowing a larger group of members to contribute ideas. At the end of 2018, 1,913 members (1,800 in 2017) were connected. In the year under review they contributed to the following topics:

- The 'dignity in old age' programme, including the inventory of a new insurance policy;
- Surrender costs;
- Communication about the new 2019 policy;
- The process of taking deceased individuals' fingerprints.

All results are available in Dutch at <https://www.dela.nl/over-dela/over-cooperatie-dela/lid-van-cooperatie-dela/cooperatiepanel/terugkoppeling-van-onderzoeksresultaten>.



# Our finances

The cooperative has been there for its members for more than 80 years now, generation after generation. Focused on security, care and continuity, we make sure we deliver on our promises: benefits that retain their value over time for a premium that is kept as low as possible through distribution of profits. While the operational results for 2018 were good, the investment result was negative so a substantial loss was reported on balance. As the solvency ratio shows, DELA is financially sound and in very good shape. Despite the disappointing investment results, the solvency margin rose and the cooperative was able to distribute €42 million of profit for the benefit of its members. Since its foundation, DELA has built up financial buffers in good times as reserves to use when things go less well.

## DELA business model

DELA has a robust business model. The diversified investment of insurance premiums makes a structural contribution to our cooperative and its members in the long term. The nature of the insurance policies – in most cases paid out in the event of death – leads to long-term obligations. As this long horizon requires a relatively offensive investment strategy, investment results can fluctuate.

## Premium income

Organic growth in premium income was four percent in 2018 (nine percent in 2017) and increased to €451 million. The lower growth compared to 2017 is entirely due to the fall in the volume of the purchase prices for the savings insurance policies. In the Netherlands, there was broad growth across all three product groups: funeral insurance, life insurance and savings insurance. Belgium achieved a greater percentage increase in premiums (discounting the German market, which is just getting started).

2018 was a good year for funeral insurance. Both the new turnover, largely realised online, and the management of existing portfolios was better than expected.



## Premium income

€ x 1,000

	2018	difference	2017
Netherlands	341,580	2%	335,860
Belgium	108,905	10%	98,913
Germany	297	-	-
Total	450,782	4%	434,773

## Investment income

Fluctuations in the value of our investments during 2018 worked to our disadvantage, leading to a loss for the year under review. While we would of course have preferred a profit, volatility is a direct consequence of our strategic investment choices. These are aimed at achieving the solid long-term return on which the premium is based as well as to counteract the inflation in funeral costs. As we expect to achieve good results with our strategy over the years, we accept sizeable momentary fluctuations in the value of our investment portfolio.

## Income from investments

€ x 1,000

	2018	difference	2017
Income from investments, operational	130,314	5%	124,624
Income from investments, non-operational	-265,091	-187%	305,148
Other expenses, including intercompany hire of crematoriums	-4,510	-34%	-6,799
Income from investments	-139,287	-133%	422,973

On balance, the loss from investments amounts to €139 million. The return on investments differs by more than €500 million compared to 2017. Our investment strategy is relatively sensitive to negative market sentiment, and this was particularly the case in the fourth quarter of 2018. Relatively speaking, the average performance of our investments was in accordance with the relevant benchmarks.

## Operating result

The operating result was solid in 2018, although significantly lower than budgeted. This decrease compared to 2017 was expected and is mainly due to the sharp increase in expenditure related to change programmes linked to IT and the digitisation of various processes. We also incurred extra marketing costs to increase our share in the funeral market and the new pension scheme also increased costs in 2018. Although the new scheme will result in additional costs in the short term, it entails fewer risks for employers in the long term.

On balance, the operating result was €35.8 million. Problems included the persistently high absenteeism due to illness, the aforementioned expenditure related to change programmes, the higher pension costs and the pressure on margins at the funeral company. While DELA gives priority to limiting the increase in average funeral costs and maintaining the quality of our services, we also wish the funeral company to end every year with a modest positive result. We expect that, after further investments, the funeral company will post a positive balance in 2021.

IT costs weigh heavily on the operational costs in the insurance business as they demand substantial investments, while the funeral business is experiencing pressure on the margins. The high absence-through-illness figures are not helping us either.

## Operating result

€ x 1,000

	2018	difference	2017
Premium revenue	450,782	4%	434,773
Investment revenue (attributed to technical account)	130,314	5%	124,624
Turnover of funeral company	241,155	2%	237,110
Other turnover	109	-97%	3,418
Income	822,360	3%	799,925
Expenditure (excluding extra costs for change programmes)	775,866	4%	744,045
Extra expenditure for change programmes	10,700	-	-
Expenditure	786,566	6%	744,045
Operating result	35,794	-36%	55,880

## **DELA Digital: a basis for personal service**

Digitisation affects the entire organisation. Business and IT joined forces to develop a strong foundation for personal service, the focal point of the digitisation process. In 2018, we learned a lot about what we can still achieve. The massive digitisation task requires DELA to invest in systems & processes as well as in people. It is crucial we reduce our basic costs in order to increase our flexibility, allowing us to invest more in digitisation, robotisation and artificial intelligence in the coming years.

## **FIT**

The cost-savings programme called FIT (financially solid, innovative and future-oriented) started in the Netherlands in 2015 and was successfully completed in 2017. It initially started because costs were rising too fast compared to the turnover. The goal was to breach this trend and structurally save €17 million compared to the 2015 budget as of 1 January 2018.

The FIT project was also started in Belgium in 2017. The goal here was to achieve structural cost savings of €5.1 million on an annual basis compared to the 2017 budget starting from 2020. The goal was translated into incremental annual targets: the savings of €2.2 million for 2018 exceeded the goal of €2.0 million via structural savings in the insurance business, funeral business and various staff departments.

## **Solvency**

Our solvency position remained very solid in 2018 thanks to the connections we have with our distribution of profit and investments. We strive for an optimal balance between investment policy, distribution of profits and solvency. The negative return on investments in 2018 shows the effect of this when the results are disappointing. While the negative return led to a reduction in the expected distribution of profit, having a mix of investments focused on many long-term assets ensured that this decrease remained limited. Solvency was maintained at the same level, with the mitigating effect of the system for distribution of profit playing a crucial role. The solvency ratio even increased to 373%, partly thanks to the effect of our system on the fall in share prices in December 2018. Model improvements enabled us to determine the mitigating effect of the distribution of profit with greater precision.

All this underlines the robustness of DELA's business model. The investment policy ensures that expectations of the distribution of profit are not too badly affected by setbacks in the results, and the mitigating effect of the profit-distribution system ensures a constant solvency.

### Solvency ratio

Percentage. In accordance with Solvency II

	2018	difference	2017
Solvency ratio	373%	+64pp	309%

A solvency ratio of 373% demonstrates that DELA has a very solid starting position and is sufficiently robust to deal with currency fluctuations.

### Distribution of profit

DELA aims to ensure members a stable pay-out for funerals. The costs of a funeral rise continuously due to inflation. Premiums are also increasing due to inflation as well as the costs of so-called backservice. We limit these increases for our members as much as possible by means of distribution of profit. The amount being shared depends on inflation: the higher the inflation, the higher the backservice and the greater profit we aim to share in principle.

#### Profit distribution scheme

The extent to which we can limit the back-serviced premium via profit distribution depends on the average coverage ratio over 12 months. An average coverage ratio of 225% or higher results in full profit distribution while an average coverage ratio of between 125% and 225% leads to partial profit distribution. No profit distribution applies below 125%. The coverage ratio depends on factors including interest, mortality and costs. If the interest is below 1%, and the coverage ratio is lower than 125%, DELA takes premium measures. Based on various scenarios, it is determined per annum what is best for the cooperative and what benefits members most in the short-term by keeping the annual premium increase as low as possible.

## Distribution of profit

€ x 1,000

	2018	2017
Awarded	42,321	17,753

Despite negative investment results, we were able to share €42 million of profit in 2018. The increase compared to 2017 is largely due to the fact that funeral expenses have risen by 1.9% and our wish to share more profit to compensate for the backservice. The average coverage ratio, which is at the base of the distribution of profit for 1 January 2019, has also risen to 189% - in 2017 it was still 171%.

Profit distribution makes DELA unique. The cooperative has allocated nearly €600 million to profit distribution in the past decade.

## Average funeral costs

DELA closely monitors the average funeral costs in the Netherlands on an annual basis. In addition to paying out insured claims, we aim to compensate for the inflation in funeral costs. The average funeral cost was €4,197 in 2018, a rise of 1.5% compared to a year earlier.

### Funeral costs

in €. For a pre-arranged set package in the Netherlands, per adult

	2018	difference	2017
Average funeral costs per person	4,197	1.5%	4,134



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# Our people

DELA believes that happy employees ensure happy customers and members, and vice versa. We are therefore proud of our excellent results in the Great Place to Work survey. DELA Netherlands was named Best Employer 2018 and DELA Belgium scored a very respectable seventh place. Both scores were higher in 2018 than in the previous year.

At DELA everyone matters and all colleagues are supported from day one. Employee involvement is part and parcel of our culture: we strive for everyone to feel involved with our members, customers and role in society. But we cannot get there with commitment alone. We will continue to achieve good results via constant development and staying alert.

## Good employer

DELA aims to provide the most pleasant and comfortable place to work. The opinion of our employees is very important to us and their feedback enables us to constantly improve.

## Great Place to Work score

To see where we stand in relation to similarly sized companies, DELA participates in the Great Place to Work (GPtW) survey every year. GPtW focuses especially on trust as a key element of being a good employer. The score for our operations in both the Netherlands and Belgium improved in 2018. DELA Belgium in particular has improved significantly over recent years.

## Employee satisfaction

GPtW (Great Place to Work) score

	2018	2017	2016	2015	2014
The Netherlands (category > 250 employees)	89	84	81	83	83
Belgium (category > 500 employees)	87	83	79	71	78

## Best Workplaces

On 27 March 2019, DELA Netherlands was awarded first prize in the category 'large companies' during the presentation of the Best Workplaces awards by GPtW. This is the second year in a row that DELA was declared best employer in the Netherlands. DELA Belgium also did very well and was awarded

sixth place among Best Workplaces in 2019. We are very proud of this recognition, which is a huge mark of appreciation and confirms that our colleagues feel heard. We work hard to achieve this together every day. The ranking of Best Workplaces consists of two components: the annual employee survey (which counts for two thirds) and feedback from the Culture Audit (one third).

On 20 March 2019 it was announced that DELA Belgium had risen from seventh to sixth position. A further step in the right direction!

On 27 March 2019 it was announced that DELA Netherlands had once again won first place and could continue to call itself Best Workplace!

### Culture audit

The Culture Audit provides a detailed, illustrated impression of DELA's employer policy and what makes DELA unique and special for many colleagues. Both DELA Netherlands and DELA Belgium performed an audit in 2018. The jury report praises DELA for addressing the needs of employees and having regular discussions in listening sessions and round-table meetings. DELA also stimulates its employees to fully develop themselves via the Personal Track programme, DELA summer schools and round-table meetings.

### Recruitment and selection

Like other companies, DELA is finding it increasingly difficult to attract employees. Recruitment and employer branding projects and campaigns were set up in the Netherlands in 2018 and will go live in 2019. In Belgium, a study was launched into the need for employer branding. Our goal is to increase DELA's visibility in the market so as to fill vacancies faster and attract the right people. DELA vacancies are always advertised internally first, giving personnel the opportunity to take on new challenges within the company.



## Meaningful work

DELA cooperative provides meaningful work for the meaningful life of many, working with colleagues who are known for their engagement, integrity and enterprising nature; people who live life to the fullest and make the most of it, driven by their passions and ambitions. Learning together is one of the success factors in this framework. DELA's culture is pleasant, one in which everyone makes a contribution and feels trusted and interconnected.

## Flexible employability

Being both an insurer and a funeral company can make it difficult to offer uniform employment conditions across our cooperative. In addition, flexibility remains very important, especially in the funeral department. While DELA can estimate the number of people who will pass away in a given year, it is impossible to do so for a given day. This is the main reason why our funeral department must be extremely flexible.

## Health and illness

One of DELA's goals is to help every employee remain physically and mentally healthy and capable of quality work, now and in the future. This attention to health is bearing fruit in terms of reducing absence due to illness, which has been falling since mid-2018. The annual figure remains higher than in 2017, however, and a range of programmes are being implemented and developed to remedy this. A working group was started in Belgium in 2018 and a vitality task force set up at DELA Netherlands. A number of monthly themes related to fitness have been deployed in the Netherlands. We still see a high risk of long-term absences, especially among funeral service providers. In this context, we are in the midst of a change of attitude towards disconnecting illness from absence at work: the motto should be that 'you can't help falling ill, but you can decide on your absence in consultation with your work'. We are still all too quick to equate illness with staying at home.

### Absenteeism due to illness

	2018	verschil	2017
Netherlands	7.3%	+0,3pp	7.0%
Belgium	5.2%	-0,5pp	5.7%
Germany	2.4%	-	-

Absenteeism is relatively high among staff in the funeral sector, not least because of the difficult nature of the work. Our employees are confronted with a great deal of grief every day and this can be emotionally draining. In addition, working hours are irregular and a certain degree of flexibility is required, risking physical fatigue. These are the reasons why we developed an attendance and reintegration policy this year, a tool to help prevent employee absenteeism as much as possible. It is also a guideline for our managers, whom we encourage to keep in touch with employees who stay at home. Despite all its efforts, DELA Netherlands did not succeed in reducing sick leave – in fact, there was an increase to 7.3% in 2018. Fortunately, things look different in Belgium, where absenteeism fell by 0.5 percentage points to 5.2%.

## Diversity

DELA finds it very important that its employees reflect the full diversity of the society in which we operate. There is a relatively high proportion of women working at DELA, more than men. In leadership positions, the 30% minimum rule for women and men is respected everywhere except the Executive Board, all three members of which who are men. As there have been no changes to the Board in recent years, this situation will remain the same in 2018. We also consider it self-evident that DELA as an employer promotes other types of diversity, including hiring employees who have trouble finding suitable work.

**Our strategy is anchored in employee involvement, honesty and entrepreneurial spirit. We call this our BIO strategy, based on the initials of the three key values in Dutch and the Greek word for 'life'. These BIO values are deeply rooted in the cooperative.**

## Diversity

### Number of employees

	2018			2017		
	male	female	total	male	female	total
<b>Netherlands</b>						
Senior management	5	2	7	5	2	7
Upper management	21	10	31	20	9	29
Middle Management	27	41	68	25	42	67
Other employees	462	1,001	1463	444	922	1366
<b>Total</b>	<b>515</b>	<b>1,054</b>	<b>1,569</b>	<b>494</b>	<b>975</b>	<b>1,469</b>
<b>Belgium</b>						
Senior management	2	1	3	3	1	4
Upper management	9	1	10	7	4	11
Middle management	3	12	15	4	12	16
Other employees	165	212	377	167	203	370
<b>Total</b>	<b>179</b>	<b>226</b>	<b>405</b>	<b>181</b>	<b>220</b>	<b>401</b>

## Leadership

DELA's management strives to achieve a company culture that is as transparent as possible while always upholding common values. We therefore do our best to answer questions and share information among employees in a range of different ways. This takes place both directly – via workshops and meetings with employees – and online, both formally and informally. The shop floor at the offices in the Netherlands and Belgium consists of a single large open space, with managers working among their team. There are no ivory towers at DELA – the meeting rooms are literally transparent, having glass walls.

