

### MM GLOBAL GREEN BOND FUND

**Disclaimer: This document is not marketing material. It contains information about this Fund (the product) in relation to the Sustainable Finance Disclosure Regulation. The information is legally required to help you understand the sustainability characteristics and/or objectives and risks of this fund. It is recommended to read this document together with other relevant documentation on this product so you can make an informed decision about whether to invest. Definitions used in this document have the same meaning as those used in the Fund prospectus.**

#### (a) Summary

The product has a sustainable investment objective and the majority of the investments in the product are considered to be sustainable investments, identified as green bonds. The manager uses proprietary and/or external data from several sources as inputs for its decisions. This product further actively excludes certain investments that have a significant adverse impact on sustainability factors on an ongoing basis. The product also applies measures to screen out investee companies that do not follow good governance principles.

For a translation of this summary in one of the official languages of a member state where this financial product is made available, please refer to section (m) Summary Translations furtheron in this document.

#### (b) No significant harm to the investment objective

**Why do the sustainable investments in the product not significantly harm any of the sustainable investment objectives?**

The Fund invests in Green Bonds, of which the use of proceeds are used for projects with positive environmental impact. To qualify as Green Bonds, the instruments have to invest in specifically green projects that do not harm other objectives. Third-Party Managers are responsible for the assessment of these Green Bonds and related projects in line with the Green Bond Principles of the International Capital Markets organization.

**How are the Principal Adverse Impacts (PAI) taken into account?**

Where available, indicators for adverse impacts help the Fund Manager identify concerns and engage with issuers on those. Additionally, where available, the Third-Party Managers may use indicators for adverse impacts in their assessment of the security.

**Are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights?**

The Investment Manager ensures that the Sustainable Investments are aligned with OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights by periodically screening the portfolio holdings using external specialized research, such as controversies, that indicate actual or potential breaches of international norms and standards. Please refer to the Aegon AM MM Sustainability Risks and Impacts Policy for further details of this process.

#### (c) Sustainable investment objective of the financial product

**What is the sustainable investment objective of this financial product?**

The Fund aims to contribute to the United Nations Sustainable Development Goals by investing globally in 'Green Bonds'. The proceeds of such bonds are earmarked for projects with a measurable positive environmental impact.

#### (d) Investment strategy

**What is the investment strategy used to attain the sustainable investment objective of this financial product?**

The Fund invests in debt securities that are constituents of the Benchmark, as well as other debt securities denominated in euros or US dollars and traded on a regulated market and/or Execution Venue, in either case that: (i) are labelled as being green by the issuer; (ii) are reasonably determined by the Manager to comply with the "green bond principles" published by the International Capital Markets Association; (iii) qualify as sustainable investments in line with article 2 (17) of the Sustainable Finance Disclosure Regulation (2019/2088) ("SFDR"); and (iv) which are issued or guaranteed by: (1) Companies, or (2) supranationals, sub-sovereigns, agencies, government-related entities, government guaranteed issuers, and other quasi-government issuers ("SSAs") (but not, for the avoidance of doubt, debt securities issued by sovereigns) ("Bonds"). The Third-Party Managers are instructed to invest only in Green Bonds that comply with the ICMA Global Green Bond Principles. The Fund Manager monitors whether the bonds that are invested in are eligible Green Bonds. The Third Party investment manager(s) provide evidence if necessary. In addition, the Fund adheres to the Aegon AM MM Sustainability Risks and Impacts Policy. As part of that policy, the Manager conducts annual screening of the broadest investment universe and utilizes third-party ESG data to determine which issuers breach the policy's exclusion criteria on an annual basis. These issuers are added to the exclusion list. The exclusion list is integrated in Portfolio Risk Control processes with daily ex-post monitoring to ensure the Third Party Investment Manager(s) adheres to the list.

