

Aegon Group Environmental Policy

Version 1.0

November 2024



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1. Introduction

1.1 Purpose

The Aegon Group (“Aegon”) Environmental policy (“the Policy”) defines how Aegon aims to minimize its environmental impact from its own operations. The focus of the policy is on reducing our operational carbon footprint.¹ We recognize the urgent need of addressing climate change, and as a material sustainability topic of Aegon, we are actively taking steps to improve our environmental impact.

1.2. Scope

This policy applies to all material businesses of Aegon over which we have operational control. For joint ventures we strive to apply similar standards as defined in the policy. The policy aims to support the reduction of our operational carbon footprint by focusing on energy efficiency and sustainable energy management practices. Improving energy efficiency directly reduces our carbon footprint and contributes to our environmental objectives.

Any properties leased for operations that are below a 1,500 square feet threshold (approximately 140 square meters) are considered out of scope of the policy.

1.3. Requirements

The policy outlines specific actions that Aegon Business Units (“BUs”) shall, and should, undertake to align with our sustainability goals.² The word **must** indicates binding processes that business units must follow; if a business unit chooses not to follow this guidance, an explanation is required. **Recommended** actions are those that business units are recommended to implement to enhance efficiency and sustainability and to ensure alignment with Aegon’s objectives, but are not mandatory.

¹ The operational carbon footprint refers to the total amount of carbon dioxide (CO₂) and other greenhouse gases (GHGs) emitted during the day-to-day operations of an organization, building, or system. This includes emissions from energy use (like electricity and heating), transportation, waste management, and other operational activities. It’s a key metric for understanding and managing the environmental impact of ongoing activities and is often measured in metric tons of CO₂ equivalent (CO₂e).

² All of Aegon Group’s sustainability commitments are available publicly at <https://www.aegon.com/sustainability/our-commitments>

2. Our approach

Aegon does not maintain energy- or resource-intensive processes as part of its direct business operations, and its operational carbon footprint is small relative to the scope of its investment activities. Nevertheless, we have set targets to reduce the carbon footprint of our operations, specifically the natural gas and electricity used by our offices.

We align our practices with our environmental objectives, relevant laws, and governance standards. The policy sets a minimum standard for environmental management across all our BUs, encouraging the adoption of standards such as Energy Star, BREEAM, or similar frameworks, depending on the location. This ensures our environmental efforts are consistent and effective globally. BUs can adopt additional sustainability measures beyond the current scope of the policy, such as waste reduction and water saving initiatives, whenever possible.

2.1. Energy management

Aegon is committed to reducing its carbon footprint by implementing sustainable practices across its operations. Aegon has set a target to achieve at least a 75% reduction in carbon emissions from our offices (scope 1 and location-based scope 2) by 2030. We aim to achieve this through energy efficiency initiatives. To meet our commitment, Aegon has set clear expectations for BUs to ensure these minimum requirements are achieved.

Energy efficiency

We can make significant impact towards lowering our carbon footprint via energy efficiency initiatives. BUs must implement actions and initiatives that support carbon reductions or other environmental improvements. For example:

- Implement actions and initiatives, such as controlling and monitoring mechanical and lighting systems to maximize efficiency and minimize utility use during peak demand.
- Implement energy-efficient upgrades, including high-efficiency Rooftop Units (RTUs)³, LED lighting retrofits, and right-sized Uninterruptible Power Supply (UPS) systems.⁴ BUs are recommended to incorporate sensor light technology and daylight harvesting.
- Prioritize energy-efficient buildings covered by energy accreditation schemes such as Energy Star, ISO, LEED, BREEAM or other market specific accreditation schemes wherever possible, when procuring new facilities. Furthermore, opportunities to apply for certification of existing facilities are recommended.

³ RTUs, typically installed on commercial building roofs, provide conditioned air. Upgrading or retrofitting RTUs with advanced controls can save energy and reduce environmental impact.

⁴ UPS systems ensure critical systems, such as data centers, remain operational during power failures. Energy-efficient UPS systems minimize energy loss.

Renewable energy

Aegon is committed to integrating renewable energy into our operations and increasing our share in our energy mix. BUs are recommended to incorporate renewable energy, certified at the end of a 12-month cycle, into a broader energy procurement strategy. This strategy should evaluate the quality of renewable energy in terms of generation, sustainability, and carbon reduction. BUs are recommended to negotiate contracts on a country or state basis to maximize our negotiating position and deliver both environmental and economic value.