In Belgium, the role of managers was specifically studied in 2018. Flaws were found in coaching, which led to an additional focus on this topic in 2018, with all managers following a multi-day training course. A Managers' Day is organised every six weeks, in which HR business partners also take an active part. The result of this extra effort was a noticeable increase in our coaching score.

The number of HR business partners is expanding. They help us better support and guide our managers and employees.

In 2018, DELA Netherlands started a monthly Practical HR meeting for managers, which focuses on all disciplines. It allows every manager to perform a value management assessment and gain insight into their motivation.

### Short-cycle management

The short-cycle management (SCM) working method helps us learn from each other and from our customers. In all departments, tasks have daily, weekly and/or monthly starts. In Belgium, this method was started in 2018 and implementation will continue in 2019. In 2018, DELA Netherlands started a pilot in SCM 3.0 which involved looking across the departments and managing them at the level of the entire value chain. We started a pilot for both the insurance and the funeral department, both of which focus on managing the customer process. In October, we took stock and concluded that implementing management across departments takes time. The pilots will therefore be continued in 2019.

### DELA Netherlands: Innovation Lab

The Innovation Lab of DELA Netherlands serves as a so-called innovation outpost. An independent and multidisciplinary team of nine individuals focus on developing new products and services in new and existing domains by building, testing and further developing them step-by-step; from concept to prototype and from construction to market introduction. In addition, the Lab focuses on resolving innovation issues from business practice by scouting and working with start-ups that offer relevant solutions. One of the services developed by the team is the 'Before You Leave' app. The team is also working on the 'Fello' app and started a cooperation with social start-up Klup, which brings people over 50 together to participate in activities.

## DELA Belgium: your own Harley Davidson

DELA Belgium initiated its first Innovation Award in 2016. Every year, funeral homes are invited to make proposals for innovations or improvements. The Business Development department receives, composes and describes the proposals before allowing all employees to vote for their favourite. The idea that is seen as the most valuable overall wins the Innovation Award. Concepts can be entirely out-of-the-box. One of the results of the competition was a concept involving motorcycle funerals, in which motorcycling buddies could bid farewell to their mate during a final ride-along. DELA purchased a Harley Davidson for this purpose and modified it to carry an urn.

## Personal development

### DELA Academy

DELA finds it important that employees be given opportunities to develop themselves. The DELA Academy offers a range of training courses every year which are open to all staff.

At DELA Netherlands we concluded the introduction programme by giving new colleagues the opportunity to start setting their own track. A Personal Track can act as a compass in making choices in one's (working) life.

DELA Belgium received third prize in the Fopas Learning and Development Awards in June. Fopas is a training and competence development foundation for employers and employees.

## Works Council

DELA Netherlands and DELA Belgium each have their own works council and their reports on 2018 can be found below.

## DELA Netherlands

With no major discussion topics – such as a pensions issue or the cost-saving programme FIT – foreseen for the agenda in advance, 2018 promised to be a quiet year in terms of employee codetermination. Even so, the works council handled 18 requests for advice and 14 requests for consent this year.

Especially when it came to the internationalisation of the real-estate portfolio, the works council also had to keep the cooperative's interests in mind.

When it came to the requests for consent to stop having Good Friday as a holiday and the changing of the attendance premium into an attendance leave, the works council was happily able to safeguard employees' interests above all.

To discuss all requests for advice and consent and to regularly consult with the Chair of the Executive Board in the presence of a Member of the Supervisory Board, the works council met 16 times. While this might seem like a lot, in the first half of 2018 the works council experimented with more frequent and shorter meetings. The online work and remote meetings required by this method were found to be suboptimal, and so the experiment was terminated in the summer. A search for a training course that would meet the wishes of the works council in this field was made in 2018. In addition to keeping abreast of developments within DELA in a critical fashion, listening to the grassroots, giving informed consent and making informed decisions, the works council also now has an interesting learning objective for 2019.

### Works council members in the Netherlands

Name	Position
Paul Beaumont	member of the works council's executive committee
Ans van den Boogaard	member of the works council
Christa van den Broek	member of the works council
Jan Cornelisse	member of the works council
Roger Dautzenberg	member of the works council
Judith van Gerwen	member of the works council's executive committee
Tanja Harms	member of the works council
Petra Jansen	member of the works council
Rene Jansen	member of the works council's executive committee
Chantal van Kruijsdijk	member of the works council
Norman van der Loop	chair of the works council
Ed Michielsen	member of the works council
John Mulderij	member of the works council's day executive committee
Anouk van Nunen	member of the works council
Maarten Schepen	member of the works council
Melanie Willems	official secretary

## DELA Belgium

In 2018, the works council held 11 regular monthly meetings. Key figures, staff movements and vacancies were discussed as fixed agenda items. The figures and the overview of overtime were considered in detail every quarter. Every six months, the works council looked at how educational leave was developing. One Economic Financial Information (EFI) meeting also took place.

In addition, the following subjects were considered:

- The employment regulations of the funeral and insurance operations, as well as the holding, were discussed and approved;
- The follow-up to the transition of the social secretariat was explained;
- The HR manager explained the new attendance and reintegration policy;
- The CEO presented the final report of Nova Reperta and the elaboration of this report was also discussed. The director of funeral operations gave a presentation about the '*Samen Sterk*' ('Strong Together') story;
- The HR manager presented the HR strategy for 2018;
- FINC explained the FIT project;
- The new smartphone scheme was explained, as was DELA's approach to the related concerns;
- The works council was informed about a new project focusing on the role of employees. The goal is for every employee to be in charge of their own development.

### Works council members in Belgium

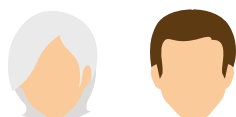
Name	Position
Jack van der Putten	representing the employer
Ludo Verstraete	representing the employer
Bruno Moors	substitute member, representing the employer
Martine Verhoeven	representing ACV trade union
Kristof de Buck	representing ACV trade union
Ronny Bulcke	representing ACV trade union
Jean-Marc Chapa	representing ACLVB trade union
Jean-Marc Charpentier	representing ACLVB trade union

# Employees in the Netherlands

## Average age

2018  
**48.2**  
year

2017  
**47.9**  
year



## Duration of employment

2018  
**9.1**  
year

2017  
**9.0**  
year



## Number of employees

2018\*  
**1,569**  
1,115 FTEs

2017  
**1,469**  
1,017 FTEs



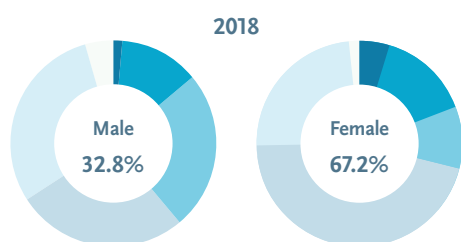
\* Including an increase of 90 employees (65 FTEs) compared to the end of 2017 due to business acquisitions

## Employees and sick leave by sector



Sector	2018			2017		
	Number	FTEs	Absence	Number	FTEs	Absence
Cooperation and Insurance	66	59	2.3%	70	63	4.8%
Holding staff services	230	201	0.8%	214	187	0.8%
Customer centre	132	101	7.0%	142	105	9.1%
Funeral services	664	407	9.2%	672	400	8.6%
Funeral care	454	326	8.6%	347	240	7.6%
Real estate	23	21	9.1%	24	22	2.6%
<b>Total</b>	<b>1,569</b>	<b>1,115</b>	<b>7.3%</b>	<b>1,469</b>	<b>1,017</b>	<b>7.0%</b>

## Age structure



	2018		2017	
	male	female	male	female
< 25	10	16	7	14
25 < 35	62	133	67	130
35 < 45	123	228	103	209
45 < 55	139	383	151	361
55 < 65	158	273	136	242
≥ 65	23	21	30	19
<b>Total</b>	<b>515</b>	<b>1,054</b>	<b>494</b>	<b>975</b>
	<b>32.8%</b>	<b>67.2%</b>	<b>33.6%</b>	<b>66.4%</b>



# Employees in Belgium

## Average age

2018  
**44.7**  
year

2017  
**44.1**  
year



## Duration of employment

2018  
**8.8**  
year

2017  
**8.7**  
year



## Number of employees

2018  
**405**  
369 FTEs

2017  
**401**  
357 FTEs



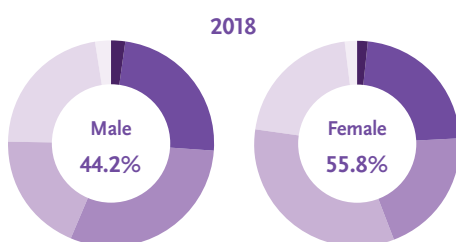
## Employees and sick leave by sector



Sector	2018			2017		
	Number	FTEs	Absence**	Number	FTEs	Absence**
Insurance	111	101	2.6%	110	98	5.8%
Holding staff services	49	47	3.6%	46	44	3.7%
Funerals	245	221	6.9%	245	215	6.0%
<b>Total</b>	<b>405</b>	<b>369</b>	<b>5.2%</b>	<b>401</b>	<b>357</b>	<b>5.7%</b>

\*Sick leave, short (less than 30 days) and medium (between one month and a year)

## Age structure



	2018		2017	
	male	female	male	female
■ < 25	4	4	5	4
■ 25 < 35	43	51	49	43
■ 35 < 45	54	45	48	54
■ 45 < 55	34	75	39	77
■ 55 < 65	40	47	36	39
■ ≥ 65	4	4	4	3
<b>Total</b>	<b>179</b>	<b>226</b>	<b>181</b>	<b>220</b>
	<b>44.2%</b>	<b>55.8%</b>	<b>45.1%</b>	<b>54.9%</b>



# Our environment

The DELA cooperative focuses on continuity of life, aiming to leave an equal or better world for current and future generations. We can achieve the most impact in this context with our corporate social responsibility policy. All options at our disposal as a shareholder are used to exert influence in this respect. DELA also focuses on sustainable and responsible business operations. For example, we have ambitions to reduce our CO<sub>2</sub> emissions and those of our funerals and to reduce our paper consumption. At the same time, we look at where we can use our knowledge and specialisation to enter new social domains.

Although the interests of our members and policyholders are paramount for DELA, we realise that the large number of stakeholders means we also have a responsibility to society at large. In this sense, it behoves us to stand up for the interests of others and champion high standards and quality certificates in our industry. The activities of our charity funds contribute to commendable social initiatives in the Netherlands and Belgium.

## Reputation

To understand how we fit within the surrounding society, DELA carries out structural reputation research. This shows that the cooperative has built up a good reputation in recent decades and that DELA has widespread name recognition. Our reputation is determined by all the things we show, say and do together. It is our daily behaviour that inspires confidence. A good reputation is of vital importance to us as DELA's raison d'être both as an insurer and funeral service provider is about trust. We periodically measure changes in our reputation in the Netherlands using the RepTrak methodology, a reputation survey developed by the Erasmus University in Rotterdam and the Reputation Institute and used all over the world.

Our reputation in the Netherlands remained stable in 2018. Our score with the general public was 72, just like in 2017, keeping us at the top of financial institutions with a good reputation. Our reputation among members also remained very high, with a score of 79 (80 in 2017) and we are proud of that. Our ambition is to stay at a minimum of 80, although we unfortunately fell just shy of that goal in the year under review. Our reputation among non-members did not change from 2017, remaining at 65. Our score for spontaneous name recognition in Belgium remained stable. This is a very complicated

and volatile parameter, however. In 2017, the proportion of people giving an affirmative answer to the question 'Is DELA the funeral specialist for you?' rose from 62% to 72%. This percentage was 70% in 2018, a very limited fall.

## Reputation

RepTrak (Reputation Institute), pulse score. Indicates reputation in the Netherlands.

	2018	difference	2017
Members	79	-1	80
Non-members	65	-	65
Total	72	-	72

## General social responsibility

DELA aims to have a far-reaching role in society and to stimulate and promote topics such as connecting generations, life and death, funerals, mourning and a dignified existence across the board. In this context, we undertake a range of activities and support various charities.

### Children's theatre on death, loneliness and bereavement

The Maaslanden crematorium in Nieuwkuijk (NL) hosted the children's theatre show 'Any more Questions?'. Performed by youth theatre group TAK, the show covers mature subjects such as death, loneliness and bereavement.

### Mortuary management in the Netherlands

In cooperation with the trade association, DELA took the initiative to tackle problems with mortuary management in care institutions. We proposed a major transformation of the management of mortuaries in care institutions such as hospitals and nursing homes. In the current situation, it is often unclear who commissions the services supplied by the mortuary and who is responsible for the costs. Moreover, there is often a conflict of interest between the mortuary manager and the funeral provider, in which privacy regulations are violated and the freedom of choice for consumers is affected. Although hospitals and nursing homes aim to focus primarily on the medical care of people, they also have a moral duty to ensure a properly functioning mortuary management, including clarity of the supplied care and costs. DELA proposed to extend the period of necessary care from 3 to 12 hours, giving descendants more space and time to make arrangements.

## Sustainable investment

An important component of our business model is the diversified long-term investment of insurance premiums. DELA uses an offensive investment strategy to meet its long-term commitments. This aims to achieve the long-term returns on which the premium is based while also counteracting the inflation in funeral costs. DELA has demonstrated its capacity over recent years to achieve better long-term results and we wish to continue doing so in a socially responsible way.

DELA aims to be one of the most socially involved investors by 2020 and is therefore very particular about our policy in the field of socially responsible investing (SRI). Our SRI policy contains all the guidelines and frameworks with which DELA aims to comply as an investor and is available on our website. DELA has set itself the goal of reaching VBDO's top 10 sustainable investors benchmark.

### Engagement

We refer to the degree of involvement and influence DELA has in the companies in which we invest as our engagement. DELA has its own voting policy. We cast our vote at all shareholder meetings of the companies in our investment portfolio. An active voting policy is part of the dialogue we conduct with the companies concerned. Leading up to shareholder meetings, companies are contacted to share expectations and address issues. A contrary vote (or abstention) is usually explained to the companies concerned after the shareholders' meetings if this is a benefit to dialogue. We also talk to other major investors in companies when we wish to see improvements in the areas of good corporate governance, social issues or the environment. We periodically post these voting and engagement reports on our website. DELA addressed a total of 398 companies in its equity portfolio on engagement topics in 2018 and this had an effect on 163 occasions. A dialogue was sought with 88 companies within the corporate bonds portfolio, which led to 52 positive changes.

