

Annex 1

Statement on the principal adverse impacts of investment decisions on sustainability factors



Summary

Aegon Cappital B.V. (*hereinafter Aegon Cappital*) considers the principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement of principal adverse impacts on sustainability factors of Aegon Cappital. This statement on principal adverse impacts on sustainability factors covers the reference period from January 1, 2023, to December 31, 2023. Aegon Cappital has no investments for its own book. Aegon Cappital manages its clients' pension assets. This statement covers investments in the products listed below:

1. Lifecycle Single Manager
2. Lifecycle Multi Manager
3. Self Select Investing
4. Investments for Restricted/Covered Persons

The first three products are products as referred to in Article 8 SFDR, which means that these products promote ESG characteristics, although these products do not have a sustainable investment objective. The investments for Restricted/Covered Persons are a product as referred to in Article 6, i.e. they do not promote ESG characteristics and do not have a sustainable objective.

Since it is impossible for us to consider all potential adverse impacts at once, we have divided the potential adverse impacts into five key themes that we prioritize. In addition to the themes below, good governance is a condition our investments must meet. This is set out in our Responsible Investment Policy. The Responsible Investment Policy is part of Aegon Cappital's investment policy. The principles of this investment policy can be found in Aegon Cappital's Statement of Investment Principles.

The reason we prioritize these themes is that if an adverse impact occurs with respect to one or more of these themes, its impact on people and the environment may be severe and irreversible. The choice of additional indicators was made within the themes we focus on. The additional indicators were chosen partly on the basis of the current availability and reliability of data. We focus on the following themes:

- climate change
- diversity and inclusion
- biodiversity
- human rights
- health and wellbeing

The principal adverse impacts on sustainability factors are: GHG (greenhouse gas) emissions, carbon footprint and exposure to companies active in the fossil fuel sector.

Following a.s.r.'s acquisition of Aegon, it was decided in 2023 that the sustainable investment policy would gradually be replaced by a.s.r.'s sustainability policy. As a result of this decision, a.s.r.'s exclusion policy was adopted with effect from the second half of 2023, while Aegon's responsible investment policy was maintained in all other respects. Consequently, the thematic approach and the use of engagement and voting were continued during 2023. This also means that the explanations of the figures are based on that existing policy (including objectives and starting points). a.s.r.'s SRI policy will be effective as from 2025. For more information, click [this link](#).

This statement is based on the SFDR rules. Not all investee companies are currently required to publish data on the principal adverse impacts of investment decisions on sustainability factors. The data in this statement is provided on a best-effort basis and might not be available for all underlying investments. As a result, the table below might provide a partial picture of the total investments, and the published impacts on sustainability factors might have limited significance. The figures may be adjusted in future when more complete and reliable data is available. The published impacts on sustainability factors could therefore become more negative, for example because data becomes available for a larger proportion of the investments. For this reason, we are still extremely reluctant to account for the reported differences compared to last year.

Description of the principal adverse impacts on sustainability factors

We aim to have a positive impact in relation to the themes on which we focus. Currently, our investments have the most impact on the following sustainability factors: Greenhouse gas emissions: By assessing the greenhouse gas emissions of companies, we can identify the sectors and companies that have the greatest impact on climate change. We make efforts to identify companies that need to reduce their emissions and make their business operations more sustainable.


Carbon footprint: We can also identify which sectors and companies have the greatest impact on climate change by assessing the carbon footprints of companies. We encourage companies to reduce their carbon footprint and work towards a low-carbon economy.

Exposure to companies active in the fossil fuel sector: Given the urgency of the climate crisis, we pay special attention to our exposure to companies active in the fossil fuel sector. This allows us to make a real impact. We recognize the need for a gradual transition to clean energy sources and seek to reduce our investments in this sector. We encourage companies to become actively involved in the energy transition and embrace alternative, sustainable solutions.

