



# Laying the foundations for a sustainable future

**ESG Roadshow**

**Frans de Beaufort**

Global Head of Corporate Sustainability

**Jan Willem Weidema**

Head of Investor Relations

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*Helping people achieve a lifetime of financial security*

# Aegon: an internationally diversified financial services group



**What we do**  
Life insurance, pensions & asset management for approximately **30.4** million customers (2020)



**History**  
Our roots date back more than **175** years

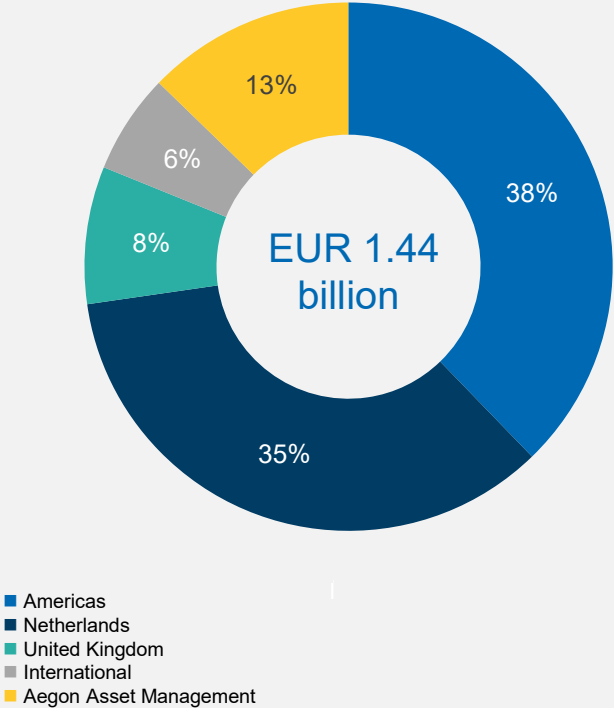


**Employees**  
Almost **22,300** employees (September 30, 2021)



**Investments**  
Revenue-generating investments of **EUR 979** billion (September 30, 2021)

**Operating result**  
(Nine months ended September 30, 2021)



# Progress in laying the foundations for a sustainable future

- 1 Strengthened group-wide, integrated sustainability approach
- 2 Identified priority sustainability themes: climate change and inclusion & diversity
- 3 Announced commitment to net-zero greenhouse gas emissions by 2050
- 4 Streamlined group-wide sustainability governance
- 5 Initiated process to enhance sustainability reporting

# 2021 sustainability milestones

## Group-wide approach

- Strengthened group-wide, integrated sustainability approach
- Further integrating sustainability into our corporate narrative and strategy

## Clear governance

- Streamlined group-wide sustainability governance through Global Sustainability Board and linked Local Sustainability Boards
- Appointed Global Head of Corporate Sustainability reporting to the Group CEO