### **Stricter exclusion standards**

DELA uses an exclusion list of companies and countries in which we, and our external asset managers, do not invest for social reasons. This includes companies that produce controversial weapons or violate human rights. The definition of involvement in controversial weapons was broadened in 2018: we previously only excluded companies if they made tailored key components for controversial weapons. From 1 October 2018, any companies that provide essential and/or customised parts or services of any kind for these weapons was considered to be involved in their production. This excluded a further 18 companies from our investments and ensured that we are acting in even closer alignment with the spirit of our ideas.

### **Green bonds**

We have continued to invest in green bonds over the course of 2018. The money that companies obtain through the issuance of green bonds can only be used for specific projects of a sustainable nature. Examples include the generation of green power or the construction of a sustainable head office. This means that green bonds have both a financial yield and a social one. In late 2018, DELA had approximately €52 million invested in green bonds (2017: €35 million).

### **Privacy and data protection**

DELA is not just focused on the implementation of the General Data Protection Regulation (AVG) within our own company. In 2018 we met over 50 companies to discuss ways they were implementing the statutory AVG requirements. A substantial number of companies gave us access to experts who were directly responsible for the protection of privacy. These meetings were informative and detailed. The meetings were in stark contrast to the superficial reporting most companies had on the subject, however. Our engagement meetings built a clear picture of important innovations and best practices, and we will use these findings to formulate goals in the field of corporate reporting. This project is connected to the UN's Sustainable Development Goal 16: peace, justice and strong institutions.

## International covenant

DELA also complies with the International Responsible Business Conduct (IRBC) covenant in which pension funds and insurers will work with the government, trade unions and social organisations over the next four years to prevent and resolve the negative impact on society and the environment caused by companies in the portfolio. Based on an active voting policy as part of the dialogue with companies, various subjects were discussed in 2018, including:

- **Cooperation against greenhouse emissions:** Climate Action 100+, a global initiative between investors launched in December 2017 in which DELA participates. There were 277 meetings in 2018 between investors and the companies involved.
- **Reducing plastic in the oceans:** Pollution of the oceans has rapidly become a major issue for companies and consumers alike. DELA supports the UK Plastic Pact and the New Plastics Economy Global Commitment, both geared towards developing circular business models for plastic.
- **Demanding accountability for policy against modern slavery:** Since the implementation of the British Modern Slavery Act in 2015, many companies have published statements on the subject, which includes issues such as forced labour, child labour and human trafficking. In 2018, we had meetings with 16 British companies. As an investor, we believe it is our role to hold companies accountable for their obligations and encourage them to uphold a strong policy to reduce modern slavery risks and improve the information supply so stakeholders can be sure that sufficient effective measures have been taken.
- **Responsible pricing of medication:** The goal of this project is to stimulate companies in the pharmaceutical industry to develop a transparent and responsible pricing policy which not only focuses on profits, but also on the interests of patients and society.

## Responsible operational management

### Fingerprint issue

Although DELA rarely ends up in the news for negative reasons, this was unfortunately the case in October. Dutch television programme Radar accused DELA in the strongest terms of taking the fingerprints of deceased individuals without permission for commercial gain. This was followed by an allegation from two anonymous sources who claimed that DELA employees or external parties working for DELA falsified fingerprints.

### Fingerprinting method

DELA adjusted its fingerprinting method on 1 September 2018. The cooperative had been receiving regular reactions from relatives that it was a shame that fingerprints of their deceased loved ones had not been made – fingerprints can only be taken shortly after death and this was not done if no next of kin were present. From 1 September, DELA therefore decided to start taking prints in these situations and to discuss the matter with the relatives later. This procedure was designed with the best of intentions and due care. We see every day that something tangible, such as a fingerprint, can help relatives keep the memory of a loved one alive.

As soon as we received customer complaints, we eliminated this procedure and went back to only taking fingerprints on request and with the express permission of relatives. We were very unhappy to imagine that someone would think that we would do this for commercial gain. DELA is a cooperative of members and commerce is not the most important thing in our work. We have apologised and addressed this matter in our publications.

### Allegations of falsification found to be groundless

Two anonymous sources claimed that DELA employees or external parties working for DELA forged fingerprints. Our reaction was one of shock. The allegation was painful not only for relatives of deceased individuals, but for everyone who works at or with DELA. An independent investigation was launched to remove any uncertainty. After more than three months of research, no incidents with fingerprints were found, confirming what we already thought to be true. The investigation found no facts to substantiate the statements made by Radar and the two anonymous people in the broadcast. We never doubted our integrity, but were pleased to see it confirmed by the investigation. In the meantime, we were happy to receive heart-warming support from many people, including members and relatives of people who have passed away.



## Reducing our footprint (CO<sub>2</sub> emissions)

DELA Netherlands aims to reduce the CO<sub>2</sub> emissions we produce via gas and electricity consumption in our offices and our lease vehicles by 50 percent in 2021 compared to 2014. We aim to be climate-neutral in this respect by 2050. Climate-neutral means that we no longer produce any net CO<sub>2</sub> emissions. To achieve this, we are following three tracks: making savings, increasing sustainability and carbon offsetting. We also aim for a 50 percent reduction in 2021 compared to 2014 with regard to CO<sub>2</sub> emissions caused by commuting and business travel.

## Energy savings

Firstly, we aim to save as much energy as possible, for instance by realising technical improvements such as light sensors and more efficient installations. It is also important to change the behaviour of our employees. A second step in reducing our footprint is the use of sustainable energy. We already purchased green electricity and since 2018 all electricity consumed in the Netherlands originates from Dutch solar and wind power. As it is not currently possible to avoid all emissions, we will use CO<sub>2</sub> offsetting and aim to keep the percentage we need to compensate as low as possible. Offsetting is achieved by investing in third-party initiatives that realise CO<sub>2</sub> reductions; for instance, by planting trees or investing in (international) sustainable energy projects. Offsetting is only an option once we have reduced CO<sub>2</sub> production as much as possible.

In 2018, DELA Cooperative opened the doors of its thoroughly renovated and far more sustainable head office in Eindhoven (NL). The ground floor includes a publicly accessible restaurant.

## Sustainable construction

When building and renovating our locations we take the sustainability of the buildings and interiors into account wherever possible. This ranges from the use of sustainable materials and more efficient installations to ensuring sufficient daylight for employees. For the renovation of the head office, we received a BREEAM certification. BREEAM-NL is a tool for the integrated measurement and assessment of new buildings, existing buildings and demolition projects.

## CO2 emissions by category

In tonnes. Results of DELA Netherlands, including funeral activities

	2018	difference	2017
Offices	311	-13%	359
Funeral homes and crematoriums	3,907	-11%	4,370
Funeral transport	310	-2%	316
Lease vehicles	1,541	-3%	1,589
Business travel	361	-22%	465
Commuting	878	-19%	1,087
Total	7,308	-11%	8,186

## CO2 emissions by scope

In tonnes. Results of DELA Netherlands, including funeral activities

	2018	difference	2017
<b>Scope 1</b>			
Gas consumption	4.133*	-1%	4,183
Funeral transport	310	-2%	316
Lease vehicles	1,541	-3%	1,589
Other	82	0%	82
Total	6,066	-2%	6,170
<b>Scope 2</b>			
Electricity	-	-100%	625
Heating	3	0%	3
Total	3	-100%	628
<b>Scope 3</b>			
Commuting	878	-19%	1,087
Business travel	361	-22%	465
Total	1,239	-20%	1,552

\* Estimated, not yet known

## Sustainable procurement

The Procurement department in the Netherlands has initiated various developments to contribute to our sustainability goals. This includes a stronger and more explicit focus on sustainability aspects (people, planet, profit) in our sustainable procurement policy. This means we can demand suppliers and their products and services meet certain sustainability requirements. In the future, we will also increase cooperation with suppliers to realise new sustainable products.

## Final Footprint Challenge

To realise sustainable funeral services, the funeral sector requires more sustainable innovation. This is why, as an industry, we aim to stimulate the development of new knowledge, products and services. And we can't achieve this alone; we need to work with others within and outside of the sector to increase the sustainability of the entire market together. This is one of the reasons why DELA took the initiative to establish the Final Footprint Challenge in which the funeral sector asked everyone to consider what a sustainable funeral might look like by 2030. We would all like to leave a better world for current and future generations and making funerals fully sustainable can play a crucial role. Some 37 parties registered for the Final Footprint Challenge, all of whom contributed a solution for realising sustainable funerals. Ten were chosen to participate in a boot camp after which the winner was selected and is being supported in the further development of the product.

## Reducing paper consumption

DELA Netherlands aims to have reduced its paper consumption by 50% in 2020 compared to 2014. Paperless working means that we work digitally wherever we can. This applies to the use of paper in the offices, which we were able to reduce by 16% compared to 2017, as well as in client communication. We hope to achieve this via digitisation, meaning the increased use of laptops, tablets and smartphones. Although the tools to make this happen are being facilitated, another significant aspect is employee behaviour. DELA Belgium started a 'print on demand' project via a marketing publish site, stopping unnecessary stock from being built up and print materials from being thrown out.

## Charities

DELA was established based on a deep-rooted social engagement which is still part of the company today. This is why the DELA charity funds in the Netherlands and Belgium support social initiatives. By doing something good for other people together, we aim to make life more meaningful.

Since 2014, the DELA charity fund supports people with a disability who volunteer to help others under the 'Unlimited' theme. To enforce this theme, we have also established an annual incentive award. 'The Golden Venus de Milo' is awarded to the most inspiring Dutch person man with a disability who also helps others. Disabled people give their own life more meaning when they support others while also being of significant value to society. We also worked on a parallel theme in 2018 that involves connecting the generations.

DELA Belgium chose to use financial support from the DELA charity funds to help *Boven de Wolken* (Above the Clouds) expand to Wallonia. Under the name *Au delà des nuages*, the foundation provides a website with a network of photographers who are willing to do a professional photo shoot of

deceased children free of charge. DELA also launched a grieving app for children in Belgium: 'My memories of you' (*Mijn herinnering aan jou* in Dutch and *Je ne t'oublierai jamais* in French).

The DELA charity funds were used differently in Belgium in 2018 than had previously been the case. By spending more on one good cause instead of spreading funds around, we hope to achieve more and make a greater difference.

### **Stichting Handicamp**

Stichting Handicamp aims to show that camping is possible with any handicap. During the annual camping weekend in 2018 in Schaijk, Marc de Hond (TV presenter, businessman, author, theatre maker and former player in the Dutch wheelchair basketball team) met with participants to ask them about their experiences. Not having to explain anything is a major aspect of feeling like oneself during the camping weekend. As many participants have limited means, the foundation is fully reliant on sponsoring and donations. The organisers were therefore delighted with the contribution of the DELA charity fund.

### **Above the Clouds**

Boven de Wolken (Above the Clouds) is a volunteer organisation in which professional photographers capture subtle images of recently deceased children ('star children') free of charge and create lasting memories for their parents. The initiative was exclusive to the Flanders region until last year but when we saw the role these images were playing in helping parents process these deaths, the DELA Belgium charity fund decided to extend this unique initiative to everyone in Belgium and enabled the organisation to expand to Wallonia. This financial support enabled the French-speaking organisation to start in 2018 under the name 'Au dela des nuages'.

## DomusDELA

DELA is currently renovating and redeveloping the Mariënhage cloister in Eindhoven (NL). Mariënhage is a place with a special cultural and historical value to the city of Eindhoven, both because of its architecture and its rich history. Underneath the cloister, for instance, are the remains of the old castle of Eindhoven, dating back to the 13th century. The new destination, called DomusDELA, will be a place for meetings, connections and reflection. It includes two ceremony facilities, a congress hotel with supporting hospitality & meeting facilities, a restaurant, a new outdoor area and the cloister gardens. The new purpose of the cloister itself has yet to be determined.

Several information days were held for neighbourhood residents in 2018. A medieval cloister chapel wall was found during the renovation activities that had been hidden by another wall for over a century. This new discovery was made accessible to the public on Open Monument Day in September. In December, we reached an agreement with the Henri van Abbe Foundation on the construction measures for the Paterskerk church, bringing a halt to the court appeal process and allowing the renovations and refurbishment to get underway. The reopening is planned for 13 November 2019, the birth date of Saint Augustine.



The Mariënhage area in Eindhoven (NL) before its transformation into DomusDELA.

# Prospects

DELA will continue to grow, both in the number of insured and in terms of turnover. This makes our cooperative stronger. The core of our service provision – insuring and arranging funerals – will be placed in a broader context. After our start in the German life insurance market, we'll introduce a funeral insurance in kind policy in 2019. We will also be investing in systems, processes and people in 2019 to ensure we stay ahead in the digital world, and work on strengthening our market share in the Dutch and Belgian funeral markets, offering our services to everyone, whether insured with us or not.

## Change programmes focus on IT and innovation

DELA started implementing a number of large change programmes in the Netherlands in 2018, including replacing the applications for the back office. IT and innovation will also be major focal points in Belgium in the coming year. In addition to the higher IT expenditure involved, this demands a major expansion in the business to design and implement these trajectories in a controlled way. There is a much greater need for process managers and business analysts/consultants (among others). We must take into account that it will take at least three years to successfully finalise these trajectories and that additional funds are required. Although this will be at the expense of our operational result in the coming years, the changes will benefit customer services and costs will be recovered in a reasonable term.

Digitisation impacts the entire organisation. To work efficiently, you must know what you hope to achieve, why you wish to achieve it and how to get there. This is a process that business and IT must work through together. In 2018, we learned a lot.

## **New corporate campaign**

After a period of relative quiet, DELA Netherlands is starting a new corporate campaign in 2019 with a primary goal to reach people who are less familiar with DELA. A strong reputation eventually results in more clients and a greater attraction to the tight labour market. DELA obviously wishes to stay focused on providing excellent services and continue to improve. We will work hard to further increase our net promoter scores and Great Place to Work rating.

## **Focus on growth**

DELA expects to expand further, especially in Belgium. For Germany we are raising the bar higher by connecting to a large group of intermediaries.

Extra marketing efforts should ensure growth in the private funeral sector in the Netherlands, while growth in Belgium will mainly be realised via takeovers. This is also necessary as gross margins in the funeral business are under pressure and the extra costs in the field of IT and internal management must be recovered.

## **Diversified investment portfolio**

With regard to investments, our main spearhead is transforming the current Dutch real estate portfolio into a more diversified international real estate portfolio.

