Responsible Investment Report

2013

The Hague, May 2014

AEGON Asset Management

Transform Tomorrow

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Highlights

In 2013

- Aegon Asset Management (AAM) engaged with 201 companies on subjects including corporate governance, the environment, transparency, remuneration, health & safety and human rights
- AAM formally appointed "ESG Officers" in all AAM units; the ESG Officers act as local contacts for the global AAM Responsible Investment (RI) team and will lead the discussion on how we integrate ESG locally
- AAM made ESG training mandatory for all AAM portfolio managers and analysts worldwide
- Aegon had impact investments in wind farms, solar energy, affordable housing, geothermal and sustainable timber, with a combined value of almost €3 billion AuM; also, AAM made its first green bond investments in 2013
- Following our 2012 review of impact investment and opportunities in this area, AAM established internal structures to facilitate further impact investment
- Aegon reviewed and streamlined voting policies and practices across the company
- Aegon had SRI products in the Netherlands, the UK and Hungary which, at the end of 2013, amounted to € 1.9 billion AuM

Abbreviations

The following abbreviations are used in this report:

RI	Responsible Investment
RI Committee	Aegon Responsible Investment Committee
ESG	Environmental, Social and Governance
AAM	Aegon Asset Management
AAM RI	AAM's Responsible Investment team
GA	General Account (funds held on the balance sheet of Aegon for its own account, for the purposes of meeting the guaranteed liabilities to its customers, and shareholders' funds available for investment)
II	Impact Investment

Foreword

Aegon Asset Management believes in active, responsible and engaged investment.

Our clients entrust us to manage approximately €240 billion on their behalf. We manage investments for Aegon and Transamerica policyholders, for other institutions and businesses and for retail customers. Our clients are diverse, as are their needs, but all depend on our expertise to deliver sustained investment growth.

Together with many of our clients, we strongly believe in the value of engaged, socially and environmentally aware investment management. Aegon is committed to responsible investment and good stewardship of our assets – and we are proud to say that Aegon Asset Management, as Aegon's investment division, has taken the lead in most of the initiatives that flow from Aegon's commitment to responsible investment.

A recent internal audit showed that since Aegon's Responsible Investment (RI) framework was first approved in 2010, all of Aegon's RI goals – policy and guidelines, internal governance, engagement, voting, Environmental, Social and Governance (ESG) integration, and targeted investments (impact investment and Socially Responsible Investment funds) – have either been completed or are nearing completion.

However, in 2013, we also identified further areas for improvement. In particular, we are focusing on ESG integration and impact investments as areas that deserve increased attention. We have also stepped up our efforts to integrate RI principles throughout our business, since we believe that our portfolio managers and analysts are best placed to assess all risks and opportunities related to our investments, including ESG factors. In 2013, we therefore made ESG training mandatory for all portfolio managers and analysts, and appointed ESG officers in all our businesses worldwide. The newly appointed ESG officers are responsible for taking the lead in determining how best to incorporate ESG principles in their local investment research and decision-making.

Our integrative approach applies equally to impact investment, where our investment professionals are best positioned to evaluate the investment opportunities in categories such as green bonds, affordable housing and renewable energy.

In this report – the third Responsible Investment Report published by Aegon Asset Management – you can find out more about the progress we have made and actions we have taken over the course of 2013.

Sarah Russell

Chief Executive Officer
Aegon Asset Management

Aegon had impact investments in wind farms, solar energy, affordable housing, geothermal and sustainable timber, with a combined value of almost €3 billion.

About Aegon and Aegon Asset Management

About Aegon

Aegon N.V. and its subsidiary companies (collectively referred to as Aegon or the Aegon Group), is an international provider of life insurance, pensions and asset management products. Aegon is also active in accident, supplemental health and general insurance, and has limited banking products and services. Aegon has over 475 billion in revenue generating investments, employing nearly 27,000 people and serving millions of customers in more than 25 countries in the Americas, Europe and Asia. Aegon's main markets are the United States, the Netherlands and the United Kingdom.