## Enhanced reporting

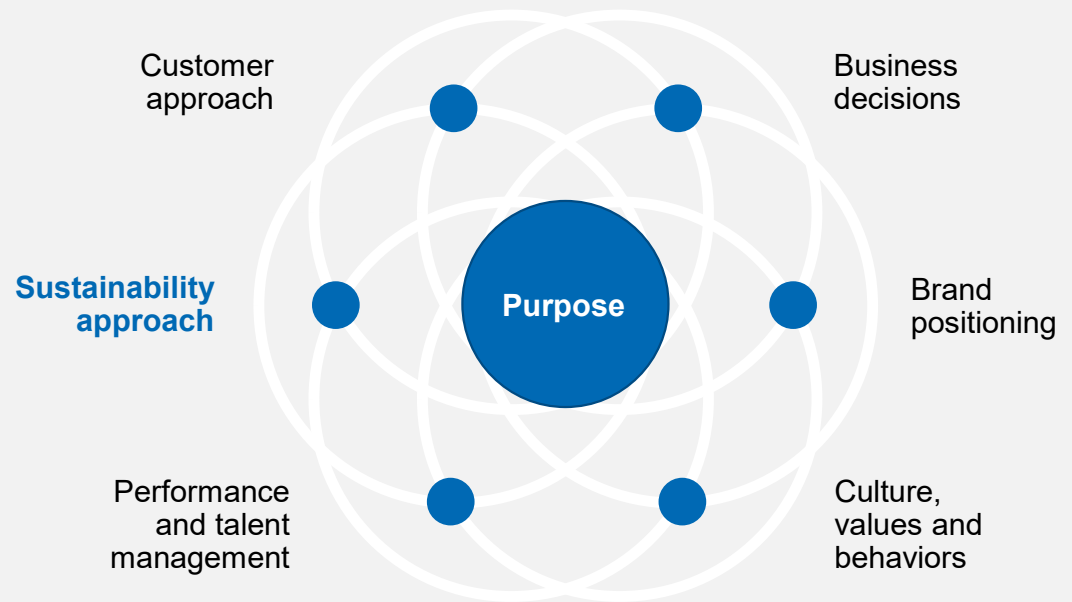
- Developing Target Operating Model for sustainability reporting
- Preparing for (limited) assurance on sustainability reporting over 2023

# Integrated approach to sustainability

Increased longevity will bring changes to society.

We are committed to helping society adapt to these changes through our expertise, products, commitment to sustainability and community investment programs.

Linked to our purpose, we have identified our priority themes through stakeholder engagement: Climate Change and Inclusion & Diversity.



# Climate change: committed to net-zero emissions by 2050



Net-zero carbon emissions from our general account investments by **2050**



**25%**

reduction of the carbon intensity of corporate fixed income and listed equity investments by **2025**<sup>1</sup>



**30.5%**

reduction in total greenhouse gas emissions from direct business operations realized in **2020** compared with 2019<sup>2</sup>



1. Reduction of weighted average carbon intensity of corporate fixed income and listed equity general account assets where Aegon has control (i.e. excluding JVs), compared with the 2019 baseline
2. Relates to Aegon's scope 1 and 2 emissions; Aegon currently does not have a target on its direct business operations

# Our business units build on our group-wide commitments

## Aegon Asset Management

- Joined the Net-Zero Asset Managers Initiative, thereby committing to net-zero emissions by 2050

## Transamerica

- Contributing the most towards achieving the group-wide target to reduce the carbon intensity of the general account

## Aegon the Netherlands


- Committed to an extended 2050 climate action plan to include also separate account and off-balance sheet assets
- Aims to invest EUR 1 billion in climate-positive assets to help mitigate the impact of climate change


## Aegon UK


- Committed to 50% carbon reduction in standard funds for workplace pensions by 2030 and net-zero emissions by 2050




# Committed to inclusion and diversity

 **50%** of Aegon's workforce in 2020 are women<sup>1</sup>

 **+2%** increase in female representation in senior roles<sup>2</sup>

 **79%** is Aegon's inclusion score in its Global Employee Survey<sup>1</sup>

 **73%** is Aegon's diversity score in its Global Employee Survey<sup>1</sup>



<sup>1</sup> Source: Aegon's 2020 Integrated Annual Report  
<sup>2</sup> September 30, 2021, compared with December 31, 2020, excluding Central and Eastern Europe entities, which are held for sale



# Our business units build on our inclusion and diversity approach

## Aegon Asset Management

- Hired inclusion and diversity officer
- New partnership with Black Professionals Scotland and hired their first employee through this partnership

## Transamerica

- Founded Black Professionals for Change, a new employee resource group, which hosted a series of conversations called 'Straight Talk on the Black Experience'
- Included in the Diversity Best Practices Inclusion Index for the third year in a row

## Aegon the Netherlands

- Signed the Diversity Charter as part of its commitment to promoting diversity and inclusion in the workplace
- Introduced a target of 30% for all new hires in the Netherlands to reflect the multitude of dimensions of people diversity, with a particular focus on gender and culture

