

For any financial terms within this document that you need help understanding please visit our glossary:

[www.aegonam.com/glossary](http://www.aegonam.com/glossary)

As responsible investors, we seek to help clients meet their financial and sustainable objectives. We have over 30 years' experience of integrating environmental, social and governance (ESG) factors. Today we offer investors a broad range of funds that incorporate ESG-related screening. These include equity, fixed income and multi-asset funds and are designed to provide solutions for investors who wish to incorporate strong ESG values into their investments.

Our experienced Responsible Investment professionals oversees the ESG screens that we apply to the funds in our ethical, sustainable and climate transition range. These are developed through regular interaction with clients, including a formal bi-annual survey. Below, we set out the screening criteria for our ethical and sustainable fund range.

## Ethical screening criteria

This process covers our Ethical Equity, Ethical Corporate Bond, and Ethical Cautious Managed funds. We exclude companies based on the following criteria.

|                            |   |
|----------------------------|---|
| <b>Animal welfare</b>      | <ul style="list-style-type: none"> <li>• Provide animal testing services or manufacture or sell animal-tested cosmetics or pharmaceuticals.</li> <li>• Have any involvement in intensive farming.</li> <li>• Operate abattoirs or slaughterhouse facilities.</li> <li>• Are producers or retailers of meat, poultry, fish, dairy products or slaughterhouse by-products.</li> </ul>   |
| <b>Alcohol</b>             | Gain more than 10% of their total business through involvement in brewing, distillation or sale of alcoholic drinks.  |
| <b>Banks</b>               | Are corporate and/or international banks with exposure to large corporate and/ or Third World debt.   |
| <b>Environment</b>         | <ul style="list-style-type: none"> <li>• Are involved in activities which are commonly held to be environmentally unsound – specifically covering the areas of PVC, Ozone Depleting Chemicals and hazardous pesticides.</li> <li>• Have been convicted of serious pollution offences or are in breach of internationally recognised conventions on biodiversity and companies in energy intensive industries which are not tackling the issue of climate change and hazardous chemicals</li> <li>• are engaged in energy intensive industries which are not tackling the issue of climate change</li> <li>• are engaged in coal mining and/or processing</li> <li>• are engaged in oil and gas exploration and/or production</li> </ul> |
| <b>Gambling</b>            | Have investments in betting shops, casinos or amusement arcades which account for more than 10% of their total business.  |
| <b>Genetic engineering</b> | Have patented genes.  |
| <b>Military</b>            | Manufacture armaments or nuclear weapons or associated strategic products.  |
| <b>Nuclear power</b>       | Own or operate nuclear facilities.  |
| <b>Oppressive regimes</b>  | Operate in countries with poor Human Rights records, without established management policies on these issues with due regard to the nature of the activities that a company is undertaking  |

|                            |  |
|----------------------------|--|
| <b>Political donations</b> | Have made political donations of more than 1% of revenues in the past 12 months.                     |
| <b>Pornography</b>         | Provide adult entertainment services.  |
| <b>Tobacco</b>             | Make 5% or more of their business turnover from the growing, processing or sale of tobacco products. |

## Screening criteria for sustainable funds

This covers our Global Sustainable Equity, Sustainable Equity, Sustainable Diversified Growth, UK Sustainable Opportunities and Global Sustainable Diversified Growth funds. We exclude companies based on the following criteria

|                             |   |
|-----------------------------|---|
| <b>Adult entertainment</b>  | Own an adult entertainment company or produce adult entertainment.  |
| <b>Animal testing</b>       | Engage in the production or sales of animal tested cosmetics  |
| <b>Gambling</b>             | Derive more than 10% of revenue from gambling   |
| <b>Genetic modification</b> | Conduct genetic modification for agricultural policies  |
| <b>Tobacco</b>              | Derive more than 10% of revenue from tobacco  |
| <b>Weapons</b>              | Produce or sell civilian firearms and firms which manufacture or sell armaments, nuclear weapons or associated strategic products                             |
| <b>Nuclear power</b>        | Own a nuclear power facility  |
| <b>Fossil fuels</b>         | Engage in the extraction of oil, gas or coal  |
| <b>Human Rights</b>         | Companies 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 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 real assets.

