

# Sustainability at Aegon

January 2024





A large yellow geometric shape, resembling a downward-pointing arrow or a stylized 'V', is positioned at the top of the page. It has a flat top edge and tapers to a point at the bottom.

# Helping people live their best lives in a fair and healthy world

## **A guide to Aegon's sustainability approach, commitments, and governance**

Around the world, people are living longer. Many are investing their extra time on earth in finding ways to make a positive impact. At Aegon, we're excited by the opportunities this brings - it's a chance to help create a better world by supporting the transition to a net-zero economy and a fairer society.

This document outlines Aegon's approach to sustainability and how it intersects with our various businesses. We also describe our sustainability governance and performance, and the steps we're taking to promote sustainability throughout our value chain.

# Committed to positive action

Aegon's sustainability ambitions and policies are set at a holding company level. Meanwhile, our businesses apply their own additional frameworks and policies to support the implementation of our global sustainability agenda. But wherever we're located, our approach is guided by leading global sustainability frameworks. These include the UN Global Compact, UN Environment Program - Financial Institutions (UNEP-FI), Principles for Sustainable Insurance (PSI), and the Principles for Responsible Investment (PRI).

# Two sustainability priority themes

**Aegon's stakeholders have identified two priority themes that will shape our sustainability agenda in the coming years: climate change and inclusion and diversity.**

**We're actively addressing these far-reaching issues in various ways - from enhancing the products and services we offer customers, to improving our way of working and our impact on society and the environment.**

## 1. Climate change

At Aegon, we aim to leave the planet a little better than we found it. That's why we're actively reducing the environmental impact of our operations and investments, with a focus on climate change.

We're committed to supporting the implementation of the climate transition in line with the goals of the Paris Agreement. The first step is to transition our general account investment portfolio to net-zero greenhouse gas (GHG) emissions by 2050.

On this path, we have set firm medium-term targets for 2025 against our 2019 baseline:



Reducing the carbon footprint of our operational activities by 25%



Reducing the weighted average carbon intensity of our corporate fixed income and listed equity general account assets by 25%



Reducing the scope 1 and 2<sup>1</sup> carbon intensity of our directly held real estate investments by 25% (kgCO<sub>2</sub>e/m<sup>2</sup>)



Investing USD 2.5 billion in activities to help mitigate climate change or adapt to its associated impacts



Engaging with at least the top 20 corporate carbon emitters in the portfolio

To track our progress against our 2025 targets, please refer to our [Integrated Annual Report](#).

<sup>1</sup> Scope 1 covers direct emissions from owned or controlled sources while scope 2 covers indirect emissions from the purchase and use of electricity, steam, heating, and cooling.

Some of the key efforts we are undertaking to address climate change and report on our progress:

- **CDP:** The CDP initiative encourages companies to be more open about their GHG emissions and other climate-related impacts. Aegon has disclosed its emissions to CDP every year since 2010.
- **Task Force on Climate-related Financial Disclosures (TCFD):** Our Integrated Annual Report follows the TCFD framework for comprehensive climate-related financial disclosures. We welcome feedback from stakeholders in order to continuously improve our reporting and business practices.
- **Executive remuneration:** Aegon has integrated environmental remuneration targets into the individual performance targets of key executives, such as our CEO and CFO.
- **Climate risk scenarios:** We are conducting an extensive climate risk assessment for our general and separate account assets across all of our businesses, with the support of Ortec Finance. The analysis evaluates three plausible climate pathways in line with industry standards set by the Intergovernmental Panel on Climate Change (IPCC) and the Network for Greening the Financial System (NGFS).
- **Climate risk assessment:** Our Operational Risk function runs a climate risk assessment to identify potential physical and transition-related risks that could impact Aegon.
- **Net-Zero Asset Owner Alliance (NZAOA):** Aegon is a member of the UN-convened group of institutional investors committed to transitioning their portfolios to net-zero GHG emissions by 2050. Aegon has set 2025 targets, and will update its interim targets to meet this commitment.

## 2. Inclusion & diversity (I&D)

Aegon's purpose of helping people live their best lives starts with creating the right environment for our employees, our marketplace, and our communities.

Across all our businesses, we're working to build a fair and inclusive organization, removing barriers to participation and increasing our diversity so that everyone can belong and play a role in promoting inclusion.