Indicators for investee companies


Adverse sustainability impact indicator	Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period
					<p>The following actions have been taken as a result of Aegon Nederland's RI Policy. Owing to a.s.r.'s acquisition of Aegon, that policy will be replaced by a.s.r.'s SRI policy.</p> <p>See the following link: Sustainable investment policy.</p>



Climate and other environmental indicators

Greenhouse gas emissions 	1. GHG emissions	Scope 1- GHG emissions	121,502.3 t CO2 equivalent	11,8852.7 t CO2 equivalent		
		Scope 2- GHG emissions	42,949.9 t CO2 equivalent	48,675.4 t CO2 equivalent		
		Scope 3- GHG emissions	1,384,082.4 t CO2 equivalent	1,179,202.2 t CO2 equivalent		
		Total GHG emissions expressed in tonnes CO2eq	1,548,561.0 t CO2 equivalent	1,346,633.9 t CO2 equivalent	<p>This is roughly equal to the annual emissions of 84,165 people in the Netherlands. According to Statistics Netherlands, emissions per person amounted to 16 tonnes in 2021. For more information, see the website of Statistics Netherlands.</p>	<p>Ongoing actions: Engage in dialogue with companies with the largest CO2 emissions, and prevail upon them to set science-based targets by the end of 2024.</p> <p>The objectives have been adjusted owing to the introduction of a.s.r.'s sustainable investment policy. These can be found in the statement on the principal adverse impacts of investment decisions on sustainability factors ("PAI Statement"). See the following link.</p>
	2. Carbon footprint	Carbon footprint expressed in tonnes of CO2e per million EUR	353.1 t CO2 equivalent per million EUR investments	270.5 t CO2 equivalent per million EUR invested	Total for scopes 1, 2 and 3	<p>Ongoing actions: Engage in dialogue with companies with the largest CO2 emissions, and prevail upon them to set science-based targets by the end of 2024.</p> <p>The objectives have been adjusted owing to the introduction of a.s.r.'s sustainable investment policy. These can be found in the statement on the principal adverse impacts of investment decisions on sustainability factors ("PAI Statement"). See the following link.</p>


	3. GHG intensity of investee companies	GHG intensity of invested companies expressed in CO2e per million EUR	733.6 t per million EUR of revenue	650.6 t per million EUR of revenue	Total for scopes 1, 2 and 3	<p>Ongoing actions: Engage in dialogue with companies with the largest CO2 emissions, and prevail upon them to set science-based targets by the end of 2024.</p> <p>The objectives have been adjusted owing to the introduction of a.s.r.'s sustainable investment policy. These can be found in the statement on the principal adverse impacts of investment decisions on sustainability factors ("PAI Statement"). See the following link.</p>
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	6.1%	5.5%		<p>Ongoing actions: Exclusions of companies that derive 5% or more of their revenue from coal exploration, extraction or refining. Companies are also excluded if they produce more than 20 million tonnes of coal and are actively expanding their exploration, extraction or refining activities, even if they derive less than 5% of their revenue from this.</p> <p>Exclusion of companies that derive 5% of their revenue from offshore oil and gas exploration and production in the Arctic.</p> <p>Exclusion of companies that are pipeline managers and that are significantly involved in the transport of tar sands.</p> <p>Owing to a.s.r.'s Sustainable Investment Policy, the following text has been added:</p> <p>Exclusion of companies that derive 5% of their revenue from unconventional oil and gas exploration.</p> <p>Exclusion of companies active in coal (0%) and electricity generated from fossil fuel (max. 20%) or nuclear energy (max. 50%).</p>

	5. Share of non-renewable consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	60.8% consumption 18.1% generation	64.4% consumption 13.2% generation		<p>Ongoing actions:</p> <p>Exclusion of companies that derive 5% of their revenue from the production of electricity from coal. In addition, companies are excluded if they have more than 10 gigawatts of coal-fired production capacity and are also actively expanding their coal-fired production capacity, even if they derive less than 5% of their revenue from this.</p> <p>Exclusion of companies that derive 5% of their total oil equivalent production from tar sands.</p> <p>Owing to a.s.r.'s Sustainable Investment Policy, the following text has been added:</p> <p>Exclusion of companies that derive 5% of their revenue from unconventional oil and gas exploration.</p> <p>Exclusion of companies active in coal (0%) and electricity generated from fossil fuel (max. 20%) or nuclear energy (max. 50%).</p>
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	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector				Ongoing actions: Engage in dialogue with companies with the largest CO2 emissions, and prevail upon them to set science-based targets by the end of 2024.
		Agriculture, forestry and fishing (GWh per million EUR)	1.9 GWh per million EUR	4.8 GWh per million EUR		The objectives have been adjusted owing to the introduction of a s.r.'s sustainable investment policy. These can be found in the statement on the principal adverse impacts of investment decisions on sustainability factors ("PAI Statement"). See the following link .
		Construction (GWh per million EUR)	0.1 GWh per million EUR	0.1 GWh per million EUR		
		Electricity, gas, steam and air conditioning supply (GWh per million EUR)	69.8 GWh per million EUR	8.0 GWh per million EUR		
		Manufacturing (GWh per million EUR)	1.5 GWh per million EUR	2.6 GWh per million EUR		
		Mining and quarrying (GWh per million EUR)	1.2 GWh per million EUR	24.9 GWh per million EUR		
		Real estate activities (GWh per million EUR)	0.4 GWh per million EUR	0.7 GWh per million EUR		
		Transportation and storage (GWh per million EUR)	1.0 GWh per million EUR	1.4 GWh per million EUR		
		Water supply, sewerage, waste management and remediation (GWh per million EUR)	0.5 GWh per million EUR	0.5 GWh per million EUR		
		Wholesale and retail trade and repair of motor vehicles and motorcycles (GWh per million EUR)	0.1 GWh per million EUR	0.9 GWh per million EUR		
Biodiversity 	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	5.2%	5.4%		