The Third-Party Managers are instructed to invest only in Green Bonds that comply with the ICMA Global Green Bond Principles. The proceeds of such bonds are earmarked by the issuer for projects that generate a positive environmental impact. Green bonds in the portfolio are screened for eligibility with respect to the ICMA Green Bond Principles. In addition, the Aegon AM MM Sustainability Risks and Impacts Policy contains specific ESG criteria used to define an exclusion list applicable to this Fund. Third Party Investment Manager(s) are required to adopt the exclusion list in their portfolios which means that these exclusionary ESG criteria are binding elements used to attain the Fund's sustainable investment objective. Third Party Investment Manager(s) selected for this fund are not allowed to invest in securities issued by issuers on the Exclusion List.

The Fund will invest minimum 90% of the portfolio in debt securities as specified by the investment strategy that qualify as sustainable investments in a manner as described above. A minor portion of the portfolio, 10%, may be invested in ancillary assets that do not qualify as sustainable investments, for example, cash and cash like instruments.

As the Fund adheres to the Aegon AM NL Sustainability Risks and Impacts Policy, the exclusions as listed in this policy will be applied. For the avoidance of doubt and resulting from additional regulatory guidance in relation to fund names, the Fund also excludes the following companies:

- (a) companies involved any activities related to controversial weapons;
- (b) companies involved in the cultivation and production of tobacco;
- (c) companies considered to be in violation of UNGC principles or OECD Guidelines.
- (d) companies that derive 1% or more of their revenues from exploration, mining, extraction, distribution or refining of hard coal and lignite;
- (e) companies that derive 10% or more of their revenues from the exploration, extraction, distribution or refining of oil fuels;
- (f) companies that derive 50% or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels;
- (g) companies that derive 50% or more of their revenues from electricity generation with a GHG intensity of more than 100 g CO<sub>2</sub> e/kWh.

These exclusionary criteria are monitored on a continuous basis, with ex-ante controls and daily ex-post monitoring to ensure the Fund adheres to the criteria.

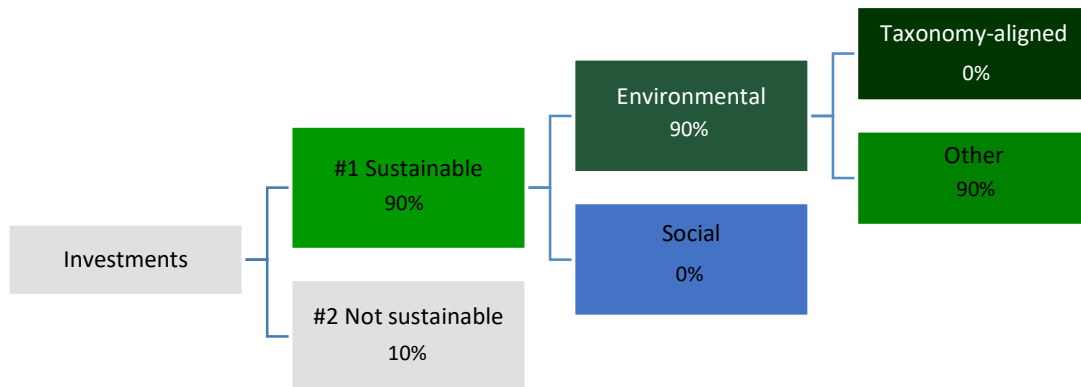
The exclusions derived from the exclusionary criteria are refreshed on a regular basis, which could be annually or more regularly. In case the Fund does not adhere to the criteria because a company starts to engage in one of the activities mentioned above, the Fund Manager will divest from the company as soon as possible.

### **What is the policy to assess good governance practices of the investee companies, including with respect to sound management structures, employee relations, remuneration of staff and tax compliance?**

The Fund Manager and/or Third Party Investment Manager(s) are required to assess good governance practices of investee companies. It is expected that the companies conduct their operations in accordance with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles (UNGP) on Business and Human Rights, and the UN Global Compact principles. To identify potential breaches of these norms, the corporate holdings of the portfolio are periodically screened using external specialized

research, such as controversies, that indicate actual or potential breaches of international norms and standards. Please refer to the Aegon AM MM Sustainability Risks and Impacts Policy for further details. Results from this screening are used to formulate active ownership activities. For a full description of our approach to good governance, please refer to the policy.

