



Asset Management

RESPONSIBLE INVESTMENT REPORT 2021

Our progress on ESG
integration, active ownership
and solutions

*Beyond
borders™*

Aegon Asset Management is the global investment management brand of Aegon N.V. See disclosures for more detail. For institutional and professional investor use only.

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Responsible investment defined

Responsible investment (RI) is an umbrella term that covers various tools and approaches to incorporating environmental, social and governance (ESG) considerations into investment decision-making processes. It may include ESG integration and active ownership as well as dedicated, RI-focused capabilities. Related terms may include sustainable or ESG investing.

This Active Ownership Report describes Aegon AM's Responsible Investment team and its approach to active ownership within Aegon AM's fixed income, equity, and multi-asset solutions investment platforms. The activities described herein apply specifically to corporate issuers but do not encompass sovereign issuers, bank loans, or scrutinized debt, among others. Similarly, while this report generally describes our active ownership approach, each affiliate's specific implementation within Aegon AM will vary based on the specific strategy or asset class specialization. Additionally, each client has unique needs and requirements within their mandate and certain of our clients may have stated expectations different from the activities described herein. For that reason, not every capability within Aegon AM's fixed income, equity, or multi-asset solutions platform necessarily utilizes the approach described herein. Information specific to each capability within Aegon AM is available upon request.

Please refer to the Disclosures pages for additional important information.



Responsible investment at Aegon AM

€177.6 billion
(\$202 billion)
AuM in responsible
investment solutions¹

596
engagements²

2,963
company meetings voted on³

17
professionals in a dedicated
Responsible Investment
team

A+
PRI RI strategy and
governance rating for 2020⁴

6th/75
ShareAction RI program⁵

100/100
Sustainalytics RI policy and
program (assessment of
parent company, Aegon N.V.)⁶

For over 30 years, we have built a comprehensive responsible investment approach consisting of three pillars: ESG integration, active ownership and solutions. With our dedicated Responsible Investment team (RI team), we are continually expanding ESG integration across investment strategies, strengthening our active ownership efforts and expanding our client-centric responsible investment strategies.

We consider it a privilege and duty to help our clients pursue better long-term outcomes while contributing to sustainable capital markets and impactful economic activities. We are proud to report that our responsible investment program continued to receive high ratings and rankings by key industry organizations last year.

Looking ahead, we remain committed to responsible investing and aspire to drive the industry forward by promoting best practices for the potential benefit of our clients, the industry and society at large.

¹Aegon Asset Management, as of December 31, 2021. Assets under management/advisement excludes joint ventures. Total responsible investment solutions includes €160.5 (\$183) billion of strategies with exclusions, €10.2 (\$12) billion of best-in-class strategies, €2.9 (\$3.3) billion of sustainability-themed strategies as well as €4.1 (\$4.6) billion of impact investments. Exclusions include assets primarily managed for Aegon AM affiliates subject to a global exclusion list. The impact of the exclusion list will vary depending on the asset class and may not materially affect the implementation of every strategy.

²Aegon Asset Management, December 31, 2021.

³This figure represents all votes, including those on behalf of clients according to their own policy.

⁴PRI did not update assessment ratings in 2021. A new rating is expected in 2022. As of 2020, approximately 29% of signatories received an A+ score for PRI strategy and governance module.

⁵As of 2020. ShareAction conducted a survey ("Point of No Returns", March 2020) of 75 large asset managers. ⁶As of 2020. Based in whole or in part on Aegon Asset Management's RI program, approximately 23% of 1,269 participants received a score of 100/100 for their responsible investment policy and 23% of 1,181 participants received a score of 100/100 for their responsible investment program.

Responsible investment products and services may vary regionally. Refer to disclosures for important information.

Foreword



Bas NieuweWeme, CEO

The last year proved to be another challenging period as we all continued to live with Covid-19. However, the rollout of the vaccination programs worldwide brought hope of a return to some measure of normalcy. Despite the emergence of the Delta and Omicron variants, economies began to reopen, and we face a far more optimistic future as we look forward to the rest of 2022.

The pandemic forced the world to adapt to the changing environment more quickly than anyone could have expected, with people pulling together for the greater good. This was particularly visible in medical and care professionals, as well as with essential workers who continued to selflessly put their own wellbeing at risk. At an economic level central banks across the world moved rapidly to dampen the economic repercussions of the pandemic.

Covid-19's disruption to the world's predictable cycles caused a collective reassessment of the normalcy and routine of our daily lives with priorities shifting. It has also seen investors begin to place greater emphasis on the importance of environmental, social and corporate governance issues.

At Aegon Asset Management (Aegon AM) our daily life may look a little different, but our commitments remain the same: to deliver the highest quality investment solutions

to our clients; pursue competitive long-term results through active investment management; and provide our employees with fulfilling careers, financial stability, and a safe, inclusive and diverse workplace.

As part of our commitment to inclusion and diversity we aspired to have 30% of senior management roles globally filled by women by the end of 2020. We beat that target and hit 33% in 2021. However, we don't want to stop there. We are continuing to push for progress, and our aspiration is to have women comprising 35% of the firm's senior management positions by the end of 2022.⁷

Underpinning these commitments is our determination to expand our ESG capabilities. COP26, held in Glasgow during October and November last year, heightened the world's focus on these factors, along with the challenges and opportunities they present for the future.

I am proud of the progress we have made in our commitments to responsible investing. Over the past year, Aegon AM joined the Net-Zero Asset Managers Initiative; the Aegon Global Sustainable Equity product⁸ won a prestigious award in the United Nations Conference of Trade and Development (UNCTAD) Sustainable Global Fund Award category; and we have launched various sustainable products, including Global Sustainable Sovereign.⁹ All of these achievements showcase our commitment and the ways in which we are constantly striving to improve.

Responsible investing is embedded in our rich heritage at Aegon AM, and we believe it has a bright future. We aspire to drive the industry forward by promoting best practices for the benefit of our clients, the industry and society at large.

Covid-19's disruption to the world's predictable cycles caused a collective reassessment of the normalcy and routine of our daily lives with priorities shifting. It has also seen investors begin to place greater emphasis on the importance of environmental, social and corporate governance issues.

⁷We are committed to progressing in all areas of I&D, but due to privacy restrictions in certain regions, we are unable to share more global statistics.

⁸As of 10/20/21. The award was given for the management of a UCIT fund managed by Aegon AM UK and is not available to US investors. Aegon AM UK offers a variety of strategies to Institutional Investors which may be accessed through a segregated account. All strategies offered by Aegon AM UK are subject to market risk including loss of principal. The UNCTAD Sustainable Fund Award recognize companies' commitments to SDG Funding. Winners were selected from more than 780 sustainable funds that met multidimensional sustainability criteria while outperforming their respective benchmarks. Four joint winners were chosen in the Global Sustainable Fund Category. No fee was paid to UNCTAD.

⁹Advised or sub-advised by Aegon AM NL. Not all products are available to all investors or in all jurisdictions. Certain capabilities may not be open to new investors.

Introduction



Brunno Maradei, CFA, Global Head of Responsible Investment

Growth and interest in responsible investing continued as we all faced up to the impact we are having on our planet.

A focal point for much of this interest was COP26 held in Glasgow in November, as world leaders and delegates gathered to assess the impact of climate change and agree on measures aimed at limiting its damage.

Many found the outcome disappointing following lack of agreement over how to tackle the issues faced. But some hope was found in the reaction and clear collaboration of many smaller organizations and groups that aim to help fight climate change.

Further hope for a brighter future was offered by the mass rollout of the various Covid-19 vaccines across the world. This allowed a return to some normality and for economies to begin reopening and markets to start recovering. One by-product of this was inflation, which at first appeared transient but is now proving stickier than first thought.

As we return to some semblance of our regular routines, I have no doubt the pandemic has changed the way we spend our time and money. But other things remain unchanged such as the continued migrant crisis, which continues to underline the importance

of meeting the UN's Sustainable Development Goals.¹⁰

These events lead us to an inescapable conclusion: environmental, social and governance (ESG) issues are here to stay and will continue to influence societies, markets and valuations. This is why at Aegon AM, we continue to pursue our goal of capturing ESG value and risk, while aiming to contribute to a more sustainable world.

