

Sustainability matters

Our commitment to making a positive impact







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Introduction



Mike Holliday-Williams

Chief Executive Officer, Aegon UK

We care passionately about our communities and the environment

Sustainability is critical to Aegon. It's a mindset that helps guide our strategy and decision-making and involves thinking deeply about how we impact people and the planet.

It's about values and how we define success in a world facing urgent environmental and social challenges. Climate change poses a threat to us and future generations. It isn't a matter of choice – we all need to get behind the necessary transition to a low-carbon and climate-resilient future.

At Aegon, we're passionate about making a difference and believe everything we do matters. Whether it's eliminating waste, changing our travel practices, offering responsible investment options, ensuring sustainability in our supply chain, or supporting charitable work and our communities.

So, it's with great pride that I introduce our **Sustainability matters** publication, which provides an overview of our many efforts. We're focused on the key areas of responsible investing, the environment, giving back and working towards a goal of being among the top 25% of responsible businesses in the UK.

While we're proud of our achievements, we won't rest on our laurels. We're constantly asking ourselves what we can do better and welcome feedback from all stakeholders as we continue this critical journey.

Our goal is to be one of the top **25%** **responsible businesses** in the UK by 2025



Investing responsibly matters

We're committed to helping customers grow their savings and contribute to a more sustainable world.



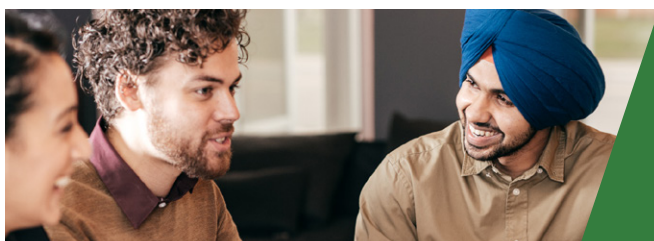
Financial security matters

We help our customers feel in control of their future.



The environment matters

We'll play our part in creating a more sustainable environment for the future.



Our people matter

We want our colleagues to directly reflect the demographic of our society.



Giving back matters

We're passionate about supporting charities and communities.



Governance matters

We're proud of our responsible business practices.



Our partners matter

We want to partner with organisations that match our values.

Investing responsibly matters



We're committed to helping customers grow their savings and contribute to a more sustainable world

As a long-term savings provider, we take responsible investing very seriously



In 2019 we committed to net zero greenhouse gas emissions for our workplace default funds by 2050 and to a 50% reduction in emissions by 2030



We're a signatory of the UK Stewardship Code – a set of 12 principles that sets high standards of responsible investment on behalf of UK savers and pensioners



Over 30 years' experience managing funds to responsible investment mandates



More than £23 billion invested in default funds that consider environmental, social and governance (ESG) factors across our platforms



We offer a range of funds that consider environmental and social factors, designed to suit your investment preferences



Member of the Institutional Investors Group on Climate Change (IIGCC)



Figures correct as at December 2023.

A workplace default fund is the fund that workplace pension scheme members are automatically placed in if they don't choose their own fund.

Our 2030 emissions target applies to scope 1 and 2 emissions from listed equities and corporate fixed income only.



We're committed to investing responsibly and believe that the way we invest our customers savings can make a meaningful difference to their financial future and the world we live in. Investing in well-governed companies that monitor and manage their environmental and social impacts well might help contribute to better long-term growth potential.

By using our expertise and influence, we can help encourage positive change – helping contribute to a fairer, more sustainable society for us all.

Integrating ESG into our workplace pensions

Over 90% of those in UK company pensions will remain in their default fund¹. In 2019, we committed to net zero greenhouse gas emissions for our default funds by 2050, and to halving emissions by 2030². Since December 2023, we have over £23 billion invested in default funds that consider environmental, social and governance (ESG) factors.

Wide choice

We offer a range of funds that take ESG considerations into account on our platforms, giving customers the ability to focus on the issues that matter to them, whether it's sustainability more broadly, or specific themes such as climate change or social equality.

Stewardship



Fund managers can use Stewardship to influence corporate behaviour by engaging with the companies they invest in. For example, they can vote on the re-election of board directors and challenge companies on weak employment practices or poor environmental records.