### (e) Proportion of the investments



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

### (f) Monitoring of sustainable investment objective

**How are the sustainable investment objective of the financial product and the sustainability indicators used to measure the attainment of the sustainable investment objective monitored throughout the lifecycle of the financial product and the related internal or external control mechanisms?**

Both the benchmark and the Third Party Investment Managers determine the eligibility of Green bonds based on the Green Bond Principles of the International Capital Markets Association. In order to align the Investment Strategy of the Fund with the Benchmark, the value of Bonds within the Fund that are constituents of the Benchmark will at all times represent at least 80% of the aggregate value of the Fund. Separately, the Manager conducts annual screening of the broadest investment universe and utilizes third-party ESG data to determine which issuers breach the policy's exclusion criteria on an annual basis. These issuers are added to the exclusion list. The exclusion list is integrated in Portfolio Risk Control processes, with ex-ante controls and daily ex-post monitoring to ensure the Fund adheres to the list. Lastly, The Fund will measure the attainment of the sustainable objective by measuring the CO2 avoided emissions from financing green projects.

### (g) Methodologies

**What methodologies are used to measure the attainment of the sustainable investment objective and what methodologies are used to measure the sustainability indicators for attaining this sustainable investment objective?**

The Fund invests in Green Bonds, of which the use of proceeds are used for projects with positive environmental impact. To qualify as Green Bonds, the instruments have to invest in specifically green projects that do not harm other objectives. Third-Party Managers are responsible for the assessment of these Green Bonds and related projects in line with the Green Bond Principles of the International Capital Markets organization. The Third-Party Managers are instructed to invest only in Green Bonds that comply with

the ICMA Global Green Bond Principles. The Fund Manager monitors whether the bonds that are invested in are eligible Green Bonds. The Third Party investment manager(s) provide evidence if necessary. In addition, the Fund adheres to the Aegon AM MM Sustainability Risks and Impacts Policy. As part of that policy, the Manager conducts annual screening of the broadest investment universe and utilizes third-party ESG data to determine which issuers breach the policy's exclusion criteria on an annual basis. These issuers are added to the exclusion list. The exclusion list is integrated in Portfolio Risk Control processes with daily ex-post monitoring to ensure the Third Party Investment Manager(s) adheres to the list. The Fund will measure the attainment of the sustainable objective by measuring the CO2 avoided emissions from financing green projects.

### (h) Data source and processing

#### How are the data sources used to attain the sustainable investment objective of the financial product?

External ESG data providers, Sustainalytics and MSCI, have been selected as data sources to produce exclusion lists for the financial product. Data from Third Party managers is used for the measurement of CO2 avoided emissions.

#### What measures are taken to ensure data quality?

Data quality is monitored and ensured by the external provider chosen to deliver the data. Data quality is assessed and maintained across several dimensions as defined by each provider. These assurance processes are proprietary to the vendor and Aegon Asset Management has reviewed their reports concerning data quality and assurance. The external providers provide assurance that all commercially reasonable steps are undertaken to guarantee adherence to a quality framework. Upon the identification of data issues, data inaccuracies or technical/application defects, the error is to be investigated and resolved as per the vendor's incident management framework.

#### How is data processed?

Aegon AM currently receives external ESG data via two delivery channels: via third party applications (Blackrock Aladdin, Bloomberg), as well as via the external vendors' own data portal. Access rights to third party systems are restricted in accordance with the relevant contractual agreements. Data downloaded directly from the vendor's own data portal is stored in internal locations with restricted access rights. Data in Aladdin is processed by applying an issuer transversal logic. It operates by taking each security in position and resolving it to the issuer it uses for ESG data inheritance per the defined asset resolution rollup. Once that issuer is defined, a check is performed by the system to confirm if that issuer has coverage for the measure requested. For exclusion-based strategies, exclusionary criteria assessments are performed based on Sustainalytics and MSCI data retrieved directly from the vendors' systems. We process this data by applying our own exclusion criteria to the raw data, in line with the applicable Sustainability Risks and Impacts Policy.