In 2022, we look forward to continuing our responsible investment journey by launching innovative strategies and further developing our ESG integration processes, particularly in more challenging asset classes where ESG information is difficult to procure. We will also continue to seek to achieve the greatest impact for our institutional investors, as active and engaged owners of corporate balance sheets. The coming year will surely bring both challenges and opportunities, but we remain committed to providing a more sustainable future for our clients.

ESG issues are here to stay and will continue to influence societies, markets and valuations. This is why at Aegon AM, we continue to pursue our goal of capturing ESG value and risk, while aiming to contribute to a more sustainable world.

¹⁰The Sustainable Development Goals (SDGs) are a collection of 17 interlinked global goals designed to be a "blueprint to achieve a better and more sustainable future for all." The SDGs were set up in 2015 by the United Nations General Assembly and are intended to be achieved by the year 2030.

Key developments

Increased active ownership activity

In 2021 the Aegon AM Responsible Investment team (RI team) increased its active ownership activities by carrying out 596 engagements, up from 575 in 2020. The team also voted on 2,963 meetings globally, up from 2,511 in 2020.¹¹ We continue to utilize our milestone-based approach to better track and communicate our engagement activities and have seen solid progress in our engagement dialogues, which we have demonstrated in their progression to higher milestones.

Engagement focus

The RI team has also focused attention on health and social issues within the engagements program. By using our rigorous engagement process to better understand and influence the practices and behaviors of companies, we hope to help contribute to solving the pressing ESG issues seen in the world today. A particular focus for Aegon AM has been on access to medicines and vaccines for developing countries.

Net-zero emissions objective by 2050

In November, Aegon Asset Management's parent company, Aegon N.V. (Aegon), announced its commitment to transition its EUR 156 billion¹² general account investment portfolio to net-zero greenhouse gas emissions by 2050.¹³ This is an

important step in the strengthening of Aegon's group-wide approach toward corporate sustainability. In this context, Aegon joined the Net-Zero Asset Owner Alliance, a UN-convened group of institutional investors committed to transitioning their portfolios to net-zero greenhouse gas emissions.

To ensure progress toward this 2050 commitment, Aegon has set a clear interim target. By 2025, it aims to reduce the weighted average carbon intensity of its approximately EUR 55 billion¹² corporate fixed income and listed equity general account assets, where it has control, by 25%. Aegon will set additional targets at five-year intervals from 2025 through 2050. To reach the 2025 target, Aegon will make adjustments to its general account portfolio and will initially focus on engaging with the top emitters in the current portfolio.

Signatory to Net-Zero Asset Managers initiative.

Also in November 2021, Aegon AM signed the Net-Zero Asset Managers initiative, joining other asset management groups in committing support to the goal of net-zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit global warming to 1.5 degrees Celsius. Aegon AM is committed to supporting investments aligned with this net-zero emissions target and collaborating with our clients on

decarbonization, helping them achieve their own climate ambitions.

Launch of Global Sustainable Sovereign Strategy

At the 26th UN Climate Change Conference of the Parties (COP26), we launched the Aegon Global Sustainable Sovereign Bond Strategy. The launch saw us partner with the Global Ethical Finance Initiative (GEFI) to introduce the strategy, which invests in investment grade government bonds (BBB- and higher), focusing on countries that are demonstrating significant progress toward the sustainability targets defined by the UN SDGs.

The strategy will be managed by government bond specialists within Aegon AM's Global Fixed Income Platform, which has 136 fixed income investment professionals across the UK, the US and the Netherlands, supported by the Global Responsible Investment Team, led by Brunno Maradei.

Growing Responsible Investment team

We expanded the RI team with three additional professionals, bringing the total to 17 members as of December 31, 2021. The team conducts in-depth sustainability and impact research, contributes to product development efforts, supports investment teams with ESG integration practices, leads active ownership activities and advises on RI policies and reporting.

¹¹2,963 is the number of all votes, including those voted on behalf of clients according to their own policy.

¹²As of December 31, 2021

¹³<https://www.aegon.com/investors/press-releases/2021/aegon-commits-to-group-wide-net-zero-emissions-objective-by-2050/>, November 2, 2021.

New responsible investment capabilities: Enhancing the ESG integration process in sovereign bond investing



Alan Buss, CFA, Senior Sovereign Analyst

We believe responsible investing in sovereign debt requires an additional set of tools beyond traditional portfolio management practices.

In 2021 we introduced new sovereign bond ESG categories to assess investment potential. Sovereign bonds are difficult to assess, given their complex social, economic, political and geographic makeup. This complexity makes them inherently complicated from an ESG perspective as it builds on an already-challenging typical sovereign assessment. This is partly due to limited data and lack of consistency in defining and measuring ESG factors, as well as an understanding that more than raw data is needed.

Social unrest, political and economic stability, and the impact of climate change all play a role in an issuer's ability and willingness to pay its debt. It thus requires a dedicated team to analyze both the quantitative and qualitative aspects of sovereigns in an effort to ensure proper understanding of each country. At Aegon AM, our efforts in this regard are guided by our experienced sovereign research team.

Factors to consider in sovereign bonds

We believe responsible investing in sovereign debt requires an additional set of tools beyond traditional portfolio management practices. Our sovereign research team uses a comprehensive framework to provide a tailored approach.

Important factors we consider are:

- Data is not exact: Quantitative measures are not always reliable.
- Trends are key: Rather than looking at specific measures, watching the direction of a country's movements is essential.
- Politics and policy: Government policy is critical but can be prone to fluctuations due to changes in leadership. Monitoring politics is essential.
- Unique attributes: Economics, geopolitics, climate, weather and geography must be taken into consideration.
- Longer time horizons: Relevant time periods differ for sovereigns compared to corporate issuers. Corporations are more nimble, short-term profit-oriented, and can change policy more quickly than a sovereign issuer. Changes to sovereigns can take generations to occur, often through various economic and political cycles.

An ESG framework that supports qualitative research

These factors led us to develop a proprietary ESG scoring methodology to support our qualitative research process. This ESG calculator collates multiple data sources to identify material ESG factors and the level of risk a country faces considering its development profile. The result is a proprietary ESG score for each sovereign, which can help contextualize ongoing ESG issues and their materiality, as well as recent ESG trends in that country. This information is then used as an input to our qualitative ESG research integration process, which underpins our sovereign ESG assessments.

Integrating ESG factors to help improve decision making

ESG integration can be used as a tool to help manage risk and identify potential opportunities. As a result, we believe the assessment of ESG elements may contribute to alpha over the long term. The sovereign research team includes ESG analysis as part of its fundamental research, allowing for a comprehensive assessment.

A comprehensive approach

Our research process combines external ESG information with our analysts' internal ESG assessments, along with more traditional financial/economic sovereign credit evaluations. The regionally focused sovereign research analyst team provides this perspective on sovereign ESG topics, as well as country-specific historical and relative fundamental analysis. We believe it is important to blend quantitative and qualitative perspectives with our combined sovereign expertise and historical experience to arrive at an educated, informed, independent assessment. This assessment incorporates the expected possible effects that ESG issues could have on a sovereign's ability and willingness to pay its debt, which is paramount in sovereign analysis.

Although ESG analysis of sovereigns is complex, the combination of external information with our experienced group of sovereign researchers' proprietary view allows us to perform a comprehensive evaluation. We utilize the research process to identify both risks and opportunities among sovereigns based on their ESG characteristics and share these views with portfolio managers as part of our holistic credit assessment.

ESG categories for sovereign credit

Category	Description
Responsible Leader	Securitization fundamentals are positively affected by leading ESG practices.
Minimal Risk	Fundamentally low exposure to ESG risks or presence of factors that mitigate most of the ESG risks.
Event Risk Potential	ESG risk exposures could negatively affect the securitization fundamentals, but the effect is not measurable and timing is uncertain.
Credit Outlook Impact	ESG risks are resulting in pressure on the securitization fundamentals, however, we expect limited impact on the credit rating.
Internal Rating Override	ESG factors have resulted in a material effect on the securitization fundamentals that is not reflected in its credit rating.