Important pillars of our I&D strategy include:



**Workforce:** Building a professional culture that engages and welcomes everyone, and promotes conscious inclusion.

- Employee Resource Groups (ERGs) help make sure all Aegon employees have a say in the company's culture and future direction and that their specific needs are met during our transformation program. Around the world, Aegon's ERGs include Culture, Race and Ethnicity, (Dis)ability, Generations, Proud, Wellbeing, and Women's Impact Network, to name but a few.



**Workplace:** Integrating I&D into our recruitment strategies, leveraging diversity data for meaningful improvement.

- Equal executive representation: We have set a target of at least 38% female representation in senior management positions at Aegon.
- Collaborating with peers and external experts: For example, Aegon participates in Workplace Pride, a global benchmark that measures LGBTQIA+ policies and practices among peer organizations.



**Marketplace:** Strengthening I&D values with our customers and communities, creating positive change through surveys, feedback, and benchmarking.

- We listen to our customers, using their feedback and benchmarking information to assess our level of maturity on inclusion and diversity. It's our starting point to take action, develop products, and adjust our ways of working.
- Our community investments center on inclusion by supporting activities that empower people financially and socially

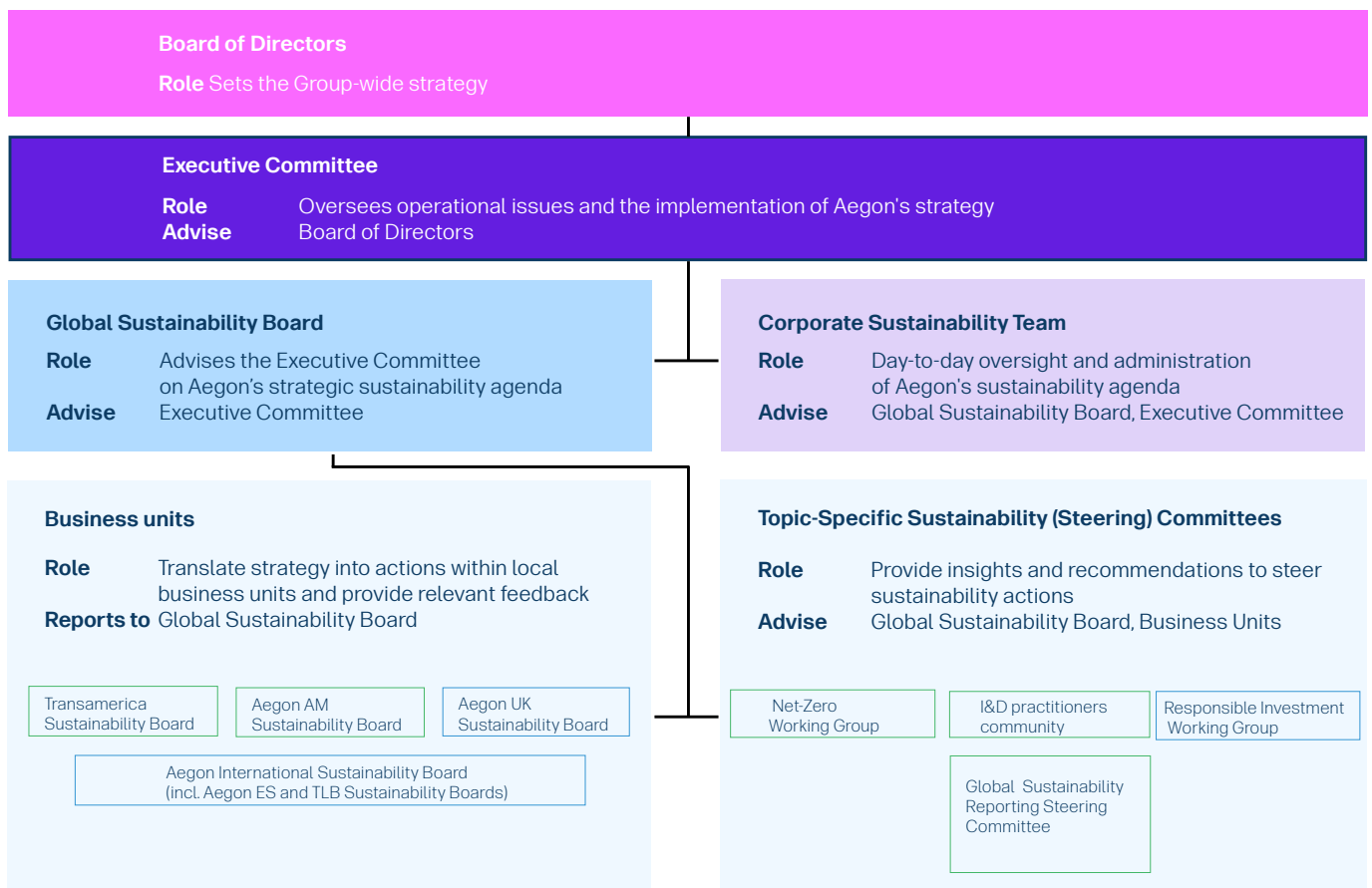
Track Aegon's progress on inclusion and diversity in our [Integrated Annual Report](#).