## **Word of thanks**

The Executive Board thanks all stakeholders for their involvement in DELA and would again like to congratulate our employees for attaining first place in the Netherlands and sixth place in Belgium in the Great Place to Work evaluation. DELA is a people business. And although we are increasingly focused on digitisation, we do so in order to provide our members and clients with even more personal quality and custom services. It's DELA's employees who realise and represent our quality. The fact that they do so with such a level of satisfaction, as shown in the employee survey, makes us both proud and confident for the future.

Eindhoven, 17 April 2019

DELA Cooperative

### **The Executive Board**

E. Doeve MAIA

J.A.M. van der Putten MMO

J.L.R. van Dijk RA



BEACH VOLLEEUROPEAN CH  
EYBALL  
PIONSHIP

2  
NED  
DELA  
voor elkaar

2018 CEV BEACH VOLLEEUROPEAN CH



**Alexander Brouwer**  
Competing with Robert Meeuwsen

**Huntington Beach Open. First European victory on American soil since 1996**  
**#MyMoment #2018 #ForEachOther**





voor elkaar

Red Bull

1  
DELA  
voor elkaar

Rabobank

PLANTINA  
Supplementen

PLANTINA  
Supplementen

Rabobank

DELA

DELA  
voor elkaar

Rabobank

DELA  
BEACH VOLLEYBALL  
EUROPEAN CHAMPIONSHIP



LEVEN  
CHAMPIONSHIP

DELA Group Annual Report 2018

# Statement from the Supervisory Board

# Presentation of annual report

## Dear DELA stakeholder, dear reader

The Supervisory Board hereby presents the annual report, which includes statements from the Executive Board and Supervisory Board as well as the financial statement. The statement from the Executive Board was drawn up by the Board and discussed with the Supervisory Board. The financial statement was audited by the external accountant and approved in the audit statement. The Supervisory Board confirms the financial statement.

### *Client and market*

Customer satisfaction, expressed in NPS figures, has gone up. The net growth of people insured in the DELA UitvaartPlan (funeral plan) and the autonomous growth in the number of insured in Belgium are satisfactory. DELA also made a start in Germany. The sale of life insurance here exceeded expectations, both in insured capital and the number of insured persons. The gross margin of the funeral company in the Netherlands is not yet sufficient and the market share in funeral services in Belgium is shrinking.

### *Investments*

Mainly due to the considerable drop in share prices, a major net loss was realised in 2018. Nonetheless, the business model remains robust. The solvency ratio in accordance with Solvency II and the coverage rates are stable. This means that an adequate profit share to the members can be realised and the premium increase limited.

### *Organisation*

All in all, the Supervisory Board is satisfied with the steps made by the organisation. While the digital transformation has been started, the governance involved with these change trajectories will need to be enhanced. New systems and processes also require greater investments in people, methods and technologies.

The health percentage recovered somewhat in 2018, but should be raised further. Employee satisfaction increased, as shown in the excellent results of the Great Place to Work (GPtW) evaluation in the Netherlands and Belgium.

A change in the method for taking fingerprints led to negative feedback from clients and a critical report from a consumer radio programme. DELA immediately changed the way it handled these fingerprints. The policy was reversed to what it was before 1 September 2018, which means that DELA only takes prints upon request and with explicit permission from the bereaved. We also amended the mails in which descendants are informed of the options for tangible mementos. Independent research did not show any indications that the fingerprints had been used for fraud.

## **Tasks and responsibilities of the Supervisory Board**

The tasks and responsibilities of the Supervisory Board comprise supervising the Executive Board and the general course of affairs in the cooperative and the associated companies. In addition, the Supervisory Board provides the Executive Board with advice, weighing all the relevant interests, including those of its members and employees. In addition to its supervisory and advisory role, the Supervisory Board functions as the employer of the Executive Board members. These members also act as the Supervisory Board of DELA Holding NV and of the principal company DELA Natura- en levensverzekeringen NV.

### **Supervisory and advisory role**

In 2018, the Supervisory Board was kept regularly informed about the realisation of the cooperative goals, strategy and risks related to the company activities, the setup and functioning of internal risk management and control systems, the financial reporting process, compliance with legislation and regulations and the risk policy. The Supervisory Board assessed whether the capital allocation, investment policy and liquidity position were in line with the risk appetite at a strategic level. Moreover, it exchanged ideas with the Executive Board and the Board of DELA Netherlands in a special strategy session in the autumn of 2018 to discuss major economic, technological and social trends & developments that could have implications for DELA's business model.

### **The Supervisory Board as employer**

The Supervisory Board evaluates the functioning of the Executive Board members at least once a year. It also supervises the policy of the Executive Board with regard to the selection criteria and the appointment procedure for senior management. The variable remuneration for the Executive Board is determined based on financial and non-financial result-oriented agreements derived from DELA's long-term strategy, risk appetite, multi-year goals and annual plan. Based on the performance of the Executive Board in 2018, the remuneration and appointment committee proposed that the Supervisory Board award a variable remuneration. The committee received advice from the governance remuneration policy committee and the audit and risk committee on this matter.

### **Composition of the Supervisory Board**

The Supervisory Board agrees with the principle that the composition of its members should be such that they are able to be critical, and act independently from each other, the Executive Board and any special interests. DELA's Supervisory Board aims for a well-balanced and diverse composition. It believes that the members in 2018 can guarantee a good balance of knowledge, expertise and competences. Due to the scheduled stepping down of two members in 2019, preparations for new appointments in 2019 have been started based on the Supervisory Board profile. Every year, it is re-assessed whether the profile is still in line with the current and future tasks and interests of the Supervisory Board.

On 31 December 2018, the Supervisory Board was composed as follows:

- W.M. van den Goorbergh, chair
- C.J.H. Jansen, interim chair
- J.P. de Pender, secretary
- W.A.P.J. Caderius van Veen RA (stepped down and re-appointed on 13 January 2018)
- J.J.A. Leenaars RA
- C.P.V. van der Weg

### **Supervisory Board meetings**

During the reporting year, the Supervisory Board supervised and presented advice to the Executive Board on a continuous basis. In 2018, it had six regular meetings with the Executive Board. As usual, there were also two meetings with the general meeting. There was regular contact between the Supervisory Board chair and the Executive Board chair throughout the year. The Supervisory Board met with the confidential committee twice. In addition, the members each attended one or more meetings of the Dutch works council together with the chair of the Executive Board. There was also a strategic session with the Executive Board and Board members of DELA Netherlands in 2018.

The Supervisory Board supervised the general policy of DELA and its associated companies in the Netherlands and Belgium. The goals for 2018 and the projects from the growth strategy were discussed in every meeting. The programme for structural cost savings was given the necessary attention while developments in the field of risk management and the activities and results of capital management were recurring topics. As usual, the December agenda included the Own Risk and Solvency Assessment (ORSA) and capital policy. There was also a focus on developments in the supervision by the Netherlands Authority of the Financial Markets and DNB as well as developments in legislation and regulations. As is the case each year, the Executive Board regulations were updated and approved. The changed portfolio diversification (as of 1 July 2019) was also approved. In addition, the regulations of the Supervisory Board and committees were evaluated and determined, as they are every year. In September 2018 the Supervisory Board had a joint meeting with the investment advice committee to discuss the developments in investments, including the choice for the asset mix and the vision of the committee.

### *Evaluation of the Supervisory Board*

The Supervisory Board discusses its own functioning at least once a year and once every three years with independent external support. The latter was the case in 2018. The reference framework of the evaluation is based on the Dutch Code of Conduct for Insurers as well as prevailing insights into good governance. The evaluation showed that the Supervisory Board is functioning adequately; it is well-informed, focused on content, well-balanced and enjoys significant engagement from its members. The chair of the Supervisory Board plays a constructive role in this regard. The audit and risk committee and the remuneration and appointment committee are functioning well and properly prepare matters for the Supervisory Board. The overall impression is that the Supervisory Board has been composed in a complementary and pluriform way. In the coming period, there will be a focus on further strengthening the Supervisory Board in the field of ICT. The Supervisory Board makes sufficient

Careful and well-balanced consideration of the interests of all those involved in DELA. The board room dynamics are good and there's a pleasant, open and positively critical atmosphere. The relationship between the Supervisory Board and the Executive Board is characterised by mutual trust, which facilitates an open and in-depth dialogue.

### **Meetings and composition of the committees in 2018**

#### *Audit and risk committee*

The audit and risk committee supports the Supervisory Board in supervising the activities of the Executive Board in areas such as financial reporting, internal risk management and control, compliance, audits, the risk policy, risk management and any risks resulting from the remuneration policy. A more detailed description of tasks is available in the section on Corporate Governance. There were four meetings of the audit and risk committee with the Executive Board in 2018.

The composition of the audit and risk committee on 31 December 2018 was:

- W.A.P.J. Caderius van Veen RA, chair
- J.J.A. Leenaars RA
- J.P. de Pender

#### *Remuneration and appointment committee*

The remuneration and appointment committee supports the Supervisory Board in preparing decisions about issues such as the composition and (re)appointment to the Supervisory Board and Executive Board, remuneration of the Executive Board and the remuneration policy of the company. In 2018, the committee had three meetings with the Executive Board.

The composition of the remuneration and appointment committee on 31 December 2018 was:

- W.M. van den Goorbergh, chair
- C.J.H. Jansen
- C.P.V. van der Weg

### **Ongoing education**

The members of the Supervisory Board followed an education programme in 2018, aimed at updating and increasing the members' expertise where necessary. The first session revolved around 'Cost insights at DELA Netherlands', explaining how different typologies and principles result in different perspectives on cost types and cost centres within DELA. The second session involved exponential thinking, in which the first half focused on developments in the rapidly accelerating or 'exponential' technologies and the associated theories, and the second part on new insights in the field of health & life expectancy – both major issues to DELA. The sessions were plenary and all members of the Supervisory Board took part.

### **Proposal to the general meeting of DELA Coöperatie U.A. in Eindhoven**

In accordance with that determined in the statutes of DELA Coöperatie U.A., the Supervisory Board has studied the annual report and financial statement of DELA Coöperatie U.A. and approved the supplemented data. The Supervisory Board discussed the documents with the Executive Board, the internal accountant and the external accountant (Deloitte), and was informed about Deloitte's audit statement for the 2018 DELA Coöperatie U.A. financial statement. The Supervisory Board proposes that the general meeting confirms the 2018 financial statement of DELA Coöperatie U.A. and discharges the members of the Executive Board for the applied policy in the reporting year. We also propose discharging the members of the Supervisory Board for their supervision.

### **In conclusion**

Frans Andriessen passed away on 22 March 2019. Frans had been a member and chair of the Supervisory Board and was an honorary member of the DELA cooperative. He believed in the importance of solidarity, cared deeply about the cooperative and meant a great deal to DELA.

The Supervisory Board thanks the clients of the DELA cooperative for the trust they've shown in the company. We also thank all DELA employees for their efforts and involvement in the interests of the members, the insured, clients and all other stakeholders.

Eindhoven, 17 April 2019

DELA Cooperative

### **The Supervisory Board**

W.M. van den Goorbergh, chair

C.J.H. Jansen, vice-chair

J.P. de Pender, secretary

W. A. P. J. Caderius van Veen RA

J.J.A. Leenaars RA

G.H.C. de Méris RA FCA

C.P.V. van der Weg



**Madelein Meppelink**  
Competing with Sanne Keizer

European title at home. Focus on the game. Orange all around you. Final = thriller. Final point via net edge. Explosion of energy. Amazing! [#MyMoment](#) [#2018](#) [#ForEachOther](#)





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DELA Group Annual Report 2018

# Governance and risk management

# Governance

Corporate governance involves due diligence, adequate supervision and transparent accountability. An important aspect herein is finding the right balance between entrepreneurship, supervision and risk management. At DELA we organise our activities based on a vision aimed at the continuity of the cooperative and long-term interests of our members. DELA's corporate governance is founded on the culture of our organisation on the one hand, and legislation & regulations and best practices on the other. This ensures that DELA complies with regulations and guidelines from the European legislator such as Solvency II, national legislation including the Dutch Financial Supervision Act, and policy regulations from the regulators. This section highlights the main aspects of our governance.

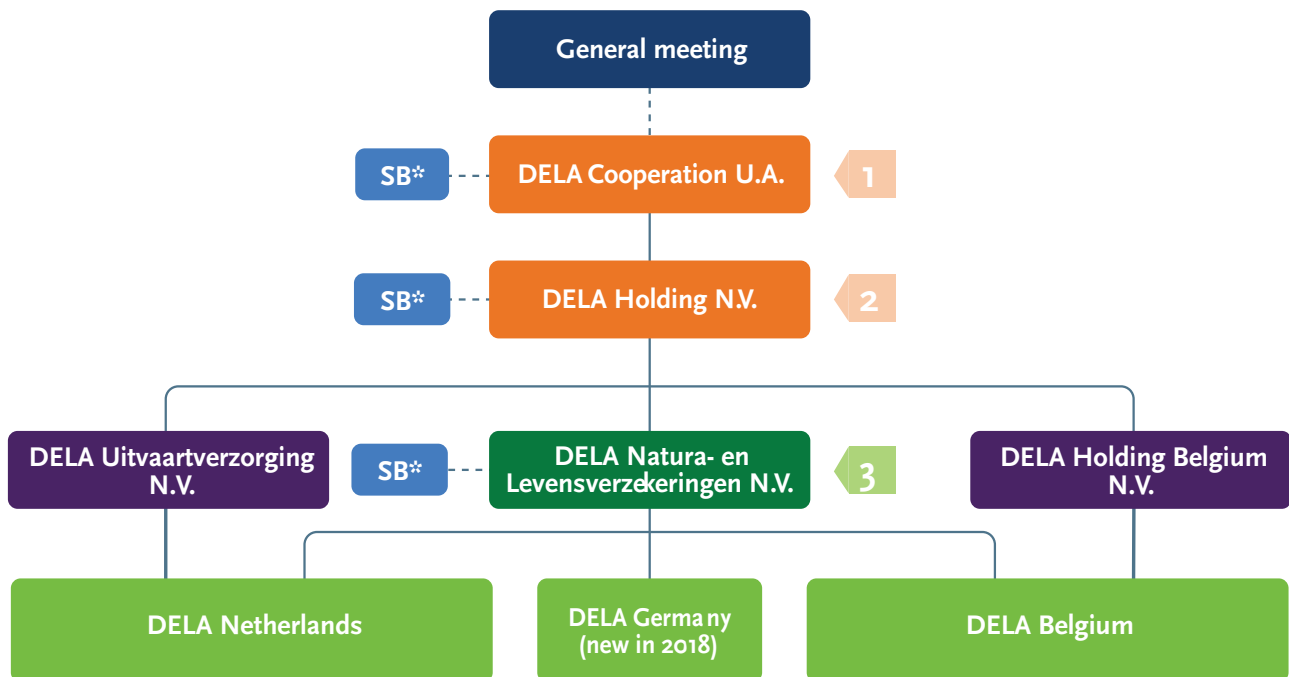
## Legal structure

DELA Coöperatie U.A. (hereafter: 'the DELA cooperative') is a cooperative established in 1937 with the following purpose:

- support members in word and deed so they can look to their future with as few worries as possible;
- guaranteeing members and co-insured a dignified and affordable funeral;
- promoting the reputation of the life insurance market and the funeral sector.