New responsible investment capabilities: Sustainable Diversified Growth



Nick Edwardson, Senior Investment Specialist Multi-Asset & Solutions

The Sustainable Diversified Growth strategy builds on Aegon AM's lengthy heritage in responsible investing using the philosophy and process of a single asset class sustainable product range.

In April 2021, Aegon AM UK officially renamed the Aegon Sustainable Diversified Growth Strategy¹⁴ marking the end of the transition from the long-established Diversified Growth Strategy to a sustainable mandate.

The strategy builds on Aegon AM's lengthy heritage in responsible investing using the philosophy and process of a single asset class sustainable product range.

Business products and business practices that are positively aligned with (at least) one of six key sustainability themes

Sustainability themes		Governance
Environmental themes	Climate change	
	Eco solutions	
	Resource efficiency	
Social themes	Sustainable growth	
	Inclusion	
	Health and well-being	

Following the transition, the strategy retained its asset allocation model and objective of aiming to achieve a stated target return annually with less equity market risk through a portfolio diversified by asset class, geography, and theme. Importantly, the strategy is unconstrained, either by a benchmark or a rigid allocation framework, which allows more freedom when seeking investment opportunities throughout the cycle.

The strategy benefits from the wider asset class expertise of Aegon AM's equity and fixed income platforms to provide security selection within bespoke sleeves. Further sleeves of listed alternative investments form a significant part of the portfolio as their risk/return metrics and low correlation with traditional bonds and equities supports the investment objective.

An example of alternative allocations is the strategy's exposure to operational renewable energy assets. These offer long-term contractual cash flows, often incorporating inflation protection. Indeed, the nature of these investments and a growing awareness of the wider growth opportunities around climate change and energy transition were a key reason behind the strategy's transition. Sustainability challenges, and the societal change underway, are of course much broader than just climate change but collectively they offer significant opportunity to deliver strong returns for investors.

Consistent with Aegon AM's sustainable product range, the Aegon Sustainable Diversified Growth strategy seeks alternative, equity and credit investments aligned with at least one of six sustainability themes. Opportunities are screened for a number of automatic exclusions then assessed in three dimensions (Product,

¹⁴Advised or sub-advised by Aegon AM UK. Not all products are available to all investors or in all jurisdictions. Certain capabilities may not be open to new investors.

Practice and Improvement) to determine their sustainability profile. Those deemed laggards are excluded. Leaders and improvers are investible and, since outsize investment returns are often driven by change, improvers are often favoured.

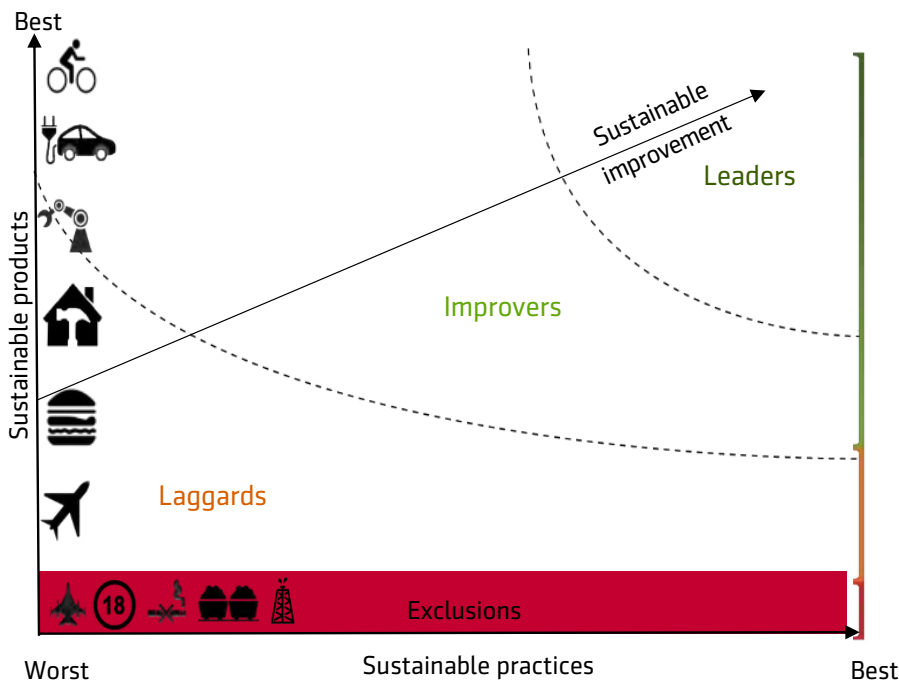
Aegon AM's comprehensive framework assesses three dimensions of sustainability

Analysing

- Products: What a company does
- Practices: How a company does it
- Improvement: Track record over time

Identifying

- Leaders, improvers and laggards
- Aligns with multiple sustainability megatrends
- Results in a high-conviction, sustainability-themed portfolio



The identification of 'leaders', 'laggards' and 'improvers' is based on Aegon AM's assessment of a company's sustainability of its products and practises. There is no guarantee that the assessment of a company as a leader or improver will continue or that positive results will be obtained from investment in the securities of such companies. All investments contain risk and may lose value. Sustainable product exclusions: tobacco, weapons, nuclear power, gambling, animal welfare, adult entertainment, genetic modification, coal, oil exploration and production.

Sovereign bonds, typically used for risk management, are assessed through alignment with SDGs to ensure every security in the portfolio has been through an appropriate sustainability screen and that the criteria are universally adopted.

The RI team is crucial to delivery of this portfolio, being solely responsible for the sustainability screening and importantly for the ongoing engagement activity with all holdings. Governance is as important today as it was when Aegon AM UK launched its first RI product in 1989.



New responsible investment capabilities: Global Sustainable Real Estate



Boudewijn Schoon, Senior
Portfolio Manager Listed Real
Estate

Building stock is expected to double in Africa and Asia by 2050, with global material use expected to double by 2060. A third of that is attributable to the building and construction sector.

In 2021 Aegon AM NL transitioned the AEAM Global Real Estate Strategy to AEAM Global Sustainable Real Estate Strategy¹⁵

The reason for the transition to a sustainable mandate is that we believe investing responsibly in real estate matters. The building and construction industry accounts for roughly 36% of global final energy consumption and 37% of energy-related carbon dioxide emissions (2020). Building stock is expected to double in Africa and Asia by 2050, with global material use expected to double by 2060. A third of that is attributable to the building and construction sector.¹⁶ Responsible choices could go a long way to mitigating some of the environmental impact of the sector.

At Aegon AM we believe an investment's risk/return profile can benefit from a sustainable investment strategy. In real estate we see two areas where risk can potentially be mitigated:

- Increasing regulation and carbon taxes give rise to transition risk for property portfolios (capex/ stranded assets)
- Physical risks are also increasingly considered by investors and valuers due to more frequent and extreme climate events

On the positive side, there is tenant demand for green buildings, which benefits occupancy rates and rental levels for portfolios adapted to future environmental standards, while hidden capex risks decline, benefitting returns.

There are, however, no shortcuts in aligning global listed real estate portfolios with sustainability trends. A magic number is not always available and the quality of the available data is often mixed. For example, it might opportunistically focus on only a part of the portfolio, or it may not reflect the

life cycle impact of the assets. Assessing a strategy or environmental target might require a deeper dive into the fine print. Additionally, differences in regulation, phase of development and local climate, limits comparability between portfolios worldwide.

We have addressed these challenges by following a bottom-up and thorough sustainability research approach that we use for our other single asset sustainable strategies, which is also applied to the Aegon Sustainable Diversified Growth strategy¹⁷ detailed previously. This approach looks at the various aspects most relevant to each subsector and region. In certain cases, the direction and rate of change may be more important.

This approach follows the framework of Aegon AM sustainability research adapted to real estate. This includes an analysis of how a product contributes to the world and how the company conducts its business. To secure consistency, quality and governance over the process, all our sustainability research is subject to independent scrutiny and validation. The outcomes are twofold. Input for engagement providing a valuable feedback loop to the corporate, and the categorization of our investment universe into leader, improver or laggard, which serves as input for the portfolio construction process.