# Group-wide sustainability governance

**Making progress on our sustainability ambitions requires alignment and a clear sense of direction – both at a holding company level and across our global businesses.**

Aegon’s Global Sustainability Board (GSB) is responsible for monitoring, discussing, and advising our Executive Committee on subjects and issues that are relevant to the proper execution of Aegon’s sustainability strategy. The GSB is supported by Local Sustainability Boards and topic-specific committees, which translate our global sustainability agenda into actions at a local business unit level. Meanwhile, the Corporate Sustainability Team oversees and administers Aegon’s sustainability agenda on a day-to-day basis.

## Current group-wide sustainability governance





Tracking our progress

**We track our performance against leading global sustainability benchmarks and indices.**



'AA' rating



14.2 (low risk), 5th percentile in the insurance industry assessed by Sustainalytics



C+ (Prime)



"Leader" peer group ranking for "Governance" as part of the ISS ESG Corporate Rating



Constituent company in the FTSE4Good Index Series



'C' score



Silver medal

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# Embedding sustainability in our value chain

**To create a more responsible financial services industry, we need those with the influence to take the first step. At Aegon, we want to use our position as a leading financial services company to help shape a sustainable value chain.**

We have identified a number of critical sustainability topics where we believe we can have a positive impact at different points in our value chain – from our own operations to our investments, and from our products to our partnerships and supply chain activities.

## Policies and statements

Material topic	Value chain dimension	Related policy or statement
Climate change (mitigation and adaptation)	Own operations	<a href="#">Environmental Policy</a>
	Investments and asset management	<a href="#">Aegon Group Responsible Investment Policy</a>
Inclusion & diversity	Own operations	<a href="#">Statement on Inclusion &amp; Diversity</a>
		<a href="#">Statement on Human Rights</a>
Customer empowerment	Own operations	Pricing and Product Development Policy
	Underwriting (insurance-related VC)	Market Conduct Compliance Policy
Employee wellbeing	Own operations	Talent principles and talent review framework
		Performance and development cycle
		<a href="#">Global Health &amp; Safety Statement</a>
		Global Remuneration Framework
Data security and privacy	Own operations	Global Information Security Policy
		Aegon Privacy Control Framework

Material topic	Value chain dimension	Related policy or statement
Business conduct	Own operations	<a href="#">Code of Conduct</a>
		<a href="#">Speak Up</a>
		<a href="#">Anti-Bribery &amp; Corruption Policy</a>
		<a href="#">Conflict of Interest Policy</a>
		<a href="#">Global Tax Policy and Principles of Conduct</a>
		<a href="#">Anti-Money Laundering &amp; Counter Terrorist Financing Policy</a>
		<a href="#">Anti-Fraud Policy</a>
		<a href="#">Sanctions Policy</a>

Other (non-material) topics	Value chain dimension	Related policy / statement / procedures
Human rights	Investments and asset management	<a href="#">Aegon Group Responsible Investment Policy</a>
	Own operations	<a href="#">Code of Conduct</a>
		<a href="#">Statement on Inclusion &amp; Diversity</a>
		<a href="#">Statement on Human Rights</a>
	Supply chain	<a href="#">Vendor Code of Conduct</a>
Responsible sourcing	Supply chain	<a href="#">Vendor Code of Conduct</a>
Community investment	Own operations	<a href="#">Global Community investment framework</a>