## Aegon UK

- Signed the Women in Finance Charter in 2019, committing to setting gender diversity targets and publicly reporting against them

# External agencies recognize Aegon's progress on sustainability



▶ 'AA' rating



FTSE4Good

▶ ESG score of 4.7 out of 5 in top 1%



▶ 14.6 (low risk), ranked 8<sup>th</sup> of 300 insurance peers



▶ Included in Eurozone 120, Europe 120 and Benelux 20 indices



▶ C+ rating, 1st decile & "very high" transparency



▶ Maintained 'C' score since 2014

# Aegon AM is a recognized leader in responsible investments

## 3-pillar responsible investment approach

- **ESG integration** into bottom-up credit, equities, sovereign and structured research
- **Active ownership** to generate long-term economic value
- **Solutions** focused on responsible investment and ESG criteria



## Key responsible investment facts



**EUR 206.9 billion**  
AuM in responsible investment solutions.<sup>1</sup>

<b>Exclusions<sup>2</sup></b>	€193.8 billion
<b>Best-in-class ESG</b>	€7.5 billion
<b>Sustainability-themed Impact investing</b>	€2.5 billion
	€3.1 billion



**30+**  
Years of responsible investing history



**575**  
Engagements conducted by the RI team during 2020



**17**  
Professionals in a dedicated Responsible Investment team<sup>3</sup>

## Independent ratings and rankings of Aegon Asset Management



**A+ assessment** of Aegon AM's RI strategy and governance<sup>4</sup>



**100/100** score for RI policy and program



**6<sup>th</sup> of 75** managers in global assessment of RI program

Note: Aegon AM = Aegon Asset Management  
<sup>1</sup> As of June 30, 2021. Assets under management/advisement excludes joint ventures.  
<sup>2</sup> 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. Aegon is in the process of refining its approach to measuring assets under management subject to exclusions in line with evolving market best practice and regulatory definitions.  
<sup>3</sup> As of September 30, 2021 <sup>4</sup> As of 2020.

# Streamlined group-wide sustainability governance



## Initiated process to enhance sustainability reporting



Developing **Target Operating Model for sustainability reporting**, leveraging existing Group Finance processes and best practices



Preparing for (limited) assurance on sustainability reporting over 2023, in light of the European Commission's incoming Corporate Sustainability Reporting Directive



Continuing **transparent sustainability reporting** to track progress against targets

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# Appendix



*Helping people achieve a lifetime of financial security*



# Aegon's Group-level commitments

Organization	Date joined	Expectations
Principles for Sustainable Insurance (PSI)	2015	<ul style="list-style-type: none"> <li>Incorporate ESG issues into policies and practices, both for investments and insurance products</li> <li>Disclose on ESG issues and report on progress</li> </ul>
Paris Pledge for Action	2015	<ul style="list-style-type: none"> <li>Align operational and portfolio activities with limiting global warming to below 2°C</li> </ul>
Aegon (carbon neutrality)	2016	<ul style="list-style-type: none"> <li>Reduce facility-level emissions and support offset projects in US, UK, NL</li> <li>Offset all our wholly-owned operations as of 2019</li> </ul>
Task force for Climate-related Financial Disclosures (TCFD)	2017	<ul style="list-style-type: none"> <li>Disclose on how climate-related risks and opportunities are factored into governance, strategy and risk management</li> <li>Disclose metrics and targets related to climate-related risks and opportunities</li> </ul>
International Responsible Business Conduct Agreement (Statement of Intent)	2018	<ul style="list-style-type: none"> <li>Carry out an effective assessment of ESG risks and where necessary to adjust policy accordingly, on a best effort basis</li> </ul>
Net-Zero Asset Owner Alliance	2021	<ul style="list-style-type: none"> <li>Transition our investment portfolio to net-zero greenhouse gas emissions by 2050, while setting interim targets every 5 years</li> </ul>
UN Global Compact	2021	<ul style="list-style-type: none"> <li>Advance the 'Ten Principles' as part of the strategy, culture and day-to-day operations of our company</li> <li>Engage in collaborative projects which advance the broader development goals of the UN, particularly the Sustainable Development Goals</li> </ul>