The saying “the greenest building is the one never built” might sound cynical but holds some truth. When looking at the life cycle analysis, a lot of pollution comes from the construction and demolition phases of buildings—typically areas where data is missing. Our approach to real estate sustainability includes this life cycle aspect and is forward-looking and flexible in an effort to support the sustainability ambitions for the strategy and ultimately our clients.

¹⁵Advised or sub-advised by Aegon AM NL. Not all products are available to all investors or in all jurisdictions. Certain capabilities may not be open to new investors.

¹⁶2021 Global Status Report for Buildings and Construction – UNEP, Available at: <https://www.unep.org/resources/report/2021-global-status-report-buildings-and-construction>.

¹⁷Advised or sub-advised by Aegon AM UK. Not all products are available to all investors or in all jurisdictions. Certain capabilities may not be open to new investors.

Active ownership

As an active asset manager, our responsibility extends beyond today's investment opportunities. We have a long-term focus in our robust active ownership program¹⁸, which includes exercising shareholder voting rights in the best interest of our clients and stakeholders, while engaging with corporate bond or equity issuers in an effort to mitigate ESG risk and encourage more sustainable practices consistent with client mandates. We aim to be a voice of change, as we endeavor to not only improve risk-adjusted returns for our investors, but to also contribute to a more sustainable future.

Reasons for engagement

- Exercise our stewardship responsibilities
- Fulfill client expectations with respect to their RI policies
- Better understand the companies we invest in and support their long-term financial performance
- Monitor, manage and work to mitigate investment risk
- Attempt to maximize positive ESG outcomes

Our active ownership activities are governed globally by the Aegon AM Active Ownership Policy. This active ownership policy is supported by local policies taking into account market context, as well as client voting policies.

Our global responsible investment team leads our active ownership program with input and participation from investment professionals across the organization.

Engagement¹⁹

At Aegon AM, we aspire to influence change by engaging in dialogue with issuers, either bilaterally or as part of an investor consortium. This dialogue can provide opportunities to highlight ESG risks, educate management on sustainability concerns, promote growth in sustainable business lines and advocate changes that align with responsible investment priorities. Successful engagement can create new investment opportunities. Where possible, and consistent with client guidelines, we vote in line with our engagement activities.

Escalation

If engagement does not yield the desired results, we intensify our efforts.

This can be achieved in various ways, including increasing the frequency of communication, widening the scope of our engagement efforts to include multiple company representatives, or by teaming up with other investors in a

collaborative engagement effort. In instances where we are a shareholder, we may also exercise ownership voting rights to vote against management or file a shareholder resolution.

In general, we try to engage with a company for at least three years. If the engagement is unsuccessful and the issue is material, the responsible investment team may recommend divestment to the respective portfolio management team. Divestment recommendations are then evaluated within the context of the portfolio's investment guidelines and the current market environment. For example:

- If a company is expected to remain non-compliant to our client policy standards due to the severity of the breach or the fundamental nature of its business; or
- If a company in breach of our client policy standards remains non-responsive to our attempts to communicate for over one year.

Aegon AM's engagement efforts can be divided into three types:

Long-term value: Our engagement work aims to support our objectives to generate value and reduce risk in the longer term. As part of our bottom-up research process, we actively engage with companies we identify as facing specific ESG risks that we believe need to be addressed or further understood. We also systematically engage on ESG themes that are of concern to long-term investment value such as climate change and corporate governance. We actively engage with companies on key management and shareholder resolutions at their general meetings to clarify our expectations and make fully informed voting decisions.

Sustainability and impact research support: RI solutions demand scrutiny of the ESG and sustainability practices of companies at a deeper level than is often achievable through existing corporate disclosures and ESG data provider assessments. As part of this process, we engage with companies to help enhance our understanding of sustainability practices, to request further ESG-related or impact disclosures or to encourage positive change in alignment with the objectives of our RI strategies.

Compliance with standards: Aegon AM and its clients have defined certain ESG standards with which our investments are expected to comply. We engage with companies when we see actual or potential breaches of such standards, also leading to actual or potential adverse impacts on society and the environment. Our objective for these engagements is to encourage compliance, communicate expectations and help assure continued portfolio adherence to the agreed standards.

¹⁸Active Ownership is not applicable to all asset classes or affiliates.

¹⁹Engagement will occur with some, but not all, issuers where the manager deems it appropriate. More information is available upon request.

Active ownership highlights

596

company engagements in 2021

2,963

company meetings voted on in 2021²⁰

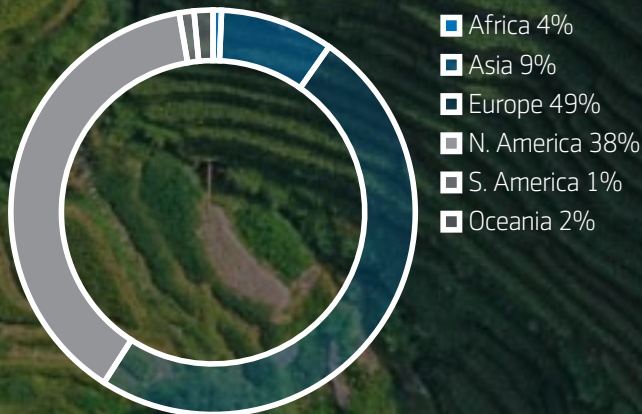
1,101

number of meetings with at least one vote against management

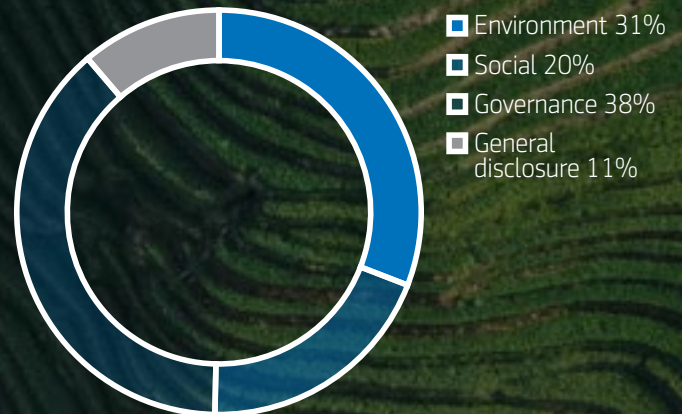
210

number of meetings with at least one vote abstention/withhold

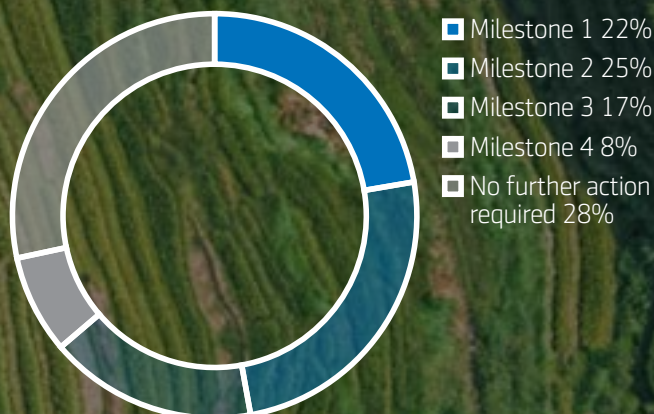
Engagements per region 2021



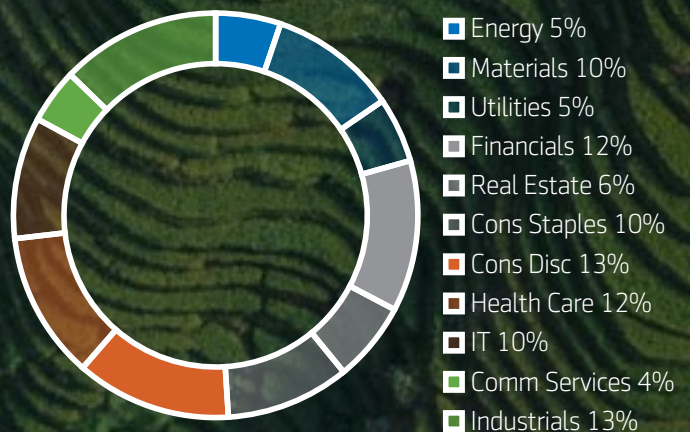
Engagements per topic 2021



Engagement intensity²¹



Engagement by sector



²⁰This figure represents all votes, including those voted on behalf of clients according to their own policy.