## Structure

Simplified image



### Clarification

- 1: abbreviated as "DELA" (statutory) or "DELA Group" (consolidated). Board members: see personal information
- 2: abbreviated as "DELA Holding" (statutory) or "DELA Holding Group" (consolidated). Same Board members as DELA Coöperatie U.A., see personal information
- 3: abbreviated as "DELA Natura" (statutory) or "DELA Natura Group" (consolidated)
- Supervisory Board: in personal union for these three entities, see personal information

DELA is a cooperative with excluded liability for its members. The cooperative is formed by all insured who become a member of the cooperative when entering into an insurance policy with the cooperative.

DELA Coöperatie U.A. accommodates DELA Holding NV The Board members of the cooperative are also the Board members of DELA Holding NV

The holding includes three principal companies: DELA Natura- en levensverzekeringen NV (hereafter: DELA Natura), DELA Uitvaartverzorging NV and DELA Holding Belgium NV

DELA Natura accommodates the Dutch, Belgian and German insurance activities. DELA Uitvaartverzorging NV accommodates the funeral activities for the Netherlands. The Belgian funeral activities are accommodated by the principal company DELA Holding Belgium NV. The principal companies include subsidiaries and participations.

DELA Holding NV always governs the principal companies. Each principal company governs its subsidiaries. In addition, each company may have a director. The authority of each director is defined per company in its statutes, in DELA's authorisation regulations for the relevant company segment and in the Chamber of Commerce registrations.

The registration number of the DELA cooperative at the Chamber of Commerce is 17012026.

## Members

Only natural persons can become a member of the cooperative. To become a member, they must have entered into a relevant (insurance) agreement with one or more of the subsidiaries. Co-insured to the aforementioned agreements can also become members of the cooperative if they indicate a wish to do so.

The cooperative is divided into departments. The numbers, names and boundaries of the departments are described in the Rules of Procedure. Each member of the cooperative is part of a department.

Members of the cooperative can be appointed as honorary members by the general meeting based on their merits for the cooperative after being nominated by the Supervisory Board.

### DELA cooperative honorary members

Name
Mr F.H.J.J. Andriessen (deceased 22-03-2019)
Mr J. Kremers
Mr J.A.G. Dirks
Mr A.J.M. Lauvenberg
Mr A.W.M. van de Zande
Mr S.C.J.J. Kortmann
Mr F.H.J. Boons
Mr C.C.M. Libregts

## General meeting

The general meeting of DELA Group acts as the 'highest level shareholder' and is formed by individuals chosen by the members of the cooperative. The general meeting has 36 members and 36 replacement members, each of whom attends meetings twice a year. Below is a list of the members of the general meeting as on 19 January 2019.

The meeting discusses issues important to the DELA cooperative, such as:

- The budget for the coming year;
- The annual report of the soon to be concluded book year;
- Determining the financial statement and discharging the Executive and Supervisory Board;
- Approving changes to DELA insurance products, related to everyone insured. An example includes the annual premium increase;
- The appointment of (Supervisory) Board members.

The general meeting is also asked to consider developments important to the cooperative as well as issues such as the DELA charity funds, complaint procedures and funeral methods.

To become a member of the general meeting, an individual must have been a member of the DELA cooperative for over five years.

## Members council

Department	Member	Replacement member
Achterhoek	Ms W. Ruesink-Orrïens	Mr W. ten Hooven
Almelo, Enschede etc.	Mr J. Mulstege	Mr J.J.M. Brouwer
Amsterdam, Amstelveen, Flevoland	Mr A. Prins	Mr B. Ramautarsing
Arnhem, Z.O.	Ms M. van Zwam-Jagers	Mr W. Ankersmit
Breda	Ms M. Roovers	Mr A.J.M. Strik
Drenthe, N.W. Overijssel	Mr W. Scheepstra	Ms A.L. Weijenberg
Eindhoven	Mr R.P.C. Libregts	Ms K. Wagt
Friesland, Groningen	Mr J.G.J.M. Wennink	Ms P.W.M. Zomer
Gebied om Breda	Mr L.A.M. Everts	Mr A. Matheeuwsen
Gebied om Eindhoven	Ms A.C. van Gils-Dirks	vacancy
Gebied om Rotterdam	Mr J.A.M. Heppe	Ms C.C.A.E. van der Loo
Gebied om 's-Hertogenbosch, Maaskant	Mr J.E.M. Slenter	Ms H. Litmaath
Gebied om Tilburg	Mr M.A.E. van den Boer	Ms M.A. Schaafsma
Helmond etc, Kempenland	Ms J. Beerens	Ms D. De Hoon-Sanders
Land van Maas en Waal, Bommelerwaard	Mr R. Asschert	Mr C. Bekkers
Langstraat, Land van Altena	Mr N. Teunissen	Ms I. Brokken-Janssen
Maastricht, Zuid Limburg	Mr R.J.P. van der Burgt	Mr I. Habets
Midden Meierij	Mr J.T.H.M. Schepers	Mr H.J.J. van Gogh
Noord Holland Noord	Mr R. de Graaf	Mr M.H. ten Have
Noord Holland West	Ms M.M. Scheen	Mr C. Hoogland
Noord Limburg en Land van Cuijk	Mr R. Oehmen	Mr H.C.M. van Egmond
Oostelijk Midden Limburg	Mr J. Zeelen	Mr J.F.P. Leurs
Oostelijke Mijnstreek	Mr E.E.T.M. Kalnenek	Mr J.M.W. Scholtis
Rijnstreek	Ms Ir. R.M.A.B. Ubachs	Mr T.W.H. de Bruijn
Roosendaal, Bergen op Zoom etc.	Mr C.A. van Loon	Mr R.P.A. van Meer
Rotterdam	Mr A.A. van 't Hof	Mr S. Will
s-Gravenhage, Leiden etc.	Mr J.M.M. Hoogstraaten	Ms A. Goes
's-Hertogenbosch	Ms Mr. L.M.F. Bonte	vacancy
Tilburg	Ms E. Hensen-Timmermans	Ms E.H.M. Verheijen
Utrecht Noord en Oost	Mr G.C.A.M. van Bree RA	Mr Ing. M.P. Meeder MBA
Utrecht, Utrecht West, Het Gooi	Ms I. Dijst	Ms S. Pieters
Veluwe	Ms J.M. Spruijt	Mr R.G.J.M. Spierings
Westelijk Midden Limburg, Westelijke Mijnstreek	Mr D.L.A.M. Bindels	Ms W.C.H.M. Bindels
Z.O. Brabant en Brabantse Peel	Mr F.J.J. Paumen	Mr L.A. Janssen
Zeeland	Mr R. Noët	Mr R.A.J. van de Bank
Zuid Holland Zuid	Mr C.M.J. Mierop	Mr Mr. A. Scheurwater

## Confidential committee

In addition to the general member council, there is a confidential committee with four members selected from and by the general meeting.

### Task

The confidential committee is tasked to promote cooperation between the general meeting and the Executive Board and Supervisory Board within the framework of the general meeting's authorities. In view of this task, the confidential committee is invited by the Supervisory Board to meet with them prior to each general meeting. In addition, the committee has at least one meeting a year with the Executive Board.

### Term

Every member of the confidential committee is selected for a period of no more than four years. One member steps down each year in accordance with a schedule drawn up by the committee. A member who steps down can be immediately re-elected. The maximum term in the confidential committee is 12 years.

## Supervisory Board

### Composition

The Supervisory Board consists of at least five and at most seven natural persons as determined by this Board. If possible, there are two members who are also (replacement) members of the general meeting. The composition of the Supervisory Board is such that the combination of experience, expertise and independence of its members fulfils the Supervisory Board profile and allows it to perform its various duties.

### Profile

The Supervisory Board has defined a profile for its size and composition, taking into account the nature of the company, the activities and the desired expertise, experience and independence of its members. The Supervisory Board evaluates this profile periodically.

### Appointment

The Supervisory Board members are appointed by the general meeting based on the suggestion of the Supervisory Board.

### Tasks

The tasks and duties of the Supervisory Board include supervising, monitoring and providing advice to the Executive Board regarding the realisation of the goals of the cooperative, the strategy and risks related to its activities, the setup and functioning of internal risk management and control systems, the financial reporting process, compliance with legislation and regulations, and the risk policy. In addition, the Supervisory Board ensures compliance with and enforcement of the corporate



governance structure, approving the financial statement, budget and capital investments, selecting and appointing the external accountant and auditor, approving the risk tolerance, nominating members of the Executive Board for appointment and resignation, and determining the remuneration policy. The Supervisory Board selects and nominates its members to the general meeting for appointment. It also evaluates the remuneration policy and the functioning of the Executive Board. The chair is the point of contact for alleged irregularities regarding the functioning of Executive Board members.

In fulfilling its duties, Supervisory Board members focus on the interests of the cooperative and its associated companies. In doing so, they carefully consider the interests of the various stakeholders of the cooperative, including members and employees. The Supervisory Board itself is responsible for the quality of its own functioning.

### **Regulations**

The Supervisory Board has internal regulations that provide rules for its decision-making process. The regulations are drawn up by the Supervisory Board and then confirmed by the general meeting. They serve as a supplement to the regulations and guidelines that apply to the Supervisory Board based on Dutch legislation and the cooperative's statutes.

### **Appointment and term**

Each Supervisory Board member is appointed for a period of up to four years, in the understanding that a member will step down at the latest after the first general meeting held after four years have passed since their latest appointment. A member who is stepping down can be re-appointed immediately, insofar as the maximum term of 12 years has not or will not be exceeded.

### **Committees**

The Supervisory Board has an audit and risk committee and a remuneration and appointment committee.

#### **Audit and risk committee**

The audit and risk committee comprises at least three members of the Supervisory Board and reports on its own meetings in Supervisory Board meetings. The number of members is determined by the Supervisory Board. The collective of the members of the committee must have relevant knowledge of and experience in the field of finance and administrative processes and regarding risk management, audits and investments. The Supervisory Board appoints one of the committee members as the chair of the committee. The Supervisory Board chair cannot be the chair of the committee as well.

The committee is responsible for preparing supervision on the functioning of the internal risk management and control systems, ensuring compliance with recommendations and following up on comments from the internal audit function and the external accountant, the financing of the

companies and the financial reporting.

The committee meets four times a year, two weeks prior to the Supervisory Board meetings, where it reports on its own meetings. The meetings of the audit and risk committee will include at least two Executive Board members. The secondary risk managers and the internal audit manager will also attend. In principle, the financial risk management and audit manager and the reporting and control manager will attend as well and the external accountant will attend at least two meetings of the audit and risk committee a year.

#### **Remuneration and appointment committee**

The remuneration and appointment committee consists of the chair of the Supervisory Board and one or more members selected from and by the Supervisory Board. The number of committee members is determined by the Supervisory Board and the chair of the Supervisory Board is chair of the committee too.

The committee is responsible for preparing decisions regarding the appointment and functioning of the Supervisory and Executive Board members and preparing for decisions on the remuneration of the Supervisory Board, the Executive Board members and the employees of the cooperative, including those related to the remuneration policy that impacts the risks and risk management of the cooperative and the monitoring thereof.

The committee meets at least three times a year, two weeks prior to the Supervisory Board meetings where its reports on its own meetings. Meetings of the remuneration and appointment committee will include at least two Executive Board members and the director.

#### **Participations**

The members of the Supervisory Board of the DELA cooperative are also appointed as Supervisory Board member for DELA Holding NV and DELA Natura- en levensverzekeringen NV (hereafter: 'DELA Natura'). For DELA Natura, the establishment of a Supervisory Board was compulsory based on the Dutch Financial Supervision Act (Wft).

## Investment advisory committee

DELA has an investment advisory committee (BAC) which has an advisory and evaluating role to the Executive Board on investments. In addition, it is asked for advice regarding policy proposals, policy changes and the implementation of policy in this field. Moreover, any significant real estate transactions exceeding €25 million are submitted to the BAC for advice. If the BAC provides advice which is ignored by the Executive Board, the Executive Board must report this to the Supervisory Board. The BAC meets with the Supervisory Board, Executive Board, Chief Investment Officer and director of the DELA Vastgoedmanagement BV at least once a year. The BAC has an explicit advisory role and evaluates whether proposals are consistent, comprehensive and sound with regard to yield and risk. The Executive and Supervisory Board maintain their own responsibilities. The BAC is composed of at least three external members.

## Executive Board

The cooperative has an Executive Board, which consists of a number of natural persons to be determined by the Supervisory Board. With the exception of limitations indicated in the statutes, the Executive Board manages the cooperative and its capital. The Executive Board can determine which special tasks go to which of its members. The task distribution must be approved by the Supervisory Board.

## DELA Natura- en levensverzekeringen NV

One of the participations of the Group involves DELA Natura- en levensverzekeringen NV (hereafter: 'DELA Natura') which accommodates the insurance activities, including any related personnel. The Supervisory Board of DELA Natura has the same members as the Supervisory Board of the DELA cooperative (in personal union) which is why this report is very similar to the report of the DELA Group.

DELA Natura is supervised by The Netherlands Authority for Financial Markets (AFM) and De Nederlandsche Bank (DNB) and is registered under licence number 12000437. The Chamber of Commerce registration number of DELA Natura is 17078393.

More information:

- About DELA Natura: see separate annual report;
- About legislation applicable to DELA and the activities of AFM and DNB: see [www.afm.nl](http://www.afm.nl) en [www.dnb.nl](http://www.dnb.nl).

## Independent business segments

The group includes independent business segments (ZBOs), of which there were three at the time of writing this annual report: DELA Netherlands, DELA Belgium and DELA Real Estate.

Each ZBO has its own management team. They report to the Executive Board, one member of which is primarily responsible for a ZBO. The management team has regulations that include the responsibilities and authorisations of the team. A ZBO management team is tasked with implementing the strategy, managing and providing management information for the consolidation of the group, dealing with formal/legal issues, and proper decision-making as defined in the statutes of the segment and the regulations. This management model ensures professional and well-balanced operations with adequate checks and balances.

## Policy: for group or business segments

Policy that applies to the entire group falls under the responsibilities of the Executive Board and is considered group policy. Policy that relates to a ZBO falls under the responsibilities of the management team of the ZBO. The management teams of the ZBOs determine their own policy within these frameworks. Group policy issues (besides secondary or tertiary policy items) include:

- Branding policy;
- IT policy;
- Remuneration policy;
- Security policy (information security and BCM);
- Privacy policy;
- Capital management policy;
- Investment policy;
- Data management policy;
- ORSA policy;
- ALM policy;
- Internal management policy.