<p>Watercontent</p> 	<p>8. Emissions to water</p>	<p>Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as weighted average</p>	<p>0.0 t per million EUR invested</p>	<p>0.8 t per million EUR invested</p>		<p>This comes under the Biodiversity theme, and therefore forms part of our ongoing engagement and voting activities.</p>
<p>Waste</p> 	<p>9. Hazardous waste and radioactive waste ratio</p>	<p>Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as weighted average</p>	<p>4.7 t per million EUR invested</p>	<p>13.7 t per million EUR invested</p>		<p>This comes under the Biodiversity theme, and therefore forms part of our ongoing engagement and voting activities.</p>

Additional E indicators

<p>Emissions</p> 	<p>Investments in investee companies without initiatives to reduce carbon emissions</p>	<p>Share of investments in investee companies without initiatives to reduce carbon emissions that seek alignment with Paris Agreement</p>	<p>34.8%</p>	<p>49.4%</p>		<p>Ongoing actions: Enter into dialogue with the 25 companies with the largest CO2 emissions and prevail upon them to set science-based targets by the end of 2024.</p> <p>The goal for 2050 is that no greenhouse gas emissions are financed through our investments. The goal is net zero. We have also undertaken to bring all client assets within the scope of our climate Action Plan by 31 December 2025. This means that we will set targets in the coming years to ensure those assets are in line with the Paris Agreement.</p>
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Indicators for social issues and working conditions, respect for human rights, and the fight against corruption and bribery

<p>Social and employee matters</p> 	<p>10. Violations of UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises</p>	<p>Share of investments in investee companies that have been involved in violations of the UNGC principles or of the OECD Guidelines for Multinational Enterprises</p>	<p>0.7%</p>	<p>1.0%</p>	<p>This comes under the Human Rights theme, and therefore forms part of our ongoing engagement and voting activities.</p> <p>a.s.r.'s exclusion policy applies with effect from the end of 2023.</p> <p>a.s.r.'s sustainable investment policy is based on international norms and agreements, such as the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and the conventions of the International Labour Organization (ILO). Companies involved in serious controversies in areas covered by those conventions, such as human rights, labor rights and the environment, are excluded from the investment universe. AVB uses two data suppliers to determine the existence of a controversy: Moody's ESG and MSCI ESG. Information from two independent parties is combined to enable the most objective analysis possible.</p>
	<p>11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises</p>	<p>Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC Principles or OECD Guidelines for Multinational Enterprises</p>	<p>54.1%</p>	<p>59.1%</p>	<p>This comes under the Human Rights theme, and therefore forms part of our ongoing engagement and voting activities.</p> <p>a.s.r.'s exclusion policy applies with effect from the end of 2023.</p> <p>a.s.r.'s sustainable investment policy is based on international norms and agreements, such as the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and the conventions of the International Labour Organization (ILO). Companies involved in serious controversies in areas covered by those conventions, such as human rights, labor rights and the environment, are excluded from the investment universe. AVB uses two data suppliers to determine the existence of a controversy: Moody's ESG and MSCI ESG. Information from two independent parties is combined to enable the most objective analysis possible.</p>