²¹For definition of milestones, see next page.

Please see the Disclosure section for important additional information regarding engagements. As of December 31, 2021. Percentages may not sum to 100 due to rounding. Themes are divided according to the main issue. At times, there is more than one theme for an engagement. A small number of engagements were outsourced and therefore not included in this dataset.

Active Ownership is not applicable to all asset classes or affiliates. Engagement will occur with some, but not all, issuers where the manager deems it appropriate. More information is available upon request.

Case studies

Our engagement objectives vary within the three broad engagement types previously described. For example:

In long-term value generation engagements, we might be seeking to:

- Improve a company's long-term financial performance
- Monitor, manage and help mitigate investment risk from a credit perspective

In engagements to support sustainability and impact research and RI solutions, we usually seek to:

- Better understand corporate strategy, focus and business model
- Improve ESG or impact disclosure
- Maximize positive sustainability outcomes, including those related to the SDGs
- Encourage the issuance of labelled bonds for the purpose of investment participation

In engagements focused on compliance with standards, we:

- Set expectations for the company's management
- Set goals and timeframes to reach and meet compliance with the relevant policies

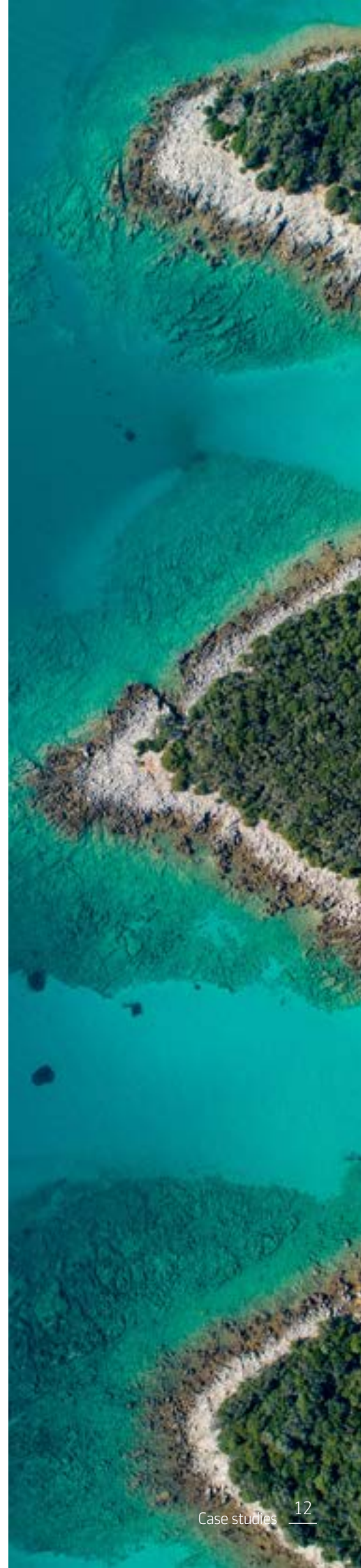
In this section, we provide engagement highlights to demonstrate these different types of dialogue. The case studies described below demonstrate how our RI team seeks to engage with corporate issuers.

These case studies do not represent all examples of our engagement and not all attempted outreach by the RI team results in engagement with corporate issuers, in the level of engagement described herein, in positive outcomes, or in a material impact on a given

strategy. Corporate issuers may change their business practices for any number of reasons that may or may not relate to the RI team's engagement. The reader should not assume that the target companies described below are or were held by all affiliates within Aegon AM.

Milestone one	We flag concerns with the investee
Milestone two	When a company/ investee responds and dialogue begins
Milestone three	Once concrete steps have been taken to resolve our concerns, such as achievement of a commitment
Milestone four	When the engagement objective has been fully achieved and verified
No further action	In some cases, our assessment of the ESG issue at stake may change and we subsequently decide to no longer pursue the engagement

Please see the Disclosure section for important additional information regarding engagement and case studies.



Long-term value generation

Target company	Specialist in health care products, such as medicines, vaccine, and consumer health care
Objectives	Calling on this globally important player to fight the Covid-19 pandemic, assuring its products are available globally for people of all backgrounds and income levels, in line with the standards set out in our client's responsible investment policy.
How we engaged	<p>Together with other insurers, NGOs, and the Dutch government, we collaborated to share knowledge and improve access to medicines. We questioned the firm about the medicine's affordability and the transparency of price-setting practices.</p> <p>As the Covid-19 pandemic unfolded, we focused our efforts on issues relating to vaccines. After we sent a letter to the company, we had a conference call, followed-up by emails. The company then announced an advanced vaccine purchase agreement with COVAX for low- and lower-middle-income countries.</p>
Outcome of engagement	<p>Progress to date has included:</p> <ul style="list-style-type: none"> • An initial agreement to provide up to 40 million doses to COVAX in 2021. • First deliveries took place in early 2021. • A not-for-profit price for the COVAX Advanced Market Commitment covering 92 countries. • Pledged to deliver 1 billion doses of the firm's Covid-19 vaccine to poorer nations in 2021 and another 1 billion in 2022.
Status and next steps	Milestone 3 – Continue the dialogue on price setting standards and transparency.

Target company	Oil and gas production company
Objectives	To encourage the company to progress on diversity within the organization and climate ambitions.
How we engaged	<p>We met with the chairman and another non-executive director to discuss the issues.</p> <p>Climate is obviously a key issue for a company in this sector, but so is dealing with the large social issues in the areas it operates.</p>
Outcome of engagement	<ul style="list-style-type: none"> • Having attained a good level of gender diversity on the board, the rest of the organization needs attention. The area in which it operates does not have high levels of racial or ethnic diversity. However, the workforce accurately reflects the society in that area. There are high levels of unemployment and opioid problems as well. The company is working to ensure treatment is available for its employees and is seeking to help utilize unemployed people in some of its work. There will be further information available in the coming year. • In addition, the age profile of its employees is fairly high and it is seeking to attract younger people into its industry. However, given the profile of the industry, it is not likely to be viewed as a long-term career, making recruitment harder. • Progress has been made on climate ambitions. It has committed to net zero for Scope 1 and 2 by 2050. • It is working with an organization called Critical Resource to help it with verification of data, compliance with the Task Force on Climate-Related Financial Disclosures (TCFD), and workshops focused on how it could set shorter-term targets. The company takes older, poorly run assets, and improves their efficiency—the biggest issues it has are leaks. It is working on leak detection systems to improve that area. It is keen to keep offset measures locally to help the communities it operates in. • It is also cognizant of the huge changes in technology around offsetting and is looking at the best ways to utilize them. Targets will be published in the firm's next sustainability report by the end of the year. • 25% of the executive bonus is now dependent on ESG measures including emissions reductions.
Status and next steps	Milestone 3 – Continue to monitor and encourage further progress.

Target company	IT Infrastructure Company
Objectives	To encourage the company to progress on climate ambitions.
How we engaged	<p>We have regular meetings with the chairman on progress. This means we have a good understanding of the board and the organization's priorities.</p> <p>In our February 2021 meeting, we commended the board for having set a 2050 Net-Zero Neutrality target, but there was not much detail included around how this would be achieved.</p> <p>While this is not the most material issue for a largely people business, it can influence the firm's suppliers as well as its own actions. We encouraged the introduction of science-based targets, increased disclosure on the strategy and interim milestones, as well as how the company can influence the behaviours of suppliers and customers.</p>
Outcome of engagement	<ul style="list-style-type: none"> • We met again in January 2022 and were told that our engagement directly influenced the firm's annual report and behaviours throughout the year. • The reporting increased enormously on environmental matters and took into account all our suggestions. • The company also committed to SBTi and will further clarify interim targets and Scope 3 emissions in the next annual report.
Status and next steps	Milestone 3 – Continue to monitor and encourage further progress.