## Activities in Belgium

DELA Belgium comprises insurance activities accommodated by the Dutch company DELA Natura, and funeral activities that are part of Belgian companies (the principal company is DELA Holding Belgium NV).

DELA Belgium is managed by the CEO of DELA Belgium. The vice-chair of the Executive Board holds the position of CEO of DELA Belgium and heads the operational management of DELA Belgium together with the management team. Regarding the funeral activities, the CEO of DELA Belgium is

active within the entity DELA Enterprises NV – a branch of the Dutch entity DELA Natura. This means that the insurance activities are carried out under the licence issued by DNB and that prudential supervision activities are overseen by DNB. With regard to the supervision of conduct, DELA Belgium is accountable to the Belgian Financial Services and Markets Authority (hereafter: 'FSMA').

## Activities in Germany

Marketing and sales activities in Germany take place via a branch in Düsseldorf (article 2:115 Wft). All other activities take place at the head office in Germany under the policy of DELA Netherlands. Conduct supervision is performed by the BaFin in Germany.

## Integrity

DELA finds it important to have a constant professional and well-balanced operational management with adequate checks and balances within the right culture. The culture of DELA is characterised by the values of engagement, integrity and entrepreneurship.

### Joint responsibility

The Executive Board of DELA is responsible for realising sufficient guarantees related to operational integrity. All employees are responsible for implementing operational integrity.

### Control

Compliance establishes an integrity risk analysis. This provides insight into the integrity risks DELA faces and which policy measures were taken. The internal audit function assesses the adequacy of the control measures. Monitoring programmes help determine whether the control measures are sufficiently upheld. The systematic integrity risk analysis (SIRA) comprises the following themes: organisational integrity, client chain integrity, employee integrity, personal data integrity and market integrity. This is described in the SIRA policy document. There are SIRAs for DELA Netherlands (which also apply to DELA Real Estate) and SIRAs for DELA Belgium, based on the Belgian situation.

### Code of conduct

An important part of DELA's integrity policy is to ensure that every DELA employee acts with integrity. This means that employees are honest, open, clear and meticulous. To further define the term integrity for employees, we have published a code of conduct which indicates which rules employees should follow to enhance their integrity for various focal areas. The code of conduct and underlying regulations are based on internal and external legislation and regulations. They were drawn up for DELA Netherlands and also apply to the ZBO DELA Real Estate. DELA Belgium has an integrity code with underlying regulations which are focused specifically on the Belgian situation and market, including legislation and regulations, while also being in line with the code and regulations as described below.

The code of conduct includes the following focal areas:

- Anchoring the details of integrity-sensitive functions;
- Conflicts of interest and corruption;
- Improper behaviour;
- Reporting suspected malpractices;
- Unlawful competition;
- Private investment transactions.

# Risk management

Risk management directly contributes to the long-term goals of DELA, such as continuity, growth, a healthy financial position and good service provision at acceptable costs. Moreover, it provides insight into the sensitivities and correlations of strategic, financial, operational and compliance risks to ensure that DELA can adequately and effectively address developments, and take timely action to realise its goals.

## Risk management system

For the setup of the management and control of risks, DELA applies the 'three lines of defence' model. This means that:

- The first line is primarily responsible for the operations, results, compliance with internal control measures and effective limitation of risks;
- The second line provides advice, coordinates, safeguards and evaluates – independently from the first line – whether or not the first line actually takes responsibility and operates within the risk tolerance of DELA;
- The third line ensures additional security of the quality of internal control via audits.

The independence of the second and third lines is an important starting point to ensuring this model functions properly, which is why it is safeguarded within DELA. The overview below shows a schematic representation of the 'Three lines of defence' model.

## Three lines of defence model

1 <sup>st</sup> line	2 <sup>nd</sup> line	3 <sup>rd</sup> line
<b>Who:</b> <ul style="list-style-type: none"><li>• Board</li><li>• Line and staff management</li></ul>	<b>Who:</b> <ul style="list-style-type: none"><li>• Actuarial function</li><li>• Compliance Risk Manager</li><li>• Financial Risk Manager</li><li>• Operational Risk Manager</li></ul>	<b>Who:</b> <ul style="list-style-type: none"><li>• Internal Audit</li></ul>
<b>Taken:</b> <ul style="list-style-type: none"><li>• Risk identification</li><li>• Risk management</li><li>• Risk monitoring</li></ul>	<b>Taken:</b> <ul style="list-style-type: none"><li>• Independent monitoring of and advice to first line regarding risk identification and management</li></ul>	<b>Taken:</b> <ul style="list-style-type: none"><li>• Assessing the adequateness and effectiveness of the governance system</li></ul>

## Risk appetite

To take risks resulting from major decisions into account, we apply risk categories as defined in Solvency II as a cornerstone. DELA management uses these risk categories to weigh up which risks DELA is prepared to take and to what extent. The results of this assessment are established in DELA's risk appetite, which consists of qualitative statements, risk limits and risk tolerances. DELA ensures there is always sufficient capital to compensate for setbacks. Where this is impossible, we take measures to limit the risks. In view of the developments within DELA and elsewhere our risk appetite is analysed annually.

The most important qualitative statements from the risk appetite are:

- DELA aims to have its members benefit optimally from the profits to ensure that insurance policies maintain their value;
- DELA takes market risks, taking into account the characteristics of its long-term insurance obligations and aimed at sharing profits and strengthening the core capital;
- DELA is cost-efficient;
- DELA accepts no form of internal or external fraud;
- DELA accepts no risks that could threaten DELA's reputation.

## Applied risk categories

The main risk categories that apply to DELA are detailed below.



## Strategic risks

These involve risks and insecurities that may form a problem in the implementation of the long-term strategy. These risks can impede the expansion abroad or the continuity of the business model in which distribution of profit is essential. The risks are mainly anticipated via a sound strategy process, supported by external consultants and overseen by the Supervisory Board. Implementation involves business cases to assess the required investments and ensure they are manageable. In addition, we apply an annual Own Risk and Solvency Assessment (ORSA) to analyse which risks are a potential threat to the continuity of DELA so preparatory measures can be taken when necessary. The main preconditions and measures have been detailed in the capital policy, which is evaluated every year.

The main developments that occurred in 2018 related to these risks involved the introduction of life insurance in Germany, the start of the development of funeral insurance in Germany and further research into possible continued internationalisation. The results of the ORSA show that DELA has a sound solvency position in various shock scenarios.

## Financial risks

### Distribution of profit and solvency risks

This involves the risk that DELA can no longer comply with its norm solvency and thus cannot meet the expectations of its members with regard to distribution of profit. The cause may originate from the underlying risks as described in this section. For this reason, the solvency ratio is monitored each month and DELA also evaluates possible measures to preserve its solvency and distribution of profit on an annual basis.

### Market risks

The value of the investments and the value of our obligations depend on developments in the financial markets, the composition of the investment portfolio and the characteristics of the insurance obligations. DELA is subject to an interest risk as the term of the fixed-income investments and the term of the obligations are not aligned (due to the long-term nature of those obligations) but also because it is not possible to invest in fixed-income securities alone. In addition, DELA faces investment risks (such as fluctuating share values, real estate and currency) that correlate with our business model. These market risks are limited, among other things, via asset liability management studies, supervision of investments, diversification of investments, investment restrictions and the selection and monitoring of professional asset managers. Moreover, we made the explicit choice to limit the share and currency risks with derivatives.

The year 2018 revolved around the build-up of an international real estate and infrastructure portfolio to further optimise the risk/yield ratio within the portfolio.

### **Underwriting risks**

The underwriting risk is the risk that the scope and timing of payments fail to align with the expectations as included in the premium rates. The most important involve the mortality risk, the surrender risk and the cost risk. In these cases, the actual development of the insurance portfolio is not aligned to the principles as applied in the premium determination due to which the built-up technical provisions are insufficient for the payments. The insurance portfolio has a low risk profile due to its large scope and distribution over the Netherlands, Belgium and Germany. In addition, measures such as the acceptance and reinsurance policy and cost reduction programmes limit the risks.

The products were evaluated within the annual product review in 2018 and improvements proposed where necessary.

### **Other financial risks**

In addition to market and underwriting risks, there are several less material financial risks, such as the competition and liquidity risk. These risks are largely limited by setting requirements for parties to which DELA holds claims and by maintaining sufficient liquidity in the investment portfolio to allow DELA to fulfil its obligations in the short term.

In 2018 there were no special developments related to these risks.

### **Operational risks**

In addition to the aforementioned financial risks, DELA also faces operational risks from outside influences, the malfunctioning of people, processes and systems, and non-compliance with legislation or regulations. The main operational risk areas are detailed below.

#### **Fraud risks**

Fraud risks involve the risk of losses due to acts that aim to defraud, misappropriate property or evade/bypass legislation and regulations or the business policy. We have taken measures to reduce these risks, which have been determined, among others, in the fraud policy, procurement policy, internal procedures and audits.

#### **Client and product risks**

This involves the risk of losses due to unintentional or negligent non-compliance with a professional obligation to certain clients or due to the nature or design of a product. Strict procedures, protocols and internal audits limit the risk of shortcomings in insurance and funeral products and reduce the chance of problems.

### **Process and system risks**

Process risks are related to the improper functioning of the processes applied within DELA. These are reduced via various measures including the process management policy, procurement policy and internal audits. System risks involve an interruption of operational activities due to system failure and includes key themes like cyber risks and information security. The risk of disruption is limited by measures such as the outsourcing policy, the (IT) information security policy, strict procedures and internal audits.

### **Working conditions risks**

Risks related to the working conditions of employees such as issues regarding health & safety as well as inequality and discrimination. Measures such as our Health & Safety policy, periodical risk inventories and evaluations (RI&E) and protocols reduce these risks.

### **Integrity risks**

Integrity risks mean a risk of harm to the reputation or an existing or future threat to the capital or results due to insufficient compliance with what is prescribed by or under any statutory regulation. In DELA, this risk is initially monitored from the compliance function based on the themes in the systematic integrity risk analysis. In 2018, this involved a focus on compliance with the General Data Protection Act implemented on 25 May.

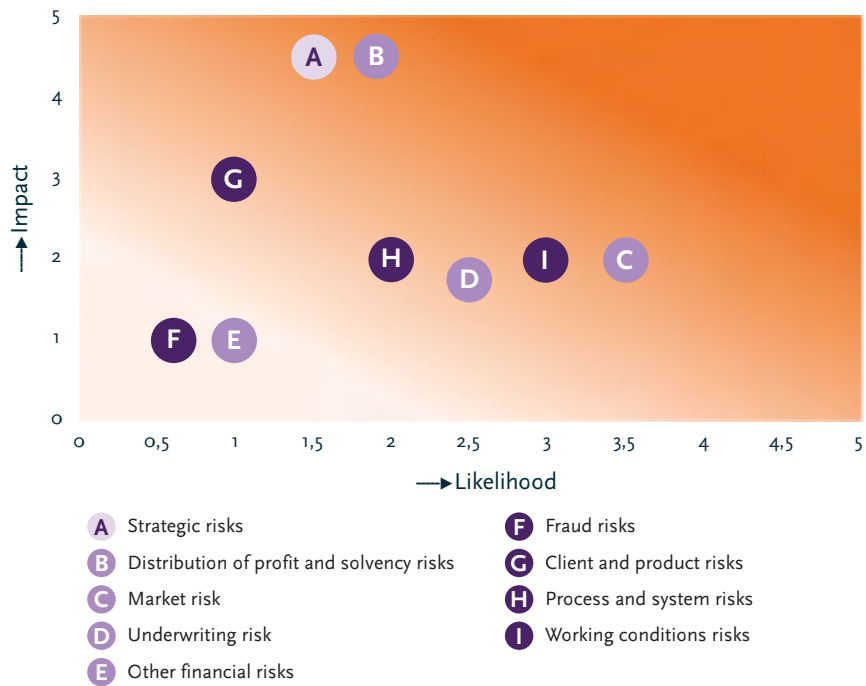
### **Reputation risks**

Reputation risks involve the risk of damages due to a loss of reputation. It is limited via an active realisation of reputation management, in which incident management is a major cornerstone. This helps identify possible reputation risks and the associated knock-on effects in time, and kick-start any necessary management actions. Other important cornerstones for reducing this risk include the company culture and 'tone at the top', supported by training programmes and the administrative organisation and internal control.

In this framework, DELA faced negative press attention in 2018 due to the issue of digital fingerprinting. Accused of fingerprint fraud, we initiated an independent investigation which was concluded in March. This found no concrete facts or circumstances indicating any incidents with fingerprints from the deceased at the DELA cooperative.

## Risk matrix

DELA's risk profile is represented in the graph below. We have not plotted the integrity and reputation risks separately as they result from or form the basis of the already plotted risks.



## **In conclusion**

In 2018 we continued to build on the further professionalisation of risk management within DELA and found that the risk-reducing measures were effective. Wherever the risk appetite was exceeded, immediate action was taken to comply with the defined appetite within the set terms.



**Christiaan Varenhorst**  
Competed with Jasper Bouter

**Top sport is not without its problems.  
Breaking partnership Jasper: I've learned.  
Hope to not repeat the same mistakes  
[#MyMoment](#) [#2018](#) [#ForEachOther](#)**



DELA Group Annual Report 2018

# Summary of financial statement



# Abridged version

This report is a translation of the dutch abridged version of the annual report, which includes a summary of the statutory financial statement which was composed as follows: the original balance sheet from 31 December 2018 and the operational income statement over 2018 were copied integrally from the statutory financial statement. The statutory financial statement is based on Title 9 Book 2 of the Dutch Civil Code (BW). This summary suffices with repeating the principles for the material financial statement items. The notes that are required based on Title 9 Book 2 of the Dutch Civil Code are included in a simplified version, taking into account the intended purpose of these summarised financial statements. The summary also includes comparative figures. Consulting this summary cannot replace consultation of the statutory financial statement over book year 2018 as various simplifications are made in the summary.

Readers who would like more information can download a copy of the statutory financial statement via the website [jaarverslag2018.dela.nl](http://jaarverslag2018.dela.nl) (only available in dutch). All other chapters have been copied integrally from the original annual report.