	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	20.0%	20.4%		This comes under the Diversity & Inclusion theme, and therefore forms part of our ongoing engagement and voting activities.
	13. Board gender diversity	Average ratio of female to male management board members in investee companies, expressed as a percentage of all management board members	31.4%	29.5%		This comes under the Diversity & Inclusion theme, and therefore forms part of our ongoing engagement and voting activities.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.00%	0.00%		<p>This comes under the Human Rights theme, and therefore forms part of our ongoing engagement and voting activities.</p> <p>Exclusion of</p> <ul style="list-style-type: none"> • Companies involved in the development, manufacture, maintenance, and trading of: <ul style="list-style-type: none"> - landmines; - biological or chemical weapons; - cluster munitions; - depleted uranium munitions; - incendiary weapons containing white phosphorus; nuclear weapons systems. • Companies that manufacture or develop important and specific components for controversial weapons, as referred to above, or provide essential services for their use. • Companies involved in arms trading to countries: <ul style="list-style-type: none"> - that are the subject of an arms embargo by the UN Security Council, the United States, or the European Union, or that are the subject of any other relevant multilateral arms embargo; - that are located in a war zone; and/or - that qualify as risk countries to which the Dutch government applies a 'presumption of refusal' with regard to export licenses. • All Russian and Belarusian companies.

						a.s.r.'s Sustainable Investment Policy applies with effect from the end of 2023. A zero tolerance policy applies to the manufacture and/or selling of conventional and controversial weapons. Owing to the exclusions that apply under a.s.r.'s Sustainable Investment Policy, no engagement or voting activities have been carried on with respect to these companies since that policy came into effect. For more information see the following link: Sustainable Investment Policy .
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Additional S indicator

Human rights 	Lack of a human rights policy	Share of investments in investee companies without a human rights policy	7.5%	8.9%		This comes under the Human Rights theme, and therefore forms part of our ongoing engagement and voting activities.
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Indicators for investments in governments and supranational institutions

Adverse sustainability impact indicator	Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period	
Environmental 	15. GHG intensity	GHG intensity of investee countries expressed in tonnes of CO ₂ eq per million EUR	0.0 eq per million EUR	0.1 eq per million EUR		The goal for 2050 is that no greenhouse gas emissions are financed through our investments. The goal is net zero. We have also undertaken to bring all client assets within the scope of our climate Action Plan by 31 December 2025. This means that we will set targets in the coming years to ensure those assets are in line with the Paris Agreement.
Social 	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles, and, where applicable, national law	3 / 0.54%	2 / 0.5%		Under the Responsible Investment Policy, we do not invest in any form of government debt from countries that systematically violate human rights.



Additional E indicator

<p>Green securities</p> 	Share of bonds not issued under Union legislation on environmentally sustainable bonds	Share of bonds not issued under Union legislation on environmentally sustainable bonds	N/A	N/A	Not applicable because there are currently no investments in these assets.	
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Additional S indicator

<p>Social</p> 	Average income inequality score	The distribution of income and economic inequality among the participants in a particular economy, including a quantitative indicator explained in the explanation column	Not available	10.7%	This indicator measures the distribution of income and economic inequality among participants in a particular economy, shown as a weighted average based on a standardized Gini coefficient, where 0% corresponds with perfect income equality and 100% corresponds with perfect income inequality.	This comes under the Diversity & Inclusion and Human Rights themes, and therefore forms part of our ongoing engagement and voting activities.
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Indicators for investing in real estate assets

Adverse sustainability impact indicator	Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned and targets set for the next reference period	
<p>Fossil fuels</p> 	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	N/A	N/A	Not applicable because there are currently no investments in these assets.	
<p>Energy efficiency</p> 	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	N/A	N/A	Not applicable because there are currently no investments in these assets.	

Additional E indicator

<p>Energy consumption</p> 	Energy consumption intensity	Energy consumption of owned real estate assets in GWh per m ²	N/A		Not applicable because there are currently no investments in these assets.	
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Description of the policy for the identification and prioritization of the main adverse impacts on sustainability factors

Investment policy

Aegon Cappital's investment strategy is set out in Aegon Cappital's investment policy and summarized in Aegon Cappital's Statement of Investment Principles. The Responsible Investment Policy is an integral part of Aegon Cappital's investment policy. Aegon NL supports the transition to a climate-proof society and a net-zero economy by 2050. Aegon NL published a Climate Action Plan at the end of 2022. In connection with this, the Responsible Investment Policy was updated on 1 January 2023. a.s.r.'s exclusion policy was implemented with effect from the second half of 2023. The other elements of the existing responsible investment policy have been maintained.