Target company	Multinational bank and financial services
Objectives	<p>We originally contacted the company after a resolution had been filed in 2020 to understand how it would implement its transition strategy as we believed it would be targeted in 2021 by ShareAction. The company was slow to articulate and communicate this strategy and it was targeted as predicted.</p> <p>This engagement was a combination of direct and collaborative engagement to ensure the company understood that this is a material business issue and that it needed to show leadership commensurate with its position as one of the UK's leading investment banks. Clear climate ambitions were needed, as well as effective engagement with ShareAction, to ensure the best outcome.</p>
How we engaged	<p>The initial direct engagement resulted in a lot of conversation around policy and anecdotal evidence of the firm considering climate change in its financing decisions. However, there was lack of a clear and measurable strategy to reduce the amount of environmentally damaging activities that were being funded.</p> <p>In February 2021, the Investor Forum arranged a collective engagement to discuss this with the CEO, chairman and head of sustainability. This was a direct result of the ShareAction Resolution being tabled at the AGM, which asked for the company to set and publish a strategy for the short-, medium- and long-term targets to reduce exposure to fossil fuel assets on a timeline aligned with the goals of the Paris agreement, starting with coal, and to report progress against this strategy from the 2022 Annual report.</p> <p>The company was planning on tabling its own similarly worded resolution at the AGM. The resolutions appeared to be reaching the same outcome. However, neither side seemed willing to compromise.</p> <p>This led to several communications from the Investor Forum with ShareAction and the company, as well as direct communications between Aegon AM and both parties.</p>
Status and Next Steps	<ul style="list-style-type: none"> • The firm outlined a strategy, which was a starting point, but it was light on details about the targets. It committed to disclosing progress and updating shareholders on any further target setting taking place. • The company would not be issuing sector-wide exclusions or limits and instead will proceed on a client-by-client basis with escalation policies if any fail to make progress on their net-zero ambitions. • Success was made with ShareAction withdrawing its resolution prior to the AGM. This meant a clear mandate was given to the company's management via their own resolution on how to deal with the transition strategy. • In an update via the Investor Forum in December 2021, the company outlined a coal phase-out policy. • Milestone 3 – Progress is being made, but we need to maintain ongoing engagement in an effort to ensure this continues.

Target company	Specialty supermarket chain in the US
Objectives	The firm's ESG disclosure is lacking in comparison to its peers and it currently does not have satisfactory ESG target setting.
How we engaged	We had a call with Investor Relations and the head of sustainability, and another call with the CEO and CFO.
Outcome of engagement	<p>We have gained confidence in the company's plans to increase its focus on healthy food. Senior leadership mentioned that this was a win-win situation, as it improves its profitability. Specifically, the plans include:</p> <ul style="list-style-type: none"> • Focusing on plant-based products in the next few years • Better quality vegan/vegetarian offerings • Additional produce offerings <p>Regarding its ESG integration efforts, the CEO wants to focus on carbon initiatives, plastics and food waste. Initiatives include:</p> <ul style="list-style-type: none"> • Shifting from paper-based marketing to digital, which saves 21 million flyers annually • By the end 2021, the firm would look into setting science-based targets • Improving logistics (closer to home) <p>It is also improving its ESG disclosure. Its sustainability report now includes a Sustainability Accounting Standards Board (SASB) table.</p>
Status and next steps	Given the positive dialogue and concrete actions the company has already taken in terms of including an SASB table, we have moved the engagement status to Milestone 3. Once the company sets its first science-based targets, we will consider moving it to Milestone 4.

Sustainability research

Target company	A building materials company based in Ireland
Objectives	<p>This company sells the insulation board product that was used in small quantities as insulation on Grenfell Tower in the UK, and its safety was among the issues being investigated in the Grenfell Tower Inquiry following the tragedy. The issues highlighted do not relate to the Grenfell Tower fire itself. Rather, disclosures to the Inquiry revealed that the company had been marketing the insulation for nearly 15 years under a test report based on a test of a prior formulation of the product.</p> <p>We sought to understand the internal control environment, company culture and the steps taken by the firm in light of the acknowledged process failures.</p>
How we engaged	We initially engaged with the company's head of Investor Relations in December 2020. However, we were not particularly satisfied with the response. We were aware other shareholders had similar concerns, so the Investor Forum facilitated two group meetings for participants—one with the CFO and one with the senior independent director and chair of the Audit and Compliance Committee. A series of collective letters ensured that non-executives were aware of investor concerns and escalated the request for the Board to be more accessible to investors.
Outcome of engagement	<ul style="list-style-type: none"> • Provided insight into the actions being taken including commissioning an Independent Review • Changes to executive leadership, including the Head of the Insulation Boards business stepping down from that role, and the appointment of a new Group Head of Compliance and Certification, reporting to CEO. • Terms of Reference of the Audit & Compliance Committee changed to improve governance and oversight at Board level, including more granular technical oversight. • New systems and protocols have been put in place to address the breakdown in communication between the R&D, technical and marketing groups, along with new traceability initiatives. • New employee Code of Conduct has been disseminated across the global business, setting out the corporate values of integrity and honesty, and establishing a strong speak out culture. Workforce engagement is being stepped up and a new employee engagement survey is being undertaken.
Status and next steps	Milestone 3 – There seems to be moves in the right direction with changes to oversight, we will need to be satisfied these measures are effective. As the controversy was significant and the progress was slow, we decided this company would no longer be eligible for inclusion in the Sustainability holdings. We subsequently downgraded it and sold our position.

Target company	Medical product developer and manufacturer
Objectives	This company produces wound care products. While it has historically not used animal testing, we wanted to understand whether any had taken place.
How we engaged	Contact was made via email, followed by a call with the CEO.
Outcome of engagement	<p>Historically this company has not used animal testing, as it is fundamentally opposed unless absolutely necessary.</p> <p>However, in 2021, it launched a new product in the United States. Previously, it would have launched in Europe first, where medical devices are less regulated, and used the data gathered in these real-life human examples to satisfy the US Food and Drugs Administration requirements. Given the impact of Covid-19 on elective surgeries in Europe this was not possible, so animal testing was necessary.</p>
Status and next steps	Animal testing exclusion criteria is absolute in the ethical range of holdings. This company was no longer eligible and was divested.

Compliance with Standards

Target company	Multinational consumer goods company
Objectives	<p>The company had been identified by various NGOs for alleged deforestation and land clearing controversies for oil palm plantations in Indonesia. We considered its supply chain oversight on deforestations by its direct and indirect palm oil suppliers to be insufficient.</p> <p>This company was subject to a collaborative engagement initiative, which targeted those using soft commodities linked to cases of alleged deforestation. Using satellite imagery of such alleged deforestation, companies were asked to address deforestation linked to their operations and to set up robust processes to prevent such actions in the future.</p>
How we engaged	Aegon AM, acting as the lead investor, engaged via emails and a conference call to learn more about the company's oversight of its Indonesian palm oil supply chain, and to discuss the various incidents of deforestation allegedly linked to it.
Outcome of engagement	<ul style="list-style-type: none"> • The company provided a sound insight into its no-deforestation policies, implementation, oversight of direct and indirect suppliers, governance and escalation steps in case of any identified breaches. • It provided insight into use of its Roundtable on Sustainable Palm Oil (RSPO) membership, transparency as to its suppliers and the use of grievance mechanisms in case of supply chain-related incidents. • It provided a detailed response to various alleged deforestation incidents using its own satellite monitoring data. Further investigation revealed that the incidents either were not linked to its suppliers or found to be well documented and disclosed in the company's publicly available deforestation grievance mechanisms and were subsequently being investigated. • Following the initial engagement call, the company provided additional insights in its supply chain oversight process, grievance mechanism and policies and goals to ensure a deforestation-free palm oil supply chain. The firm noted that it would further improve its transparency as to deforestation incidents, grievances and action by including the use of milestones reached with timebound steps.
Status and next steps	Milestone 3 –The implementation of the firm's no-deforestation policy is still in the early stages. The company received an updated 2021 report on alleged deforestation cases and will investigate those cases that were not identified using its own systems and report progress via its regular grievance tracking mechanisms. Aegon AM will continue to monitor this approach in order to ensure that breaches of its no-deforestation policy are addressed.