# Consolidated balance sheet as on 31 December 2018

After appropriation of results, amounts x €1,000

	Ref.	31-12-2018	31-12-2017
<b>ASSETS</b>			
<b>Intangible fixed assets</b>	4.1	<b>88,133</b>	<b>92,063</b>
<b>Investments</b>	4.2		
Real estate		1,213,934	1,136,402
Participations		1,003	579
Other financial investments:			
- Shares and other variable-yield securities		1,956,842	2,184,927
- Bonds and other fixed-interest securities		1,645,147	1,790,319
- Receivables from mortgage loans		283,116	284,840
- Receivables from other loans		171,914	65,666
- Infrastructure		40,534	13,936
- Investments in liquidities		30,007	30,120
- Derivatives		80,905	27,289
- Other financial investments		262,912	208,067
		<b>5,686,314</b>	<b>5,742,146</b>
<b>Other receivables</b>	4.3	<b>194,221</b>	<b>82,916</b>
<b>Other assets</b>	4.4		
Real estate in own use		67,447	71,311
Other intangible assets		26,730	27,405
Stock		2,124	1,955
		<b>96,301</b>	<b>100,671</b>
<b>Accruals</b>			
Rent and interest yet to be received		1,214	1,796
Other accruals		12,741	13,486
		<b>13,955</b>	<b>15,282</b>
<b>Cash and cash equivalents</b>		<b>79,867</b>	<b>78,037</b>
<b>TOTAL ASSETS</b>		<b>6,158,791</b>	<b>6,111,115</b>

	Ref.	31-12-2018	31-12-2017
<b>LIABILITIES</b>			
<b>Group equity</b>			
Equity	4.5	1,048,474	1,251,400
Minority interest	4.6	3,350	1,035
		<b>1,051,824</b>	<b>1,252,435</b>
<b>Provisions</b>	4.8	<b>188,001</b>	<b>205,627</b>
<b>Technical provisions</b>	4.9	<b>4,584,184</b>	<b>4,291,492</b>
<b>Long-term liabilities</b>	4.11	<b>151,236</b>	<b>149,098</b>
<b>Short-term liabilities and accrued liabilities</b>	4.12	<b>183,546</b>	<b>212,463</b>
<b>TOTAL LIABILITIES</b>		<b>6,158,791</b>	<b>6,111,115</b>

# Consolidated operational income statement 2018

## Segment information

Amounts x €1,000

	2018	2017
<b>INSURER</b>		
<b>Revenu</b>		
Premium revenu	450,782	434,773
Investment revenu	130,314	124,624
Other turnover	109	3,418
	<b>581,205</b>	<b>562,815</b>
<b>Costs</b>		
Underwriting costs	411,858	395,089
Personnel costs	59,010	47,754
Acquisition costs	44,295	39,031
Other operational costs	23,405	23,481
	<b>538,568</b>	<b>505,355</b>
<b>Operating result insurer</b>	<b>42,637</b>	<b>57,460</b>
<b>FUNERAL COMPANY</b>		
<b>Revenu</b>		
Revenue funeral company	241,155	237,110
Direct costs funeral company	-108,559	-109,567
	<b>132,596</b>	<b>127,543</b>
<b>Costs</b>		
Personnel costs	86,218	77,749
Other operational costs	54,540	51,532
Financial costs	-1,319	-158
	<b>139,439</b>	<b>129,123</b>
<b>Operating result funeral company</b>	<b>-6,843</b>	<b>-1,580</b>

## Segment information, continued

Amounts x €1,000

	2018	2017
<b>Operating result</b>		
Operating result insurer	42,637	57,460
Operating result funeral company	-6,843	-1,580
	<b>35,794</b>	<b>55,880</b>
<b>Other revenue and costs</b>		
Other incidental revenue	4,204	-
Other incidental costs	-10,738	-21,729
Donation DELA charity fund	-690	-887
Goodwill amortisation	-12,769	-7,545
	<b>-19,993</b>	<b>-30,161</b>
<b>Available for appropriation of profit</b>		
Revenue investments available for distribution of profit and capital gain	-265,091	305,148
Distribution of profit	-42,321	-17,753
	<b>-307,412</b>	<b>287,395</b>
<b>Result before taxes</b>	<b>-291,611</b>	<b>313,114</b>
<b>Taxes</b>	<b>88,462</b>	<b>-78,395</b>
<b>Minority interest</b>	<b>-243</b>	<b>162</b>
<b>Result after taxes</b>	<b>-203,392</b>	<b>234,881</b>

# Notes on the consolidated balance sheet and operational income statement

## 1. General notes

### 1.1. Activities

The activities of DELA Coöperatie U.A. ('the DELA cooperative'), with its statutory office in Eindhoven, Oude Stadsgracht 1, CoC number 17012026, and its group companies ('the Group') involve insurance, investments and funeral services. The insurance products involve funeral insurance, life insurance and savings insurance. The insurance activities take place in the Netherlands, Belgium and Germany. The funeral services take place in the Netherlands and Belgium.

The summarised 2018 financial statement of DELA Coöperatie U.A. in Eindhoven, comprising the summarised balance sheet as on 31 December 2018 and the summarised profit and loss accounts over 2018 with the associated notes, was based on the audited 2018 formatted annual statement of DELA Coöperatie U.A.

Any events occurring between publication of the statutory financial statement and this summarised financial statement have not been taken into account.

### 1.2. Consolidation

The consolidation includes the financial data of the DELA cooperative, its group companies and other legal persons over which it has decisive control and central management. This summarised financial statement includes segmented statements to provide better insight into the individual operational activities of the insurer and the funeral Company. For the result statement based on the Annual Accounts Formats Decree, we refer you to the statutory financial statement.

## 2. Principles for balance sheet determination

### 2.1 General

The consolidated financial statement was drawn up in accordance with the statutory provisions of Title 9 Book 2 of the Dutch Civil Code (BW) and the Dutch Guidelines for Annual Reporting (RJ). All amounts are provided in thousands unless indicated otherwise. There are no generally applicable criteria for summarised financial statements in the Netherlands. The criteria applied by the Board and the aggregation level of this financial statement are tailored to the desired goal of the summary.

The valuation and determination of the results are based on historical costs unless indicated otherwise. Revenue and costs are assigned to the year to which they relate. Profits are only included insofar as they were realised on the balance sheet date. Obligations and any losses that originated before the end of the reporting year are taken into account insofar as they were known when the financial statement was drawn up.

## **2.2 Discretionary profit distribution**

Profit distribution is calculated actuarially and has a provisional character. The processing of the discretionary profit distribution takes place via the technical provisions item. The addition of the amount the Group has appropriated for discretionary profit distribution under the technical provisions is charged to the result.

## **2.3 Technical provisions**

### *Insurance contracts*

The determination of the technical provisions is a process that naturally involves a lot of uncertainties. The actual payments depend on factors such as social, economic and demographic trends, inflation, investment yields, policy-holders' behaviour and assumptions on mortality development. The use of other assumptions for these factors than the tariff rates now used in the annual accounts could have a material effect on the technical provisions and underwriting costs (also see 'adequacy test').

### *Funeral insurance at own expense and risk*

For payments based on insurance policies that are expected to be made in the future, an obligation is included as soon as the policy is implemented. The obligations for funeral insurance at own expense and risk consists of the (with tariff interest) discounted value of the expected future payments (including already awarded profit shares) to policy holders or other beneficiaries, minus future premiums.

The majority of the technical provisions for funeral and life insurance at own expense and risk as established in the Netherlands are calculated in accordance with the pure net method at an interest of 2.75% and based on the GBMV 1995-2000 mortality table as published by the Actuarieel Genootschap, using the principles related to mortality and interest.

The majority of technical provisions for funeral and life insurance at own expense and risk as established in Belgium are calculated in accordance with the pure net method at the usual interest from the moment of implementation and based on the HD or MK-FK mortality table, using the principles related to mortality and interest. The expected payments are based on the principles of the rate as determined when the policy was signed.

The technical provision for life insurance as established in Germany is calculated in accordance with the pure net method at an interest of 3% and with a mortality rate based on 46% of the 'DAV2008T NR/R, 2. Ordnung' table as produced by the Deutsche Aktuarvereinigung.

For the DELA LeefdoorPlan (life insurance plan), the technical provision is calculated in accordance with the pure net method at an interest of 3% and based on the prognosis tables as published by the Koninklijk Actuarieel Genootschap when the rate was introduced.

For the DELA Spaarplan (savings plan), the technical provision is calculated in accordance with the built-up policy value based on the paid savings premiums, the already allocated profit shares and the interest rate linked to the rate.

The premiums include surcharges for the coverage of the costs. When the premiums are received or have become claimable, the surcharges are released and made available for the coverage of the actual costs, which includes ongoing costs and acquisition costs. Different principles are used for some of the smaller technical provisions.

The deferred acquisition costs are subtracted from the provision.

### **3. Principles for the determination of result**

The result is determined as the difference between the turnover (consisting of premium revenue, investment revenue and revenue from funeral services) and the payments, costs and other liabilities over the year. The revenues and costs are allocated to the book year to which they relate. Losses can be realised as soon as they are foreseeable.

### **4. Financial instruments and risk management**

The Group identifies risk exposures using periodical Asset & Liability Management (ALM) studies with the aim of realising long-term investment results that exceed the interest obligations based on insurance contracts and deposits. The main investment goal in the insurance company is the maximisation of the expected yield within the permitted risk framework.



## 5. Statement of changes in equity

### Statement of changes in equity

Amounts x €1,000

	2018	2017
<b>Balance as on 1 January</b>	<b>1,251,400</b>	<b>1,015,744</b>
From allocation result book year	-203,392	234,881
Revaluation real estate	466	732
Other changes	-	43
<b>Balance as on 31 December</b>	<b>1,048,474</b>	<b>1,251,400</b>

### Proposal for the appropriation of results 2018

It is proposed to withdraw the negative result after taxes of €203,392 from the other reserves.

In anticipation the general meeting's decision, this proposal has already been processed in the financial statement.

### Result appropriation 2017

The 2017 financial statement was determined in the general meeting of 26 May 2018, which determined the appropriation of the result in line with the proposal.

## 6. Solvency

The Group determines the solvency based on Solvency II. These are European calculation rules in which the determination of the solvency takes into account the risks included in the insurers' balance sheet. The Group applies the so-called Solvency II standard model in its calculations. This is based on an interest term structure published by European supervisor EIOPA (including Ultimate Forward Rate and Volatility Adjustment) as by the end of 2018.

### Solvency

Amounts x €1,000

	31-12-2018	31-12-2017
Required solvency	442,412	551,351
Actual solvency	1,651,909	1,703,865
Solvency ratio	373%	309%

## 7. Technical provisions

### Technical provision, progress

Amounts x €1,000

	2018	2017
<b>Book value on 1 January</b>	<b>4,291,492</b>	<b>4,062,701</b>
Additions charged to the profit and loss account		
- From premiums	342,556	327,002
- Interest	129,019	123,763
- Distribution of profit	42,415	17,753
- Takeover/conversion portfolio	26,878	-
- Payments	-123,364	-119,513
- Shared premium for death	-114,548	-109,515
- Withdrawal for costs	-6,600	-5,817
- Other mutations	623	26
- Deferred acquisition costs	-4,287	-4,908
<b>Book value on 31 December</b>	<b>4,584,184</b>	<b>4,291,492</b>

### Technical provisions, specification

Amounts x € 1,000

	31-12-2018	31-12-2017
Gross technical provisions	4,674,166	4,373,066
Reinsurance share	-18,305	-16,304
Surplus interest sharing	600	2,720
Deferred acquisition costs	-72,277	-67,990
<b>Total</b>	<b>4,584,184</b>	<b>4,291,492</b>

The total technical provision can be considered long-term. The takeover included in the overview involves the Hooghenread portfolio.

## 8. Net turnover

### Turnover, by geographical location

Amounts x €1,000

	2018	2017
<b>Premium revenue</b>		
Premium revenue Netherlands	341,580	335,860
Premium revenue Belgium	108,905	98,913
Premium Revenue Germany	297	
	<b>450,782</b>	<b>434,773</b>
<b>Revenue funeral company</b>		
Revenue funeral company Netherlands	188,635	182,508
Revenue funeral company Belgium	52,520	54,602
Internal turnover	-/- 127,680	121,028
	<b>113,475</b>	<b>116,082</b>
<b>Revenue from investments</b>	<b>-139,287</b>	<b>422,973</b>
<b>Other turnover insurance company</b>	<b>109</b>	<b>3,418</b>
<b>Total</b>	<b>425,079</b>	<b>977,246</b>

Of the total premium revenue in 2018, €4.1 million consists of single premiums (2017: €4.3 million).



**Robert Meeuwsen**

Competes with Alexander Brouwer

**Gold in Huntington Beach. 10 games against global top. And winning... #MyMoment #2018 #ForEachOther**



DELA BEACH OPEN FIVB BEACH VOLLEYBALL WORLD TOUR

DELA BEACH OPEN FIVB BEACH VOLLEYBALL WORLD TOUR

Sen

FIVB

2

NED

DELA elkaar

DELA BEACH OPEN FIVB BEACH VOLLEYBALL WORLD TOUR

DELA BEACH OPEN

PLANTIN  
Vitamins  
Rabobank

DELA  
beachvolleyball

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# Other information

# Other information

## **Statutory distribution of profit**

Article 26 of the statutes states that the Executive Board draws up the annual statement of the previous book year, including the proposal for the appropriation of the result.



**Joy Stubbe**

Competes with Marleen van Iersel

**Exciting moments. Blood, sweat and tears. World events. Top of beach volleyball. And a smile #MyMoment #2018 #ForEachOther**





Rabobank

DELA VO

2014 CEV DEVA  
BEACH VOLLEYBALL  
EUROPEAN CHAMPIONSHIP

NED  
DELA

DELA

DELA VO

2014 CEV DEVA  
BEACH VOLLEYBALL  
EUROPEAN CHAMPIONSHIP

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# Auditor's statement by the independent accountant

# Independent auditor's report

To: the members of the General Meeting and the Supervisory Directors of DELA Coöperatie U.A.

## Our opinion

The summary financial statements 2018 (hereinafter “the summary financial statements”) of DELA Coöperatie U.A., Eindhoven, the Netherlands, are derived from the audited financial statements 2018 of DELA Coöperatie U.A.

In our opinion, the enclosed summary financial statements are, in all material respects, consistent with the audited financial statements 2018 of DELA Coöperatie U.A. based on the accounting policies described in notes 1, 2, and 3 to the financial statements.

The summary financial statements include:

1. The consolidated balance sheet as at 31 December 2018;
2. The consolidated operational income statement 2018;
3. The corresponding summary notes.

## Summary financial statements

The summary financial statements do not contain all the disclosures required under Title 9, Book 2 of the Dutch Civil Code (DCC). Reading the summary financial statements and our opinion thereon, therefore, is not a substitute for reading the audited financial statements 2018 of DELA Coöperatie U.A. and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report of 17 April 2019 on the audited financial statements.

## The audited financial statements and our auditor's report thereon

In our auditor's report of 17 April 2019, we have expressed an unqualified opinion on the audited financial statements 2018 of DELA Coöperatie U.A.

That auditor's report also contains the communication of materiality, the scope of the group audit and the key audit matters.