The current Responsible Investment Policy states that the sustainability factors we consider relate to the following themes:

- climate change
- inclusion and diversity
- biodiversity
- human rights
- health and wellbeing

The reason we prioritize these themes is that if an adverse impact occurs with respect to one or more of these themes, its impact on people and the environment may be severe and irreversible. In addition to these themes, good governance is a condition our investments must meet. The selection of sustainability factors is based on the themes we focus on, and partly on the availability and reliability of data relating to the sustainability factors. The sustainability factors are set out in the Responsible Investment Policy.

We invest in companies and countries, among other things. We set minimum norms for each theme, which investments must meet. Furthermore, our investment strategy aims to reduce the adverse impacts on sustainability factors by means of active ownership. This means we use our influence as an investor to encourage companies to make positive changes. For example, we engage with companies if we have established that they do not meet our minimum norms, or if they harm people or the planet. When we engage with a company, we draw attention to our findings and inform the company's management about our concerns. We also ask them to make the changes we believe they should make at their company.

If we have voting rights, we also use them to support our objectives and promote sustainable business practices.

We are committed to being active shareholders. There is no guarantee, however, that our engagement will be successful. If our actions do not have the desired effect, we can add companies to our Exclusion List as part of an annual review. As standard practice, we choose not to invest in certain companies and countries. This is because those companies offer certain products or are involved in certain activities, such as coal mining, nuclear weapons or tobacco production. Countries are placed on our Exclusion List if they violate human rights or commit similar violations of global norms. More information can be found in the Responsible Investment Policy and the Exclusion List.

Determination and implementation of investment policy: internal governance

Aegon Cappital's investment policy is determined by the management team of Aegon Cappital (Aegon Cappital MT). The Responsible Investment Policy is part of Aegon Cappital's investment policy. This Responsible Investment Policy was determined by the Aegon NL Sustainability Board. The Aegon NL Sustainability Board was appointed by Aegon NL and consists of representatives of various Aegon NL functions and subsidiaries, such as Aegon Cappital.

Owing to a.s.r.'s acquisition of Aegon, the aforementioned tasks and responsibilities were transferred to the a.s.r. ESG Committee as from mid-2023.

The Responsible Investing Committee ("RIC") was responsible for developing and implementing the Responsible Investment Policy. The RIC had an advisory and implementing role with respect to this policy. The advisory role included ensuring compliance with legislation, regulations and local market norms. Proposals to amend the Responsible Investment Policy were submitted by the RIC to the Aegon NL Sustainability Board, following which the Aegon NL Sustainability Board adopted the amended Responsible Investment Policy.

Owing to a.s.r.'s acquisition of Aegon, the aforementioned tasks and responsibilities were transferred to the a.s.r. ESG Committee as from mid-2023.

Following the adoption of the Responsible Investment Policy by the Sustainability Board, the RIC took care of the implementation of the Responsible Investment Policy. The RIC oversaw the implementation of this policy by, for example, proposing changes to the Exclusion List and actively drawing up the Active Ownership Plan. The RIC also monitored compliance with the Responsible Investment Policy by the external fund managers with which Aegon works, both at the time the external fund managers were appointed and also periodically by performing an annual review of the appointed external fund managers and their products. The RIC had no authority to make direct investment decisions. All investment decisions are made by Aegon Capital, with due observance of Aegon Capital's investment policy and the Responsible Investment Policy. The RIC members have various roles and work at various subsidiaries, including Aegon Capital.

Owing to a.s.r.'s acquisition of Aegon, the aforementioned tasks and responsibilities were transferred to the a.s.r. ESG Committee as from mid-2023.

Information on a.s.r.'s policy, principles and governance pertaining to sustainability is accessible via [this link](#).

Data sources and processing

We mostly use data from our primary fund manager, Aegon Asset Management, when screening companies and in our due diligence processes. Aegon Asset Management receives this data from external parties. If no data is available for specific indicators, we assign a value of zero when reporting on those indicators.

