

Aegon Asset Management are leaders in responsible investment, with a track record of running ESG strategies that dates back over 30 years. We offer investors a broad range of ESG strategies covering equity, fixed income and mixed approaches, each of which is designed to provide a solution to clients who wish to incorporate strong ESG values into their investments.

Our experienced Responsible Investing team oversees the ESG screens that we apply to the funds in our range. Part of the beauty of ESG investing is the diversity of opinion on many aspects. However, through our interactions with clients we have identified a set of exclusions that prevent investment in what, we believe, no committed ESG investor would want to see in their portfolio. Below, we set out the screening criteria, firstly for our Ethical Equity, Ethical Corporate Bond and Ethical Cautious Managed Funds and then for our Global Sustainable Equity Fund.

Ethical screening process

Our ethical screening process evaluates the effects that certain companies' activities, products and services can have on the environment and society at large. We exclude companies based on the following criteria:

Animal welfare	<ul style="list-style-type: none"> • Provide animal testing services or manufacture or sell animal-tested cosmetics, household products or pharmaceuticals. • Have any involvement in intensive farming. • Operate abattoirs or slaughterhouse facilities. • Are producers or retailers of meat, poultry, fish or dairy products or slaughterhouse bi-products.
Military	Manufacture armaments, nuclear weapons or associated strategic products.
Nuclear power	Provide critical services to, or own or operate, nuclear facilities.
Environment	<ul style="list-style-type: none"> • Are involved in activities which are commonly held to be environmentally unsound – specifically manufacturers of PVC, Ozone Depleting Chemicals and hazardous pesticides. • Are in breach of internationally recognised conventions on biodiversity and companies in energy intensive industries which are not tackling the issue of climate change.
Political donations	Have made political donations of more than £25,000 in the last year.
Genetic engineering	Have patented genes.
Gambling	Have investments in betting shops, casinos or amusement arcades accounting for more than 10% of their total business.
Alcohol	Derive more than 10% of their total business through involvement in brewing, distillation or sale of alcoholic drinks.
Tobacco	Derive more than 10% of their business from the growing, processing or sale of tobacco products.
Pornography	Provide adult entertainment services.
Banks	Are corporate or international banks with exposure to large corporate or Third World debt.
Oppressive regimes	Operate in countries with poor human rights records, and which have no established management policies on human rights issues.

Sustainable Screening process

Adult entertainment	Firms which own an adult entertainment company or produce adult entertainment.
Animal testing	Firms that engage in the production or sales of animal tested cosmetics
Gambling	Firms which derive more than 10% of revenue from gambling
Genetic modification	Firms which conduct genetic modification for agricultural policies
Tobacco	Firms which derive more than 10% of revenue from tobacco
Weapons	Firms which produce or sell civilian firearms and firms which manufacture or sell armaments, nuclear weapons or associated strategic products
Nuclear power	Firms which own a nuclear power facility
Fossil fuels	Firms which engage in the extraction of oil, gas or coal
Human Rights	Firms failing to address serious allegations of violations of international standards on human rights including the use of child, forced or bonded labour

Responsible investing

At Aegon Asset Management we embrace sustainability as a corporate objective and it is central to our strategy and culture. This ensures that we aspire to meet the same standards for our own business as we demand of the companies in which we invest.

As active investors we believe it is our responsibility to encourage companies to maximise investment returns through good governance, including respect for society and the environment. As a significant shareholder in many companies, we are well- placed to actively promote best-practice in environmental, social and governance (ESG) matters.

Our investment managers and Responsible Investment Research team work together to monitor and engage with the companies in which we invest. This activity covers all asset classes, including equities, fixed income and property.

We believe that our commitment to ESG integration brings three main benefits for our clients:

1. Deepens our understanding	Our focus on ESG means we better understand the environments in which companies operate. This helps us to quantify risks and opportunities.
2. Strengthens our conviction	Aegon Asset Management is an active investment manager with a fundamental, research-driven approach. Our ESG analysis supports the management of concentrated, high-conviction portfolios.
3. Promotes a long- term focus	Evidence shows that companies which rank among the leaders in governance and sustainability are more likely to outperform as investments over the long term. Integrating ESG factors in our research helps us to avoid short- term distractions and stay focused on the long-term prospects for companies and sectors.

Our commitment to Responsible Investment

Aegon Asset Management is an active member of many collaborative responsible investment initiatives. Our participation in these initiatives helps us to deepen our knowledge and maximise our influence on ESG issues



As You Sow



CDP (formerly Carbon Disclosure Project)



Ceres



Climate Action 100+



Eumedion



Farm Animal Investment Risk & Return (FAIRR)



GlobalImpact Investing Network (GIIN)



Institutional Investors Group on ClimateChange (IIGCC)



InterfaithCenter on Corporate Responsibility (ICCR)



Investors for OpioidAccountability (IOA)



Principles for Responsible Investment (PRI)



Principles for Sustainable Insurance (PSI)



ShareAction

The Aegon NV Group is part of the FTSE 4 GOOD Global Index, which measures the performance of companies that meet globally recognised corporate responsibility standards and is a positive indicator of a company's social responsibility credentials.

We publish a responsible investment policy which provides a framework for overseeing the performance of the companies in which we invest. A copy is available at www.aegonam.com/en/responsible-investing



Sustainability SOAP BOX

Passionate and insightful views on sustainable investing

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The principal risk of this product is the loss of capital. Please refer to the KIID and/or prospectus or offering documents for details of all relevant risks.

Opinions represent our understanding of markets both current and historical and are used to promote Aegon Asset Management UK's investment management capabilities: they are not investment recommendations, research or advice. Opinions and/or example trades/securities are only present for the purposes of promoting Aegon Asset Management UK's investment management capabilities. Sources used are deemed reliable by Aegon Asset Management UK plc at the time of writing.

All data is sourced to Aegon Asset Management UK plc unless otherwise stated. The document is accurate at the time of writing but is subject to change without notice.

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Aegon Asset Management UK plc (Aegon AM UK) is authorised and regulated by the Financial Conduct Authority. Aegon AM UK is the investment manager for AAMICI and also the marketer for AAMICI in the UK.

For investors in the UK, Jersey and Guernsey - AAMICI's relevant sub-funds are notified to each regulator. The prospectus, supplements, key investor information and reports (together 'Disclosures') are available at www.aegonam.com.

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