# Aegon has joined the UN Global Compact



Aegon joined the UN Global Compact, an initiative based on CEO commitments to:

- implement 10 universal sustainability principles
- take steps to support the UN Sustainable Development Goals (SDGs)



# Striving to be a good corporate citizen



4,399  
hours

of volunteer hours in 2020 by employees to work with local communities



€ 318  
million

of taxes borne by Aegon in 2020



€9.7  
million

invested in 2020 in local communities, mostly in health, welfare and literacy

Society is supported by dependable insurance solutions that help individuals protect their assets and aspirations. When we enable people to save for their own retirement, we also help reduce future burdens on public pension systems. **More widely, we strive to be a good corporate citizen**, starting by supporting the communities where we do business through our tax payments, charitable donations, and volunteer work.

# Disclaimer

## Cautionary note regarding non-IFRS-EU measures

This document includes the following non-IFRS-EU financial measures: operating result, income tax, result before tax, market consistent value of new business, return on equity and addressable expenses. These non-IFRS-EU measures, except for addressable expenses, are calculated by consolidating on a proportionate basis Aegon's joint ventures and associated companies. The reconciliation of these measures, except for market consistent value of new business and return on equity, to the most comparable IFRS-EU measure is provided in the notes to this press release. Market consistent value of new business is not based on IFRS-EU, which are used to report Aegon's primary financial statements and should not be viewed as a substitute for IFRS-EU financial measures. Aegon may define and calculate market consistent value of new business differently than other companies. Return on equity is a ratio using a non-IFRS-EU measure and is calculated by dividing the operating result after tax less cost of leverage by the average shareholders' equity excluding the revaluation reserve. Operating expenses are all expenses associated with selling and administrative activities (excluding commissions) after reallocation of claim handling expenses to benefits paid. This includes certain expenses recorded in other charges, including restructuring charges. Addressable expenses are expenses reflected in the operating result, excluding deferrable acquisition expenses, expenses in joint ventures and associates and expenses related to operations in CEE countries. Aegon believes that these non-IFRS-EU measures, together with the IFRS-EU information, provide meaningful supplemental information about the operating results of Aegon's business including insight into the financial measures that senior management uses in managing the business.

## Forward-looking statements

The statements contained in this document that are not historical facts are forward-looking statements as defined in the US Private Securities Litigation Reform Act of 1995. The following are words that identify such forward-looking statements: aim, believe, estimate, target, intend, may, expect, anticipate, predict, project, counting on, plan, continue, want, forecast, goal, should, would, could, is confident, will, and similar expressions as they relate to Aegon. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Aegon undertakes no obligation to publicly update or revise any forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which merely reflect company expectations at the time of writing. Actual results may differ materially from expectations conveyed in forward-looking statements due to changes caused by various risks and uncertainties. Such risks and uncertainties include but are not limited to the following:

- Changes in general economic and/or governmental conditions, particularly in the United States, the Netherlands and the United Kingdom;
- Changes in the performance of financial markets, including emerging markets, such as with regard to:
  - The frequency and severity of defaults by issuers in Aegon's fixed income investment portfolios;
  - The effects of corporate bankruptcies and/or accounting restatements on the financial markets and the resulting decline in the value of equity and debt securities Aegon holds; and
  - The effects of declining creditworthiness of certain public sector securities and the resulting decline in the value of government exposure that Aegon holds;
- Changes in the performance of Aegon's investment portfolio and decline in ratings of Aegon's counterparties;
- Lowering of one or more of Aegon's debt ratings issued by recognized rating organizations and the adverse impact such action may have on Aegon's ability to raise capital and on its liquidity and financial condition;
- Lowering of one or more of insurer financial strength ratings of Aegon's insurance subsidiaries and the adverse impact such action may have on the written premium, policy retention, profitability and liquidity of its insurance subsidiaries;
- The effect of the European Union's Solvency II requirements and other regulations in other jurisdictions affecting the capital Aegon is required to maintain;
- Changes affecting interest rate levels and continuing low or rapidly changing interest rate levels;
- Changes affecting currency exchange rates, in particular the EUR/USD and EUR/GBP exchange rates;
- Changes in the availability of, and costs associated with, liquidity sources such as bank and capital markets funding, as well as conditions in the credit markets in general such as changes in borrower and counterparty creditworthiness;
- Increasing levels of competition in the United States, the Netherlands, the United Kingdom and emerging markets;
- Catastrophic events, either manmade or by nature, including by way of example acts of God, acts of terrorism, acts of war and pandemics, could result in material losses and significantly interrupt Aegon's business;
- The frequency and severity of insured loss events;
- Changes affecting longevity, mortality, morbidity, persistence and other factors that may impact the profitability of Aegon's insurance products;
- Aegon's projected results are highly sensitive to complex mathematical models of financial markets, mortality, longevity, and other dynamic systems subject to shocks and unpredictable volatility. Should assumptions to these models later prove incorrect, or should errors in those models escape the controls in place to detect them, future performance will vary from projected results;
- Reinsurers to whom Aegon has ceded significant underwriting risks may fail to meet their obligations;
- Changes in customer behavior and public opinion in general related to, among other things, the type of products Aegon sells, including legal, regulatory or commercial necessity to meet changing customer expectations;
- Customer responsiveness to both new products and distribution channels;
- As Aegon's operations support complex transactions and are highly dependent on the proper functioning of information technology, operational risks such as system disruptions or failures, security or data privacy breaches, cyberattacks, human error, failure to safeguard personally identifiable information, changes in operational practices or inadequate controls including with respect to third parties with which we do business may disrupt Aegon's business, damage its reputation and adversely affect its results of operations, financial condition and cash flows;
- The impact of acquisitions and divestitures, restructurings, product withdrawals and other unusual items, including Aegon's ability to integrate acquisitions and to obtain the anticipated results and synergies from acquisitions;
- Aegon's failure to achieve anticipated levels of earnings or operational efficiencies, as well as other management initiatives related to cost savings, cash capital at Holding, gross financial leverage and free cash flow;
- Changes in the policies of central banks and/or governments;
- Litigation or regulatory action that could require Aegon to pay significant damages or change the way Aegon does business;
- Competitive, legal, regulatory, or tax changes that affect profitability, the distribution cost of or demand for Aegon's products;
- Consequences of an actual or potential break-up of the European monetary union in whole or in part, or the exit of the United Kingdom from the European Union and potential consequences if other European Union countries leave the European Union;
- Changes in laws and regulations, particularly those affecting Aegon's operations' ability to hire and retain key personnel, taxation of Aegon companies, the products Aegon sells, and the attractiveness of certain products to its consumers;
- Regulatory changes relating to the pensions, investment, and insurance industries in the jurisdictions in which Aegon operates;
- Standard setting initiatives of supranational standard setting bodies such as the Financial Stability Board and the International Association of Insurance Supervisors or changes to such standards that may have an impact on regional (such as EU), national or US federal or state level financial regulation or the application thereof to Aegon, including the designation of Aegon by the Financial Stability Board as a Global Systemically Important Insurer (G-SII); and
- Changes in accounting regulations and policies or a change by Aegon in applying such regulations and policies, voluntarily or otherwise, which may affect Aegon's reported results, shareholders' equity or regulatory capital adequacy levels.

Further details of potential risks and uncertainties affecting Aegon are described in its filings with the Netherlands Authority for the Financial Markets and the US Securities and Exchange Commission, including the Annual Report. These forward-looking statements speak only as of the date of this document. Except as required by any applicable law or regulation, Aegon expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Aegon's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.