We ask fund managers to demonstrate efforts to align their investment practices to the UK Stewardship Code and encourage membership of the United Nations Principles for Responsible Investment.

For more information about our approach to stewardship you can find more information in our [Responsible Investment Framework](#).

¹ The Pension Regulator, DC trust scheme return data 2022-2023. January 2023.

² Our 2030 emissions target applies to scope 1 and 2 emissions from listed equities and corporate fixed income only.



Industry advocacy

Real-world change requires collective action, and we're keen to collaborate and support initiatives aimed at creating a more sustainable future. We're members of the Institutional Investors Group on Climate Change (IIGCC), and at an Aegon Group level, the UN-convened Net-Zero Asset Owners Alliance.



The Institutional Investors
Group on Climate Change

Supporting our customers

Education is key to navigating different approaches and terms. We've created a dedicated web hub to help our customers make sense of responsible investment and to explain our approach. We've also created responsible investment hubs for [employers](#) and [financial advisers](#), which include a range of support materials and insights.

Find out more at:
aegon.co.uk/responsibleinvestments

Financial security matters



We help our customers feel in control of their future

We're here to help people live their best lives

Our UK team are focused on providing pension, savings and investment solutions for over 4 million customers throughout their lifetime. We do that by working with financial advisers and employers – we're the UK's largest investment platform and we provide workplace pension schemes to over 9,000 employers.¹

We provide the right solutions



We use our insight and experience to offer straightforward long-term savings, retirement and protection solutions to help people understand, plan and act to support better wellbeing across key life moments.



We want people to feel good about their money. And through financial education, help them make informed choices so they feel confident about their future. That's why we created our annual [Financial Wellbeing Index](#). This digital flipbook is packed with insights into the UK's financial wellbeing and includes positive ways for people to think and act about their future – helping them create their own journey based on their goals and needs. Find out more at aegon.co.uk/wellbeing



We're a founding partner member of the Initiative for Financial Wellbeing. A not-for-profit organisation whose purpose is to help financial planners, advisers and coaches improve their clients' financial wellbeing by helping them become happier and more fulfilled, not just wealthier.

We listen and take action



We're constantly seeking customer feedback and use this to improve the service our customers receive. Each year over 100,000 customer surveys are completed. All feedback is fed into the relevant teams and actioned. In addition, our dedicated Aegon Cares team will give our customers a call to discuss their feedback where required.



We have a well-established Customer Panel, where Aegon customers and market consumers test development work we do. This includes everything from product design to communications. By creating services based on customer needs and expectations, we're able to make sure we're delivering solutions that meet the needs of our customers.

¹ As at Q4 2022.





The environment matters

We'll play our part in creating a more sustainable environment for the future

Caring for the environment matters and is a key element of our positive impact ambitions



Use 100% renewable energy



Installed 5 Beehives in Edinburgh and planted wildflowers for our bees



Recycle over 90% of our waste



Significantly reduced our operational emissions

Figures correct as at April 2024.





Energy

The energy we use in our buildings can have a significant environmental and commercial impact. At Aegon, we purchase 100% certified renewable energy.

Waste

We're committed to reducing the amount of waste created throughout our sites and increasing recycling across the business.

We recycle over 90% of our waste. Food waste is converted into compost or soil conditioner and our oil waste is turned into biodiesel. Our electrical and electronic waste is either resold, reused or recycled.

Climate contributions

We're committed to providing and maintaining high environmental standards across our organisation. We've significantly reduced our operational emissions through increased use of renewable energy and efficiency measures. We also support global carbon reduction initiatives as part of our decarbonisation journey.

Circular economy

We have a mature and detailed life-cycle management process, which recognises the importance of investing in new materials that help us reduce our environmental impacts. We're inspired by circular-economy principles, and continually look to refurbish or recycle existing materials and products where possible.



Travel

We consider the effect of our travel decisions on the environment.

Our travel policy makes sure there are robust management processes in place to challenge the need to travel and that the most appropriate methods are used. Through this monitoring, we've cut our CO2 Air and Rail travel emissions by 40% since 2019.