#### What proportion of the data is estimated?

The proportion of estimated versus reported data will vary per each underlying data point needed for the calculation for that ESG metric. For certain metrics, external ESG data providers make available further information on the underlying data, indicating the source of the data: estimation based on a proprietary model or issuer disclosures. Additionally, data obtained from public sources may also be estimated to some extent.

### (i) Limitations to methodologies and data

#### What are potential limitations to the methodologies or data sources and how do such limitation not affect the attainment of the sustainable investment objective of the financial product?

Where data is reported by issuers such as companies, data limitations are tied to availability of reported data by such issuers as well as the coverage of issuers by external ESG data providers. Where data is estimated, limitations are tied to the accuracy of the proprietary estimation methodologies of external ESG data providers.

### (j) Due diligence

### What due diligence is carried out on the underlying assets of the financial product (including the internal and external controls)?

Aegon AM always maintains at least two ESG data providers and utilises multiple data metrics from their data sets for funds with a sustainable investment objective. This allows Aegon AM to compare different sources to allow sufficient certainty that the sustainable objective can be reasonably attained. The data used will be specific to each fund.

### (k) Engagement policies

#### What is the engagement policy applied, in the case that engagement is part of the sustainable investment objective (including any management procedures applicable to sustainability-related controversies in investee companies)?

This Fund is subject to Aegon AM's Active Ownership Policy, which can be found at [www.aegonam.com](http://www.aegonam.com). For a description of procedures applicable to sustainability related controversies in investee companies for this Fund, we refer to the Sustainability Risks and Impact Policy as referred to in section (d) Investment strategy.

### (l) Designated reference benchmark

#### Has an index been designated as a reference benchmark to attain the sustainable investment objective of the financial product?

Yes, the Benchmark is a customized Bloomberg Barclays MSCI Global Green Bond Index, excluding sovereign issuers and restricted to bonds denominated in EUR and USD (applying a 7.5% issuer cap) and hedged to EUR.

#### When fund has a designated reference benchmark

##### How is that index aligned with the sustainable investment objective of the financial product?

For the Bloomberg Barclays MSCI Green Bond Index, securities are independently evaluated by MSCI ESG Research along four dimensions to determine whether a fixed-income security should be classified as a green bond. These eligibility criteria reflect themes articulated in the Green Bond Principles and require clarity about a bond's:

- Stated use of proceeds;
- Process for green project evaluation and selection;
- Process for management of proceeds; and
- Commitment to ongoing reporting of the environmental performance of the use of proceeds

##### What input data is used for the reference benchmark?

Please refer to the benchmark provider's website to know more about the input data used to make the benchmark.

##### Which methodologies are used to select the data in the reference benchmark?

Please refer to the benchmark provider's website to know more about the methodologies used in the reference benchmark.

##### Which rebalancing methodologies are used for the reference benchmark?

Please refer to the benchmark provider's website to know more about the rebalancing methodologies used in the reference benchmark.


##### How is the reference benchmark calculated?

Please refer to the benchmark provider's website to know more about the benchmark calculation.

##### If information is available on the website of the benchmark administrator, this is the hyperlink to the website:

<https://www.msci.com/our-solutions/indexes/bloomberg-msci-esg-fixed-income-indexes>

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(m) Summary Translations	
	<p><b>Samenvatting</b></p> <p>Het product heeft een duurzame beleggingsdoelstelling en het grootste deel van de beleggingen in het product worden beschouwd als duurzame beleggingen, geïdentificeerd als groene obligaties. De beheerder gebruikt eigen en/of externe gegevens uit verschillende bronnen als input voor zijn beslissingen. Verder sluit dit product op continue basis bepaalde beleggingen uit die een belangrijk ongunstig effect hebben op duurzaamheidsfactoren actief uit te sluiten. Het product past ook maatregelen toe om ondernemingen waarin is belegd die geen praktijken op het gebied van goed bestuur hanteren, te screenen.</p>