Target company	Multinational food and beverage company
Objectives	We sought to understand the relationship between the company and its joint venture (JV) partner, its policy on human rights, the use of palm oil and its oversight of palm oil suppliers.
How we engaged	A call was arranged with a director of corporate affairs to discuss these allegations and to understand what actions the company had taken to remedy the situation.
Outcome of engagement	<p>We gained insight into its human rights and palm oil policies.</p> <p>The firm has dissolved the JV and the relationship with the partner because of the issues with workers' rights. In addition, the partner in question had allowed its membership of the Roundtable on Sustainable Palm Oil (RSPO) to lapse.</p> <p>The company had sought to influence change in its JV partner's policy and actions toward the associated palm plantation, but this had reverted back to previous practices. The firm will now only use RSPO-certified suppliers with fully sustainable and traceable palm oil.</p> <p>The company clearly monitors compliance with its human rights and palm oil policy in relation to its direct, 'tier 1', suppliers. For the indirect, 'tier 2', suppliers, this seemed less clear. The company indicated that it may shift palm oil sourcing to an area where it is easier to monitor the supply chain of suppliers.</p>
Status and next steps	Milestone 3 – We believe the company acted properly and decisively to deal with human rights violations in this case. We will continue to monitor its implementation of its policies and oversight of its indirect, tier 2, palm oil suppliers.

Target company	Software and professional services company
Objectives	<p>We sought to engage with the company to confirm various parts of its compensation structure that had raised concerns, namely that its remuneration for key employees was reported as an aggregate figure. As a result, we had no visibility of the various underlying levels of basic pay, bonus payments, long-term Incentive plan and any of the performance conditions attached for each individual.</p> <p>In addition, we had concerns around the lack of independence on the Board, particularly the Audit Committee. We believe a board should be well balanced, with both longer-serving directors and recent appointments. However, we did not consider it appropriate that longer-serving (10+ years) directors be members of the Audit Committee, which we believe should be entirely independent.</p> <p>We were interested in understanding any plans the company had in place to address this going forward.</p>
How we engaged	We made contact via letter and the company requested a call with us following its quiet period.
Outcome of engagement	<ul style="list-style-type: none"> • The company was sent an official engagement letter. Following this, we arranged a group meeting including members of the RI team and the relevant portfolio managers. • The firm was responsive and advised us that as per the law in Guernsey where it is incorporated, it is not obliged to disclose compensation at a more granular level. • The company informed us it had added one independent female board member since our first letter. That board member also sits on the Audit Committee. • Audit committee independence remains low at one out of four members (according to our measurement of independence). However, it is encouraging there has been some progress and we will continue to engage on our concerns relating to governance.
Status and next steps	Milestone 3 – We'll continue to engage each year when we review the sustainability analysis. We will also continue to encourage the company to move toward better remuneration disclosures and to continue to increase the independence of its board, in particular the Audit Committee.

Voting

Similar to engagement, our voting activities seek to ensure that our voice as investors is heard, in an effort to improve companies' performance and to pursue competitive returns for our clients. Our approach to voting is also informed by engagement.

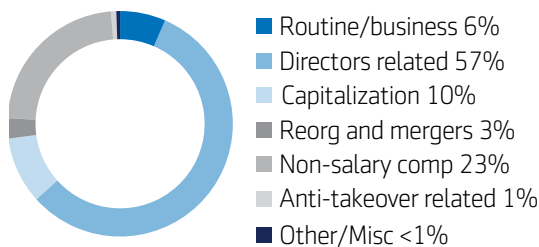
In 2021, we voted on 2,963 meetings globally, up from 2,511 in 2020 and 2,321 in 2019. Votes cast spanned multiple regions and countries across Europe, North America, Asia and Australia. The nation where we voted in most was the United States, with 30% of the overall number of meetings worldwide.

In the event Aegon AM casts a vote against or withholds a vote on a management proposal, we are prepared to explain the reasons for this voting

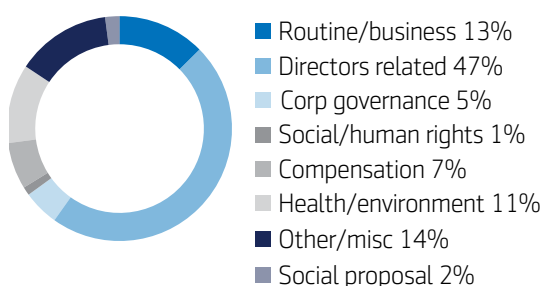
behavior to the company's board either pro-actively or per company request. As with the votes against management, most of the shareholder proposals we supported related to directors (i.e., election).

Aegon AM votes in accordance with the principles outlined in its Active Ownership Policy.²² It is supported by more detailed local policies in the US and the Netherlands, as well as client voting policies. To the extent that the Active Ownership Policy is inconsistent with an Aegon AM affiliate's local legal requirements, that affiliate will adhere to its local requirements. Voting policies are reviewed regularly to ensure they reflect new regulations and the latest developments in the investment industry.

Breakdown of votes against management proposals²³



Breakdown of votes on supported shareholder proposals²³



All data as of December 31, 2021.

²²Active Ownership Policy available at: <https://www.aegonam.com/globalassets/aam/responsible-investment/documents/aegon-am-active-ownership-policy.pdf>

²³Breakdown of votes cast primarily reflects voting activity for Aegon AM UK and Aegon AM NL. Percentages may not sum to 100 due to rounding.



Appendix

Regulatory developments

2021 saw significant enhancements to the regulatory frameworks governing sustainable finance in several jurisdictions. In March 2021, the Sustainable Finance Disclosure Regulation took effect for entities and products in the European Union. Although not all parts of the legislation are final, several disclosure requirements on entity and product level already apply. Aegon AM has provided further transparency on the relevant topics, including the integration of sustainability risks in portfolio management, the mitigation of principal adverse impacts and remuneration for the relevant entities and products. Aegon AM welcomes these enhancements and is committed to achieving the highest levels of transparency regarding its RI practices and solutions.

Investors in the EU can read more about our approach to compliance with the EU Sustainable Finance Disclosure Regulation in our Statement of Compliance, available on the Responsible Investing page of our website.²⁴

Aegon AM UK is a proud signatory to the Financial Reporting Council's UK 2012 Stewardship Code, and in September 2021, Aegon AM UK was accepted as one of the first signatories to the Financial Reporting Council's 2020 Stewardship Code.²⁵ Stakeholders in the UK can read more about our approach to compliance with the Code in our detailed Compliance Statement, also available on our website for UK investors.²⁶

Our commitment to sustainability

Aegon is committed to helping our clients achieve a healthy and financially secure future. This commitment requires a sustainable, long-term-oriented business that can fulfill our purpose and considers our obligations to individuals, society and the environment. More information on our approach to running a sustainable business can be found in Aegon's Integrated Annual Report 2021.²⁷

Our commitment to inclusion and diversity

Aegon AM is committed to embracing diversity and inclusion, acknowledging, understanding and appreciating the differences between individuals and developing a workplace culture that enhances their value. An inclusive and diverse culture helps us be more effective in developing our people, serving our clients and strengthening our communities. We are committed to a work environment that embraces employee individuality. By nurturing this environment, our people feel valued for their authentic selves, and we are better positioned to consistently deliver the performance and services our clients seek. For further information on the actions we are taking to live up to this commitment, please refer to our website.²⁸

Further reading

We hope you have enjoyed reading about the progress we have made on our responsible investment practices during the last year. We have focused this report on key changes we feel are most important to our stakeholders and clients. However, several other Aegon AM publications are available to further inform you about our responsible investment approach and practices. These can be found on the Responsible Investing page of our website [aegonam.com](https://www.aegonam.com):

- Our Responsible Investment Framework describes our overall approach to responsible investing and goes into further detail on our practices.
- Our Active Ownership Policy outlines our standards and procedures for engagement and voting, including our Corporate Governance Guidelines.
- Our full Assessment Report from the Principles of Responsible Investment.
- Responsible investment policies are applied to specific subsets of our funds, such as the Responsible Investment Policy for Multi-Management Funds, as well as the annual sustainability reports for our flagship RI strategies.