We also work with our travel providers to monitor and manage our greenhouse gas emissions, seek ways to reduce the need for travel and find the most effective routes which have lower emissions.

Biodiversity

We are committed to doing our bit to help ensure we have a positive impact on our urban biodiversity and ecosystems. Our office grounds make the perfect

habitats for attracting wildlife to the area and we have carried out a programme of volunteering activities to further support our local biodiversity.

At our Edinburgh office, we have five beehives which play an important role in helping to boost the declining honeybee population and pollinating plants.

We've planted a herb garden and more shrubs and bulbs around our UK offices and planted fruit trees to help feed our pollinators.

We're also doing our bit for insects too, with our wildflower meadow and wild corners at Edinburgh, and our insect hotels in our Edinburgh and Witham offices. These spaces create a habitat for all sorts of insects and fungi, as well as offering shelter for small animals.



Our people
matter

We want our colleagues to directly
reflect the demographic of our society

Our people are our greatest asset, and we want Aegon to be a place where they can bring their authentic self to work and do all they can to deliver on our strategic promises to our customers



Living wage employer, with fair, equitable and consistent remuneration



We advocate an inclusive and diverse workplace



Over 2,000 inspired employees⁴ who put their energy into helping customers



We look after our employees' wellbeing

⁴ Correct as at December 2023.





A great place to work

We're passionate and proud about helping our customers succeed and we embed this within the values, behaviours and culture at Aegon.

We encourage our 2,000 employees to express their views, opinions, and suggestions.

We conduct yearly feedback surveys, and from this we know that we have a highly engaged and committed workforce. We regularly check the pulse of our business on subjects including:

- Company culture
- Development
- Our leaders
- Customer advocacy

We use the results to discuss and agree the actions we need to take – as a business and in our local teams – to invest in and develop our people to make sure everyone can be their best.

We embrace diversity

Everyone should feel valued and respected and feel comfortable being their true self.

We have an expansive inclusion and diversity agenda driven right from the very top of the organisation. Our company-wide statement on diversity and non-discrimination aims to create a productive and open working environment, in which all colleagues are valued for their contribution and can realise their potential.

We have strong Executive sponsorship across our inclusion and diversity communities. We're also proud signatories to the Woman in Finance Charter and the Race at Work Charter.

We enable people to deliver against their full potential

Our approach to performance management focuses on brilliant conversations. We make sure everyone has the support they need to flourish in their role and the opportunity to develop their career.

We offer a broad range of training and development opportunities.

Our leaders are role models who lead, inspire, coach and enable change

We run three development programmes, providing managers with the skills they need to be a great leader:

- Aspiring managers – helps set colleagues on the pathway to their first management role.
- Manager development – aimed at continuous development of our manager population.
- Ability to execute – aimed at helping colleagues deliver successfully in their roles and the projects they're involved in.

We support wellbeing

The health and wellbeing of our people is a priority for us. We offer colleagues support with their physical, mental and financial wellbeing, through a wide range of events, activities and resources.

We reward our people

Transparent, equitable and competitive remuneration, linked to performance, makes perfect business sense.

Aegon's Global Remuneration Framework applies to all Aegon employees around the world. Salaries and incentive payments are based on the principle of market competitiveness and 'pay for performance'.

We also reward our employees with a benefits package which includes:

- Company pension
- 6x salary life insurance
- Private medical insurance
- Income protection insurance
- Cycle to work scheme
- Employee discount scheme
- Discounted financial advice

And a range of other flexible options where colleagues can choose what best meets their needs.

We're also proud to be an accredited Living Wage Employer.

Non-financial benefits

The benefits of working at Aegon extend beyond simply financial reward. They include the opportunity to make things happen – working together with fun and interesting people and development opportunities that suit your way of learning. Or new career opportunities close to home or further away, recognition for team and individual results, and much more.





Giving back
matters

We're passionate about supporting
charities and communities

We care about making a difference – there's a real passion and ambition in our business for how we support our communities

We devote time and resources helping the wider areas in which we live, work and do business with – supporting local and national charities through fundraising, donations and our voluntary hours programme. Our charity partners are nominated by our colleagues, who then raise funds on their behalf and offer support as volunteers.