## Responsibility of Management and the Supervisory Board for the summary financial statements

Management is responsible for the preparation of the summary financial statements based on the criteria and accounting policies as set out on pages 105 and in notes 1, 2, and 3.

The Supervisory Board is responsible for supervising the financial reporting process of the Cooperation.

### **Our responsibilities**

Our responsibility is to express an opinion on whether the summary financial statements are, in all material respects, consistent with the audited financial statements based on our procedures, which have been performed in accordance with Dutch law, including Dutch Accounting Standard 810 “Engagements to report on summary financial statements”.

Amsterdam, 29 May 2019

Deloitte Accountants B.V.

C.J. de Witt RA





**Marleen van Iersel**  
Competes with Joy Stubbe

**2018: running my own programme. Intense year. Ups and downs. Dutch Championships. We won! #MyMoment #2018 #ForEachOther**



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# Annexes



# Annex 1: About this report

## Reporting and auditing process

The selection of the reported indicators is based on the GRI guidelines, meetings with our stakeholders, the impact of DELA and the resulting materiality matrix. Data included in this report is based wherever possible on measurements and calculations (such as NPS). Other data is derived from central systems (including personnel data) or based on input from third parties (such as paper and waste). Whenever there are changes to the definitions, measuring methods or inherent limitations in the data, or when extrapolation or estimates are used, this will be indicated in the report.

Some of the included indicators (financial indicators, absence through illness, NPS, BIO scope, paper consumption) are part of the regular planning and control cycle. This means that the data is reported via monthly reports. Our financial department looks at changes in the data compared to previous reports and at the plausibility of the reported information, requesting supporting evidence where necessary. Other indicators (energy, CO<sub>2</sub> emissions) are reported annually for the purpose of the annual report. The underlying data for these indicators is collected and checked by the CSR project leader.

The accountant must explicitly report on material deviations in the Statement from the Executive Board based on knowledge obtained from auditing the financial statement. The accountant was not tasked to grant assurance on non-financial information, although we do aim to start doing so in the future.

## Framework and scope

The framework of the report was determined based on the materiality assessment of 2016, with which we report on material issues. The framework has not changed since the previous reporting period. The report involves book year 2018, which runs from 1 January 2018 to 31 December 2018. The CSR information is related to activities of DELA in the Netherlands, excluding the acquisitions Algemeen Belang Uitvaartverzorging and Begraafbeheer BV. Myosotis Uitvaartverzorging was included in the CO<sub>2</sub> footprint of the previous reporting periods. In principle, we do not report on sub-contractors and/or suppliers, unless indicated otherwise.

## Locations of non-financial information

Non-financial information in this annual report can be found in the following sections:

## Locations of non-financial information

Non-financial information in this annual report can be found in the following sections:

Item	Chapter
Customer satisfaction	Our members
Environmental issues	Our environment
Social issues	Our environment
	Our people
Personnel issues	Our people
Social investment policy	Our environment
Respecting human rights	Our environment
Combatting corruption and bribery	Our environment

# Annex 2: Memberships and codes of conduct

Coöperatie DELA is a member of and operates in accordance with the agreed codes of conduct of the following organisations:

- Verbond van Verzekeraars -> Code of conduct for insurers
- BGNU -> Trade association for certified Dutch funeral companies
- IVBN -> Association of institutional investors in real estate
- DDMA -> Data Driven Marketing Association

The certifications/quality marks DELA has acquired are:

- Keurmerk Uitvaartzorg (certification for funeral services)
- Keurmerk klantgericht verzekeren (quality mark for customer-oriented insurance)
- Privacy waarborg (privacy guarantee)

# Annex 3: GRI Table

## GRI Table

GRI Standard / disclosure	location
<b>Organisation</b>	
102-1 Name of the organisation	Statement from the Executive Board, Our environment
102-2 Main brands, products and services	In brief, Profile
102-3 Location of headquarters	Eindhoven
102-4 Locations van crematoriums and funeral homes	<a href="https://www.dela.nl/service-en-contact/contact-met-ons-opnemen/vestiging-zoeken">https://www.dela.nl/service-en-contact/contact-met-ons-opnemen/vestiging-zoeken</a>
102-5 Ownership structure and legal form	Consolidated financial statement, Notes on the consolidated balance sheet and profit and loss account
102-6 Markets served	In brief, Profile & Key figures
102-7 Scale of the reporting organisation	In brief, Key figures
102-8 Information on employees	Statement from the Executive Board, Our people
102-9 Description of the organisation's supply chain	In brief, Stronger together
102-10 Significant changes to the organisation and the supply chain	Consolidated financial statement, Notes on the consolidated balance sheet and profit and loss account
102-11 Externally developed economic, environmental and social charters, principles applied by the organisation	Annex: Memberships and codes of conduct  <a href="https://www.dela.nl/verzekeringen/keurmerken">https://www.dela.nl/verzekeringen/keurmerken</a>
102-12 Initiatives to compensate the environmental consequences of products and services and the scope of this compensation	Statement from the Executive Board, Our environment
102-13 Memberships of associations (including trade associations) and national and international interest groups	Annex: Memberships and codes of conduct  <a href="https://www.dela.nl/verzekeringen/keurmerken">https://www.dela.nl/verzekeringen/keurmerken</a>
<b>Strategy</b>	
102-14 Statement from the highest decision-maker of the organisation	In brief, Foreword.  In brief, Vision and strategy.
<b>Ethics and integrity</b>	
102-16 Description of values, principles, standards and norms of behaviour, such as codes of conduct, as applied by the organisation	Statement from the Executive Board, Our people  Annex: Memberships and codes of conduct
<b>Governance</b>	
102-18 Governance structure of the organisation	Governance & risk management, Corporate governance
<b>Stakeholder engagement</b>	
102-40 List of involved stakeholder groups	Annex: About this report

102-41 Percentage of employees subject to the collective labour agreement	Not reported
102-42 Principles for the inventory and selection of stakeholders	Not reported
102-43 Approach to stakeholder engagement	Annex: About this report
102-44 Key topics and issues based on stakeholder meetings	Annex: About this report
<b>Reporting profile</b>	
102-45 Overview of all companies included in the consolidated financial statements and not included in this report	Annex: About this report
102-46 Process for defining the content and specific framework of the report and the applied principles	Annex: About this report
	Annex: GRI Table
102-47 Material topics determined during the process to define the contents of the report	Annex: About this report
102-48 Consequences of possible restatement of information provided in previous reports and reasons for these restatements	Consolidated financial statement, Notes on the consolidated balance sheet and profit and loss account
102-49 Significant changes compared to the previous reporting periods regarding scope and framework	Consolidated financial statement, Notes on the consolidated balance sheet and profit and loss account
102-50 Reporting period	2018
102-51 Date of the most recent report	04/17/2019
102-52 Reporting cycle	Annual
102-53 Contact information for questions related to the report	Colophon
102-54 GR applicability level	Core

# Definition/abbreviations

Below is a list of clarifications of commonly used terms and abbreviations.

## **Absence due to illness**

This percentage is calculated by dividing the number of sick days by the number of workable days per year. It involves the period during which DELA is financially at risk for each country for which the absence due to illness is indicated. For the Netherlands this is two years, for Belgium one year.

## **Assetmix**

The asset mix is the distribution of capital over shares, real estate, fixed-income securities, infrastructure and liquidities. The asset mix is determined based on the ALM study and drawn up in the investment policy.

## **Average funeral costs**

Every funeral costs money. These costs vary based on choices made by the descendants and the place where the services are rendered. The average funeral costs provide insight into what a funeral costs on average. At DELA, this means the average costs of a funeral based on the provision package of the DELA UitvaartPlan.

## **B.V.**

Private company

## **BIO**

Our strategy of employee engagement, integrity and entrepreneurial spirit

## **BREEAM**

BREEAM stands for Building Research Establishment Environmental Assessment Method. It determines the sustainability performance of buildings by focusing on three aspects: the building, its management and its use. The three aspects are assessed in nine sustainability categories: management, health, energy, transport, water, materials, waste, land use & ecology and pollution. A score is achieved per aspect ranging from 5 stars for 'Outstanding', 4 for 'Excellent', 3 for 'Very Good', 2 for 'Good' and 1 for 'Pass'.

## **CAO**

Collective labour agreement

## **CFRO**

Chief financial and risk officer

## **Climate-neutral**

Climate-neutral means that there are no net CO<sub>2</sub> emissions and no contribution to climate change. A

process, service or organisation is climate-neutral if it does not produce CO<sub>2</sub> emissions or if the produced greenhouse gases are offset elsewhere.

### **CO<sub>2</sub>-footprint**

A CO<sub>2</sub> footprint is an inventory of the total amount of emitted greenhouse gases, expressed in CO<sub>2</sub> equivalents. CO<sub>2</sub> emissions are caused by the combustion of fuels. Too much CO<sub>2</sub> in the atmosphere leads to climate change. A CO<sub>2</sub> footprint indicates the extent to which an organisation impacts climate change and where CO<sub>2</sub> emissions can be reduced. A CO<sub>2</sub> footprint is categorised in Scope 1, 2 and 3. Scope 1 involves direct CO<sub>2</sub> emissions; scope 2 indirect CO<sub>2</sub> emissions via the acquisition of electricity and gas; and scope 3 involves all other indirect CO<sub>2</sub> emissions. Annex 1 (Corporate Social Responsibility) and Annex 3 (About this report) provide more information on our CO<sub>2</sub> footprint.

### **CPI**

Consumer price index

### **CSR**

Corporate Social Responsibility

### **DCG**

DELA Crematorium Group

### **DCP**

DELA Coöperatie spaarPlan (savings insurance)

### **DECAVI**

DECAVI (B) provides services for the insurance sector (realtors, insurers, actuaries). In addition to organising events in the sector and publishing market studies, DECAVI has been awarding insurance trophies since 2000.

### **DLP**

DELA LeefDoorPlan (life insurance)

### **DNB**

De Nederlandsche Bank (Dutch central bank)

### **DUP**

DELA UitvaartPlan (pre-arranged funeral insurance)

### **Energy scan**

An energy scan provides insight into the energy-saving opportunities of a building and maps which energy-saving measures would be profitable for a building.

### **Entrepreneur's salary**

The costs of a funeral entrepreneur to whom a funeral is outsourced.

**FIT**

FIT stands for financially solid, innovative and future-oriented. This internal DELA programme focuses on structural cost savings.

**FTE**

Fulltime equivalents (for example: 2 part-time employees who each work for 50% are equivalent to 1 FTE).

**GPtW**

Great Place to Work is an organisation that measures the opinions of employees. These measurements are then compared to establish a GPtW benchmark. The main components involved are trust in the company, confidence in the manager, challenges, opportunities and the possibility of self-development from the employee's perspective.

**GreenLeave**

GreenLeave is a consortium of funeral companies in the Netherlands who aim to realise sustainability in funeral options and designs in a practical way. They achieve this based on five key principles, a portfolio of products and services for aspects of the funeral, and collaboration with suppliers.

**GRESB**

The Global Real Estate Sustainability Benchmark (GRESB) is an independent scientific benchmark that assesses the sustainability policy of real estate funds and portfolios worldwide. Based on the GRESBscore, fund managers can assess their sustainability policy and make improvements. See <https://gresb.com/>

**KGW**

Customer-oriented approach

**Mln**

Million

**N.V.**

Public limited company

**Net growth**

The difference between the number of new policies and the number of terminated policies.

**NPS**

NPS stands for Net Promotor Score. Customers are asked in surveys the extent to which they would recommend a specific company, product or service to others. They can give a score between 0 and 10. The group of responders who give a mark of 0 to 6 are called detractors. The group marking a 9 or 10 are qualified as promoters, and the remainder (7 and 8) are considered passive-neutral. The NPS is



determined by subtracting the percentage of detractors from the percentage of promoters. For example, if research shows that 30% of the responders is a promotor and 20% is a detractor, the NPS is +10.

### **Operational result**

The result acquired from the regular activities of DELA, with the exception of special income and expenses, profit sharing and taxes.

### **ORSA**

Under Solvency II, insurers are compelled to perform an ORSA (Own Risk and Solvency Assessment). An ORSA is an annual assessment that must be performed by or on behalf of the insurer to determine whether all financial risks that may occur have been mapped and/or whether any mitigating measures to minimise possible risks have been taken so that the insurer can continue to fulfil its insurance obligations in the future.

### **Paper consumption**

The number of sheets of paper we use annually for printing and copying on our central printers. The paper consumption of mobile printers used by our funeral carers and cooperative consultants is not included.

### **Premium income**

Premium income is the total of premium paid to DELA by the insured for purchased products.

### **Prognosis**

Prediction by management

### **RCSA**

Risk Control Self Assessments map any substantial risks that may endanger the realisation of the goals and continuity of the company. The goal is to take mitigating measures after the assessment has been performed.

### **RepTrak**

RepTrak is a method for gauging an organisation's reputation. It measures the perceptions of the general public regarding the reputation of companies (the RepTrak® Pulse) and seven reputation drivers: products and services, innovation, working environment, governance, CSR, leadership and performance.

### **Risk appetite**

The risk appetite of a company indicates the nature and scope of the risks a company is willing to take in realising its operational goals.

### **SA**

Société anonyme (public limited company)

## **SCM**

Short-cycle management

## **Solvency II**

European regulations for solvency requirements for (re)insurers. Solvency II aims to promote an internal European market for insurance services and provide sufficient consumer protection. The starting point is an economic-risk-based approach, in which all assets and liabilities are valued at market value. In addition, the starting point is the link between the solvency requirements and the risk profile of insurers. Solvency II is the name for the statutory regulations that are imposed on insurers by the supervising body. These regulations involve:

- quantitative requirements for capital buffers and the valuation principles.
- requirements for the setup of risk management and governance
- the performance of an ORSA (Own Risk Solvency Assessment).
- the establishment of a report (SFCR) and publication of this report in the framework of transparency.

## **Solvency ratio**

A solvency ratio indicates to what extent a company is able to fulfil its financial obligations. Under Solvency II, this figure is calculated by dividing the available capital by the required capital, taking into account the actual risks.

## **SRI**

Socially responsible investment

## **Stable in value**

Inflation-proof

## **Transparency benchmark**

The transparency benchmark is an initiative of the Dutch Ministry of Economic Affairs and Climate. In collaboration with the Netherlands Institute of Chartered Accountants (NBA), annual reports are assessed on certain criteria. The Crystal award is presented to the organisation with the most inspiring example of transparent CSR reporting.

## **VBDO**

Association of investors for sustainable development

## **VVP**

Fixed transfer price. The price agreed in advance which the funeral company will charge the insurer for the services in the insured package.

## **Wlb**

Dutch Burial and Cremations Act

**WMC**

Value creation model

**Wta**

Accounting Organisations (Supervision) Act

# Colophon

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DELA Cooperative

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DELA Cooperative

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