²⁴Available at: <https://www.aegonam.com/en/responsible-investing/>

²⁵<https://www.aegonam.com/en/secondary-navigation/news/aegon-am-accepted-as-one-of-first-uk-stewardship-code-signatories/?ExpandAll>

²⁶Available here: <https://www.aegonam.com/en/responsible-investing/>

²⁷Our Integrated Annual Reports Will Be Available at: <https://www.aegonam.com/investors/annual-reports/>

²⁸Available at: <https://www.aegonam.com/en/about-us/inclusion--diversity/>

Disclosures

This material is provided by Aegon Asset Management (Aegon AM) as general information and is intended exclusively for institutional and wholesale investors, as well as professional clients (as defined by local laws and regulation) and other Aegon AM stakeholders.

The following Aegon affiliates are collectively referred to herein as Aegon Asset Management: Aegon USA Investment Management, LLC (Aegon AM US), Aegon USA Realty Advisors, LLC (Aegon RA), Aegon Asset Management UK plc (Aegon AM UK), and Aegon Investment Management B.V. (Aegon AM NL). Each of these Aegon Asset Management entities is a wholly owned subsidiary of Aegon N.V. In addition, the following wholly or partially owned affiliates may also conduct certain business activities under the Aegon Asset Management brand: Aegon Asset Management (Asia) Limited (Aegon AM Asia), Aegon Private Fund Management (Shanghai) Co., Ltd.

The assets under management described herein incorporates the entities within Aegon Asset Management as well as the following wholly or partially owned affiliates: Aegon Asset Management Asia LTD (AAM Asia), Aegon Asset Management Central and Eastern Europe (AAM CEE), Aegon Asset Management Pan-Europe BV (AAM PE), Aegon Asset Management Holding B.V. and Aegon Asset Management Spain along with joint-venture participations in Aegon Industrial Fund Management Co. LTD (AIFMD), La Banque Postale Asset Management SA (LBPAM), Pelargos Capital BV (Pelargos) and Saemor Capital BV (Saemor).

Aegon Asset Management entities deliver services to, and share resources with, one another pursuant to applicable law as well as both global and local, policies, monitoring, and supervision. Personnel employed by a foreign Aegon Asset Management entity engaged in activity for, or through, a local Aegon Asset Management entity are subject to that local entity's applicable requirements and oversight. This may include the use of delegation arrangements and/or a participating affiliate arrangement (as this term is used by the U.S. Securities and Exchange Commission (SEC).

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may or may not have been used for or be consistent with all Aegon Asset Management investment strategies. References to securities, asset classes and financial markets are included for illustrative purposes only and should not be relied upon to assist or inform the making of any investment decisions.

The engagements and related case studies described herein are examples of how our RI team seeks to engage with corporate issuers. These case studies do not represent all examples of our engagement and not all attempted outreach by the RI team results in engagement with corporate issuers or in the level of engagement described herein. Further, not all engagements result in positive outcomes. Corporate issuers may change their business practices for any number of reasons that may or may not relate to the RI team engagement. The reader should not assume that the target companies described herein are or were held by all affiliates within Aegon AM.

The information contained in this material does not take into account any investor's investment objectives, particular needs, or financial situation. It should not be considered a comprehensive statement on any matter and should not be relied upon as such. Nothing in this material constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate to any particular investor. Reliance upon information in this material is at the sole discretion of the recipient. Investors should consult their investment professional prior to making an investment decision. Aegon Asset Management is under no obligation, expressed or implied, to update the information contained herein. Neither Aegon Asset Management nor any of its affiliated entities are undertaking to provide impartial investment advice or give advice in a fiduciary capacity for purposes of any applicable US federal or state law or regulation. By receiving this communication, you agree with the intended purpose described above.

Past performance is not a guide to future performance. All investments contain risk and may lose value.

Responsible investing is qualitative and subjective by nature, and there is no guarantee that the criteria utilized, or judgement exercised, by any company of Aegon Asset Management will reflect the beliefs or values of any one particular investor. Responsible investing norms differ by region. There is no assurance that the responsible investing strategy and techniques employed will be successful. Investors should consult their investment professional prior to making an investment decision.

This document contains "forward-looking statements" which are based on Aegon AM's beliefs, as well as on a number of assumptions concerning future events, based on information currently available. These statements involve certain risks, uncertainties and assumptions which are difficult to predict. Consequently, such statements cannot be guarantees of future performance, and actual outcomes and returns may differ materially from statements set forth herein.

This report includes ratings and rankings for Aegon Asset Management's responsible investment activities. The rating or ranking is not indicative of future performance or ratings and may not be representative of any one client's experience because the rating reflects an average.

The Principles for Responsible Investment (PRI) rating of A+ is as of August 2020 and is reflective of Aegon NV's rating on the Strategy and Governance module. Approximately 29% of signatories received an A+ score for the PRI strategy and governance module in 2020 a mandatory module within a set of ten modules. The Strategy and Governance module assesses the firm's responsible investment policy, responsible objectives and strategies, governance and human resources, responsible investment promotion activities and incorporation of ESG issues in asset allocation. The activities presented in this module are reflective of Aegon NV's asset management business conducted by Aegon Asset Management companies. Indicator scores are assigned to one of six performance bands and assigned a letter rating ranging from E to A+ (worst to best). A rating of A+ corresponds with a score of > 95%. PRI does not require an explicit rating fee, however all PRI signatories pay a general annual contribution fee.

The Sustainalytics ranking of 100/100 is as of February 2020 and is reflective of Aegon NV's responsible investment program and responsible investment policy. Approximately 23% of 1,269 participants received a score of 100/100 for their responsible investment policy and approximately 23% of 1,181 participants received a score of 100/100 for their responsible investment program in 2020. Sustainalytics evaluates companies on various ESG issues and assesses the company's individual performance in relation to industry peers. The assessment identifies key issues for each company. For Aegon NV, the key ESG issues include human capital, ESG integration and product governance. Within each ESG issue category, Sustainalytics identifies key indicators. The ESG integration category includes the Responsible Investment Policy and Responsible Investment Program indicators which are reflective of Aegon NV's asset management business conducted by Aegon Asset Management companies. Company scores can range from 0 to 100 (worst to best). Sustainalytics does not require a fee

for providing this ranking.

ShareAction conducted a survey ("Point of No Returns", March 2020) of 75 of the world's largest asset managers across 17 countries (based on AUM as of December 31, 2017 according to IPE's 2018 Top Asset Managers List). The survey results are based on responses from the asset manager and do not reflect the experience of the clients individually or collectively of any company of Aegon N.V. Rankings were not based on the performance not indicative of future results. Aegon Asset Management did not pay a fee to participate in the survey. The assessment includes the ranking and analysis of the manager's performance on stewardship, transparency and governance. The themes covered in the survey include responsible investment governance, climate change, biodiversity and human and labour rights, a development from previous AODP assessments that focused solely on climate change. The questionnaire was developed with input from external experts and mapped to the structure of the TCFD recommendations for all themes. For additional information, please visit ShareAction's site: <https://shareaction.org/research-resources/point-of-no-returns/methodology/>.

Aegon AM US is an affiliated solicitor and acts on behalf of Aegon AM UK with respect to the promotion of its strategies to US based Institutional Investors. Aegon AM UK is authorised and regulated by the Financial Conduct Authority (FRN: 144267) and is additionally a registered investment adviser with the United States (US) Securities and Exchange Commission (SEC). Aegon AM US and Aegon RA are both US SEC registered investment advisers. Aegon AM US is also registered as a Commodity Trading Advisor (CTA) with the Commodity Futures Trading Commission (CFTC) and is a member of the National Futures Association (NFA). Aegon AM NL is registered with the Netherlands Authority for the Financial Markets as a licensed fund management company and on the basis of its fund management license is also authorized to provide individual portfolio management and advisory services in certain jurisdictions. Aegon AM NL has also entered into a participating affiliate arrangement with Aegon AM US. Aegon AM Asia is regulated in Hong Kong by the Securities and Futures Commission of Hong Kong for Professional Investors only (under SFC Ordinance Cap 571); in China, Aegon Private Fund Management (Shanghai) Co., Ltd is regulated by the China Securities Regulatory Commission (CSRC) and the Asset Management Association of China (AMAC) for Qualified Investors only; In Taiwan Neither Aegon Asset Management nor any of its affiliates are registered and may not sell, issue, or offer any products or services while in Taiwan. Marketing is intended

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Exp. September 30, 2023

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