Supported over 90 local and national charities



Raised over £2.7 million, donating £140,000 to our charity partners in 2023



We donate £2 for every £1 raised by employees



Two paid volunteer days for each employee every year

Our charity partners





Volunteering

We believe volunteering can be as valuable as cash donations to the communities we support, and our volunteering activities are driven by our committed employees.

Each colleague is able to take up to two days paid annual leave per year to take part in volunteering initiatives.

Work is ongoing as to how we can encourage more people to take up the opportunity in future years and to find opportunities where we can make a difference.



Aegon breakfast clubs

In partnership with the City of Edinburgh Council, we provide funding to support breakfast clubs in five Edinburgh primary schools, providing local school children with a free, healthy and nutritional start to their day.

Breakfast clubs run for around 45-60 minutes where children can enjoy breakfasts such as cereal, toast, yoghurt, fruit, milk and water.

Breakfast clubs are more than just healthy eating. We know they improve attendance and concentration, as well as social skills and it helps the children to develop good eating habits early on in life. It also helps parents to juggle different work patterns, allowing them to drop their children off earlier and safely at school, knowing they'll have something to eat before their lessons begin.





Fundraising

As a company, we recognise the importance of fundraising and the difference it can make. Throughout the years, we've worked together and competed in different charity challenges. Most recently in 2023, we launched our Aegon Wellbeing Challenge.

The challenge saw teams of colleagues log as many activities as possible over the month of October. Each activity (including walking, cycling, running, golfing, meditating and yoga) gave our colleagues wellbeing a positive boost.

The team that logged the most 'wellbeing points' were winners of the challenge.

And while raising money for our charities was the main goal, there were lots of other benefits as well. Colleagues commented that the challenge did better their wellbeing as a result of getting out in the fresh air regularly. For many teams, the event helped them feel more connected after months apart and of course, a bit of healthy competition is always a good thing.

The event was a great success with over 600 colleagues taking part and raising over £12,000 after Aegon's double matching.



Governance matters

We're proud of our responsible business practices

We need to be a sustainable partner – planning and managing our business so we're commercially resilient against the risks of climate change

We have a strong environmental, social, and governance foundation in place that underpins our commitment to doing business in a responsible manner and to facilitate the transition to a climate-neutral economy.

Our efforts to address climate change are overseen by our Sustainability Board, reporting into the Aegon Global Sustainability Board. The UK Sustainability Board is tasked with evaluating new climate developments affecting our business activities and recommending actions as necessary.

We strive for consistent disclosure when it comes to climate change and sustainability.

- Our UK Board is accountable for all aspects of corporate sustainability, ensuring the long-term resilience of the UK business to climate change
- Our Board is also responsible for developing the strategy, which has sustainability at its heart – underpinning two of our five strategic pillars
- Sustainable business practices are firmly established in our operations, with formal policies in place covering our environmental impact, our approach to responsible investments and investment exclusions
- Our TCFD report sets out our approach to managing the risks and opportunities relating to climate change in more detail





Our partners
matter

We want to partner with organisations
that match our values

As a large business we work with hundreds of suppliers each year and they play a vital role in supporting our purpose and vision

Our tier one suppliers are the most critical to our operations and we've developed long standing relationships.

We recognise the impact our supply chain has on the environment and our communities, that's why we've committed to several global initiatives to support responsible stewardship of procurement:



We work closely with our partners to make sure high standards of business conduct, as reflected in our Vendor Code of Conduct. Our tier one suppliers attest to meet these standards on an annual basis



Over half of our top 50 suppliers now have an Eco Vadis rating – a global company who independently assess a business' corporate social responsibility (CSR) credentials or use an alternative of their own choice



We're a member of Social Enterprise UK and we've set a target of spending £100,000 on social enterprises in 2024



In June 2021, we were formally recognised as a Living Wage Employer. As a direct result, two of our on-site suppliers will make positive changes in their remuneration structures as part of their internal pay review cycles



Follow our sustainability journey at:

aegon.co.uk/corporate-sustainability

aegon.co.uk

 [@aegonuk](https://twitter.com/aegonuk)

 [Aegon UK](https://www.linkedin.com/company/aegon-uk)



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