Sometimes the information received from the fund managers relates to only part of the portfolio, due to the fact only limited information is available. This is because not all investee companies are currently required to publish data on the principal adverse impacts of investment decisions on sustainability factors. We monitor this closely. The figures in this statement may be adjusted in future when more complete and reliable data is available. The published impacts on sustainability factors could therefore become more negative, for example because data becomes available for a larger proportion of the investments. For this reason, we are still extremely reluctant to account for the differences.

The reports we receive from our fund managers form the basis for considering the principal adverse impacts relating to our investments. The reports we receive from our fund managers are compiled on the basis of data supply by external parties. If no - or only limited - reliable and usable data on adverse impacts is available, we engage with companies in order to obtain from them as much information as possible that we can use in our investment decisions.

Engagement policy

Our Responsible Investment Policy forms the basis for our Engagement Policy. We believe in active ownership, which means we want to use our influence as an investor to bring about positive change in the world. We do this by engaging with companies where we can see potential adverse impacts or poor corporate governance. When we engage with a company, we draw attention

to our findings and we inform the company's management about our concerns. We also indicate what changes we believe are necessary. In this context, we focus primarily on fixed income and equity investments in listed companies.

We focus on the aforementioned priority themes as set out in the Responsible Investment Policy. These theme also serve as the basis for our annual Active Ownership Plan, which sets clear objectives for our activities as an active shareholder, and specifies which topics and companies are to be prioritized during our engagement activities and when casting votes in the coming year.

We regularly assess the progress of our engagement activities. At the end of each year a comprehensive evaluation is carried out, during which we pay special attention to companies with poor governance. We engage for up to one year with those companies that do not comply with global international corporate governance norms. A three-year process applies for companies that are at risk of not complying with the norms. This is in line with the governance requirements in the Responsible Investment Policy. If a company fails to take sufficient measures to address the matters requiring improvement by the end of the aforementioned period, we add the companies to our Exclusion List. More information about our engagement policy can be found in the Responsible Investment Policy. The sustainable investment policy adopted by a.s.r. is accessible via the following link: [SRI Policy](#).

References to international norms

Every year, we follow a process to investigate and limit adverse impacts and poor corporate governance. This process focuses on listed investments (bonds and equities). Where data is available on unlisted corporate investments, we also take those investments into consideration. Our process is based on the due diligence cycle described in the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. It starts with an annual identification process, in which we screen our investments for compliance with global norms, such as the United Nations Global Compact Principles. We will continue to apply these international norms in the coming reference period. As part of this process, we investigate the principal adverse impacts, as well as environment-related and social matters for improvement that the companies have addressed.

The RIC assesses the results of the annual evaluation process. The evaluation helps us determine which companies we should focus on in our engagement activities, and how we should vote at annual general meetings. More information about our approach can be found in the Responsible Investment Policy of Aegon Nederland N.V.

Aegon supports the transition to a climate-proof society and a net-zero economy by 2050. In December 2022, Aegon NL published its Climate Action Plan. This sets out what Aegon NL wants to achieve and how it intends to do that. In line with our commitment to the Climate Agreement and Aegon's participation in the Net Zero Asset Owner Alliance, our ambition of financing finance net-zero emissions by 2050 was published in November 2021. This ambition also applies to our clients' investments. We have undertaken to bring our clients' investments within the scope of our Climate Action Plan by December 31, 2025. This means that we will also set targets in the coming years to ensure those assets are in line with the Paris Agreement.

Aegon Cappital does not make use of future-oriented climate scenarios in its investment decisions. This is because we believe making assumptions about the extent to which the average temperature will rise would be too speculative at this time. Consequently, we are currently unable to make adequate predictions of the impact of rising temperatures on trends in returns on our investments. Moreover, based on current insights, we cannot see how the impact of rising temperatures will lead to significantly different allocations to fixed-income securities, or interest rate hedges, and marketable securities such as equities and real estate. The sustainable investment policy adopted by a.s.r. is accessible via the following link: [SRI Policy](#).

Historical comparison

In 2022, we amended our Responsible Investment Policy to include how we consider adverse impacts of investment decisions on sustainability factors. The principal adverse impacts on sustainability factors were measured for the first time in 2022. We

have concluded that the completeness and reliability of the information received is too limited to draw realistic conclusions. Once the completeness and reliability of the information is sufficiently in order, it may be possible to produce a realistic base-line measurement.

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