Alternatively, Aegon may procure Renewable Energy Certificates (RECs)⁵ – along with other types of energy attribute certificates, such as zero-emissions credits (ZECs) – retrospectively, covering the previous 12 months of energy consumption. Although they do not ensure that our energy consumption is entirely renewable, RECs can help reduce the Scope 2 emissions tied to electricity purchasing. We continuously monitor our energy consumption and the RECs' adherence to Aegon's overall reduction strategies.

While purchasing renewable energy is an important part of our sustainability efforts, it does not directly impact our target to achieve at least a 75% reduction in carbon emissions from our offices (scope 1 and location-based scope 2) by 2030. This target focuses on reducing our direct emissions through energy efficiency measures and other initiatives.

2.2 Carbon offsetting

Aegon has ceased carbon offsetting in favor of reducing our own direct GHG emissions. While this means Aegon is no longer “carbon neutral”, we believe the actions we are now taking to fulfill our net-zero commitments⁶ and reduce our operational carbon footprint will have a more effective impact on lowering carbon emissions.

2.3 Environmental focus areas

While energy management is currently our key focus area, we acknowledge the importance of our performance on other environmental topics. If further environmental focus areas are identified by our stakeholders, and assessed as material to the business, they will be added to this policy. BUs are also encouraged to address wider environmental management goals through targeted local initiatives. For instance, Aegon UK converts its food waste into compost or soil conditioner and our oil waste is turned into biodiesel. Any mixed residual waste is used to generate electricity.

⁵ RECs certify that the bearer owns one megawatt-hour (MWh) of zero-carbon electricity generated by renewable energy sources and delivered to the power grid. RECs represent electricity that could have otherwise been generated by fossil fuels, such as oil, coal, and natural gas.

⁶ As part of our responsible investment framework, we have committed to transition our general account investment portfolio* to net-zero greenhouse gas (GHG) emissions by 2050. For more information: <https://www.aegon.com/sustainability/our-priorities/climate-change>

3. Governance

Aegon's Executive Committee oversees operational issues and the implementation of Aegon's strategy, as set by the Board of Directors. The Executive Committee has ultimate responsibility for the execution of this policy and for its integration into investment strategy and other relevant company processes and practices. The Executive Committee also has the responsibility to ensure that the policy is fit for purpose by accurately reflecting Aegon's corporate values and aligning with relevant frameworks and guidelines (Appendix: References).

Aegon's Corporate Sustainability department is the owner of the policy. Changes to the Policy are brought to Aegon's Global Sustainability Board for endorsement and require approval from the Executive Committee. The policy will be reviewed, with considerations of key stakeholder interest, at least on an annual basis and adjusted if necessary. Aegon Group's carbon footprint emissions are measured on a quarterly basis and are shared with the Global Sustainability Board on a half-year basis.

Day-to-day oversight and administration of the policy fall to the Corporate Sustainability department and its working group(s). The Corporate Sustainability department owns the policy and reviews this policy on at least an annual basis to ensure that it continues to reflect Aegon's sustainability strategy, Aegon's values, and current market practices. The public version of the policy is made available publicly on Aegon's website. Any updates or changes to this policy must follow the process as described in the policy.

4. Change log

Version number	Changelog	Date
1.0	First iteration	November 2024

5. References

The below serves as a non-exhaustive list of organizations, frameworks, and guidelines that have informed or served as a reference for the content of this policy:

- Net-Zero Asset Owner Alliance (NZAOA): Aegon is a member of the NZAOA, which encourages setting ambitious scope 1 and 2 targets for buildings, promoting energy efficiency and the use of renewable energy to achieve net-zero emissions.
- Paris Pledge for Action: Aegon is a signatory to the pledge, which supports the goals of the Paris Agreement by committing to significant reductions in greenhouse gas emissions, which includes enhancing energy efficiency and increasing the use of renewable energy sources.
- CDP (formerly Carbon Disclosure Project): Aegon reports into CDP on annual basis, which provides best practices for companies via disclosure of their environmental impact, including energy management practices, energy efficiency and the adoption of renewable energy.
- UNEP FI Principles for Sustainable Insurance (PSI): These principles guide the insurance industry in managing environmental risks and opportunities, encouraging energy management strategies that focus on energy efficiency and renewable energy to reduce scope 1 and 2 emissions.
- All of Aegon Group's sustainability commitments are available publicly at <https://www.aegon.com/sustainability/our-commitments>