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

|                                       |  |
|---------------------------------------|--|
| <b>1. Deepens our understanding</b>   | Our focus on ESG means we better understand the environments in which companies operate. This helps us to quantify risks and opportunities.  |
| <b>2. Strengthens our conviction</b>  | 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.   |
| <b>3. Promotes a long- term focus</b> | 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.



Access to Medicine Foundation



Institutional Investors Group on Climate Change (IIGCC)



Advance



Investment Association



As You Sow



Investor Forum



CDP (formerly Carbon Disclosure Project)



Nature Action 100



Climate Action 100+



Net Zero Asset Managers Initiative



Dutch Association of Investors for Sustainable Development



Platform Living Wage Financials



Eumedion



Principles for Responsible Investment (PRI)



Farm Animal Investment Risk & Return (FAIRR)



ShareAction



Global Impact Investing Network (GIIN)

## Risks factors

These funds are intended to be long-term investments, with the exception of the Sustainable Diversified Growth Fund and the Global Sustainable Diversified Growth Fund\* which are intended to be a medium-term investment, and your capital is at risk. Material risks for these funds are detailed in the table below. Please read the KIID for an explanation and refer to the prospectus for information about all relevant risks.

|   | Liquidity | Interest rate | Credit | Foreign exchange | Other markets | Concentration | Counterparty | Derivatives | ESG |
|---|-----------|---------------|--------|------------------|---------------|---------------|--------------|-------------|-----|
| Aegon Ethical Equity Fund                         | X         |               |        |                  |               | X             |              |             |     |
| Aegon Ethical Corporate Bond Fund                 | X         | X             | X      | X                |               |               | X            | X           |     |
| Aegon Ethical Cautious Managed Fund               | X         | X             | X      |                  |               |               |              |             |     |
| Aegon Sustainable Equity Fund                     | X         |               |        | X                | X             | X             |              |             |     |
| Aegon Sustainable Diversified Growth Fund         | X         | X             | X      | X                | X             | X             | X            | X           |     |
| Aegon UK Sustainable Opportunities Fund           | X         |               |        |                  |               | X             |              |             | X   |
| Aegon Global Sustainable Equity Fund              | X         |               |        | X                | X             | X             |              |             |     |
| Aegon Global Sustainable Diversified Growth Fund* | X         | X             | X      | X                | X             | X             | X            | X           |     |

\*This fund closed on 29 February 2024. Please see the [website](#) for details

**This is a marketing communication.** Please refer to the Prospectus of the UCITS and to the KIID before making any final investment decisions. The relevant documents can be found at [aegonam.com](http://aegonam.com). The principal risk of this product is the loss of capital.

Opinions and/or example trades/securities represent our understanding of markets both current and historical and are used to promote Aegon Asset Management's investment management capabilities: they are not investment recommendations, research or advice. Sources used are deemed reliable by Aegon Asset Management at the time of writing. Please note that this marketing is not prepared in accordance with legal requirements designed to promote the independence of investment research, and is not subject to any prohibition on dealing by Aegon Asset Management or its employees ahead of its publication.

All investments contain risk and may lose value. Responsible investing is qualitative and subjective by nature, and there is no guarantee that the criteria utilized, or judgement exercised, by any company of Aegon Asset Management will reflect the beliefs or values of any one particular investor. Responsible investing norms differ by region. There is no assurance that the responsible investing strategy and techniques employed will be successful. Investors should consult their investment professional prior to making an investment decision.

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.

Global Sustainable Equity and Global Sustainable Diversified Growth Funds: Aegon Asset Management Investment Company (Ireland) Plc (AAMICI) is an umbrella type open-ended investment company which is authorised and regulated by the Central Bank of Ireland. Aegon Investment Management B.V (Aegon AM NL) is the appointed management company. Aegon AM NL is registered with and supervised by the Dutch Authority for Financial Markets (AFM). Aegon Asset Management UK plc is authorised and regulated by the Financial Conduct Authority.

Please note that not all sub-funds and share classes may be available in each jurisdiction. This content is marketing and does not constitute an offer or solicitation to buy any fund(s) mentioned. No promotion or offer is intended other than where the fund(s) is/are authorized for distribution.

Please visit [www.aegonam.com/en/contact/](http://www.aegonam.com/en/contact/) for an English summary of investor rights and more information on access to collective redress mechanisms

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