Aegon manages investments for its own account and on behalf of its policyholders, and also provides customers with access to a broad range of investment products. For a large proportion of its assets, Aegon itself acts as the investment manager (through AAM) or is involved in the process of selecting investment managers.

Aegon accepts the responsibilities it has as one of the world's leading institutional investors, and recognizes the increasing importance both to Aegon and its stakeholders to invest responsibly since poor social, environmental or governance practices may affect the value of the companies in which it invests.

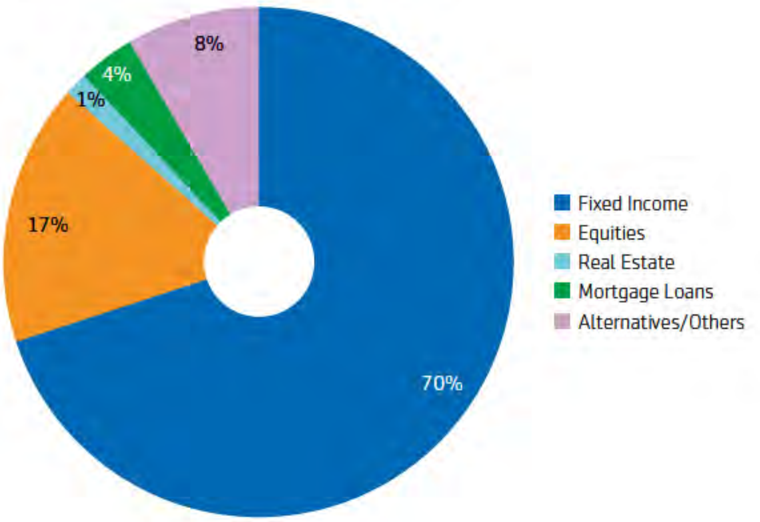
About Aegon Asset Management (AAM)

Leveraging a strong heritage of expertise across a wide range of products, AAM offers a rigorous, structured and research-driven approach to investments on behalf of its clients. With fund managers based out of Europe, North America and Asia, AAM is able to offer global and local investment strategies to deliver long-term value in accordance with each client's risk profile.

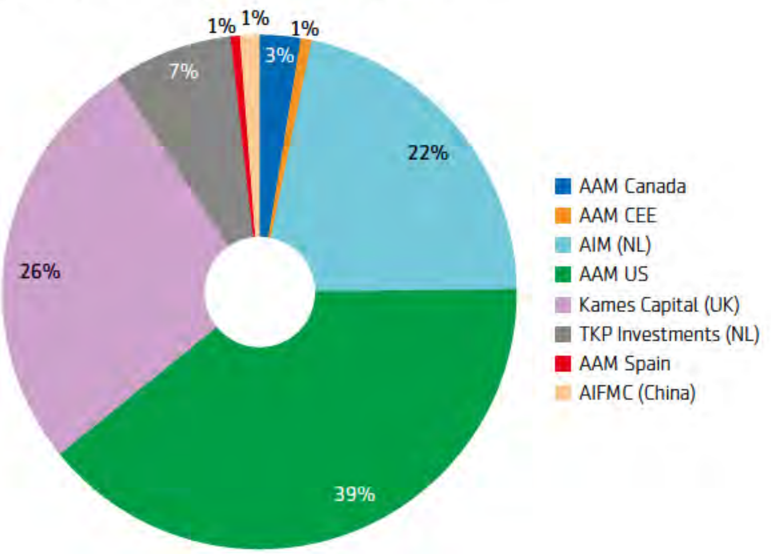
AAM comprises the following companies:

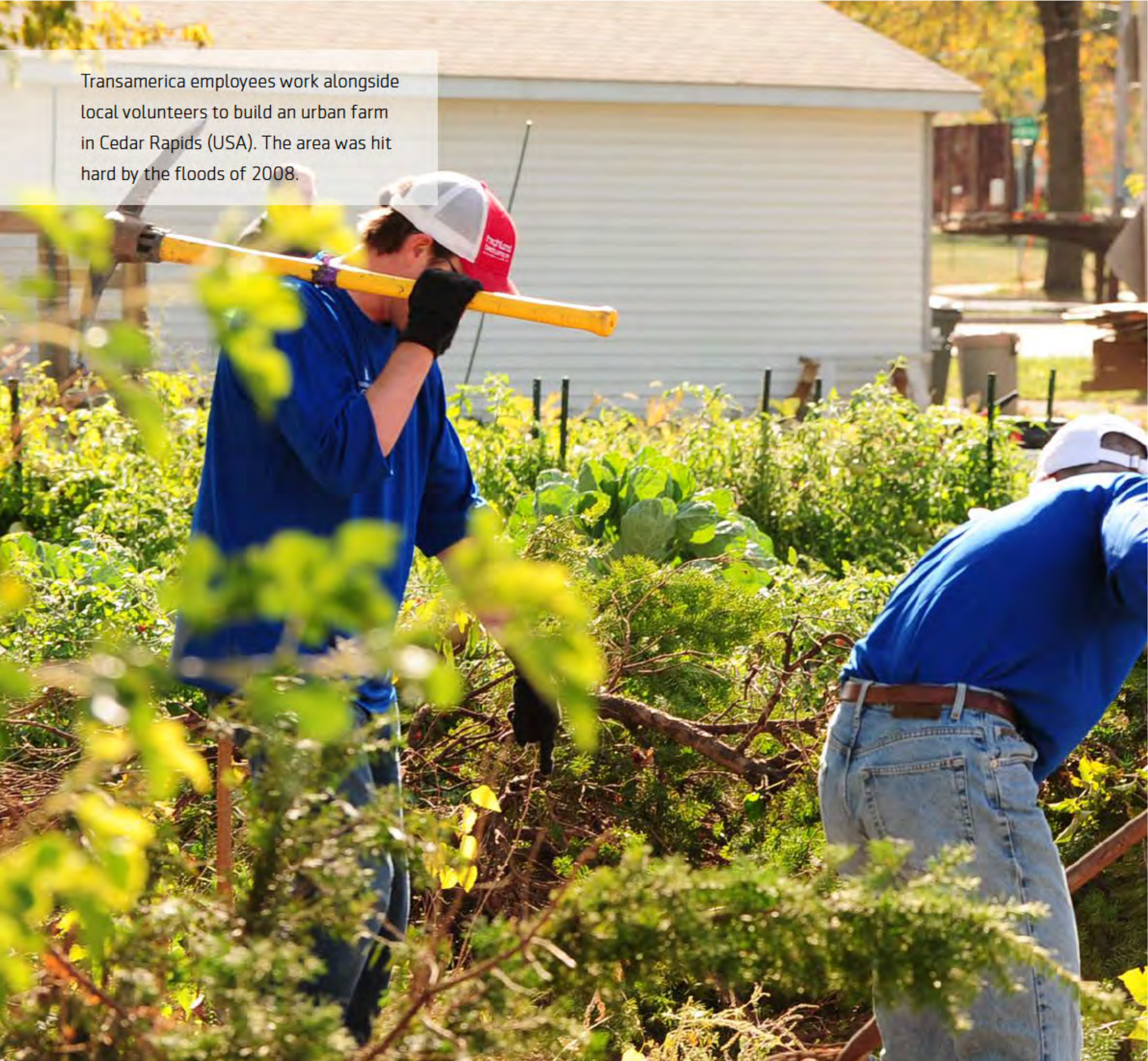
The Netherlands:	Aegon Investment Management (AIM), TKP Investments (TKPI), Pelargos and Saemor
United States:	Aegon USA Investment Management (AUIM) and Aegon USA Realty Advisors (AURA)
United Kingdom:	Kames Capital
Canada:	Aegon Capital Management (ACM)
Spain:	Aegon Asset Management Spain (AAM Spain)
CEE:	Aegon Hungary Fund Management (AAM Central & Eastern Europe)
China:	Aegon Industrial Fund Management Company (AIFMC; 49% joint venture)

Assets under Management by asset class



Assets under Management by AAM unit





Transamerica employees work alongside local volunteers to build an urban farm in Cedar Rapids (USA). The area was hit hard by the floods of 2008.

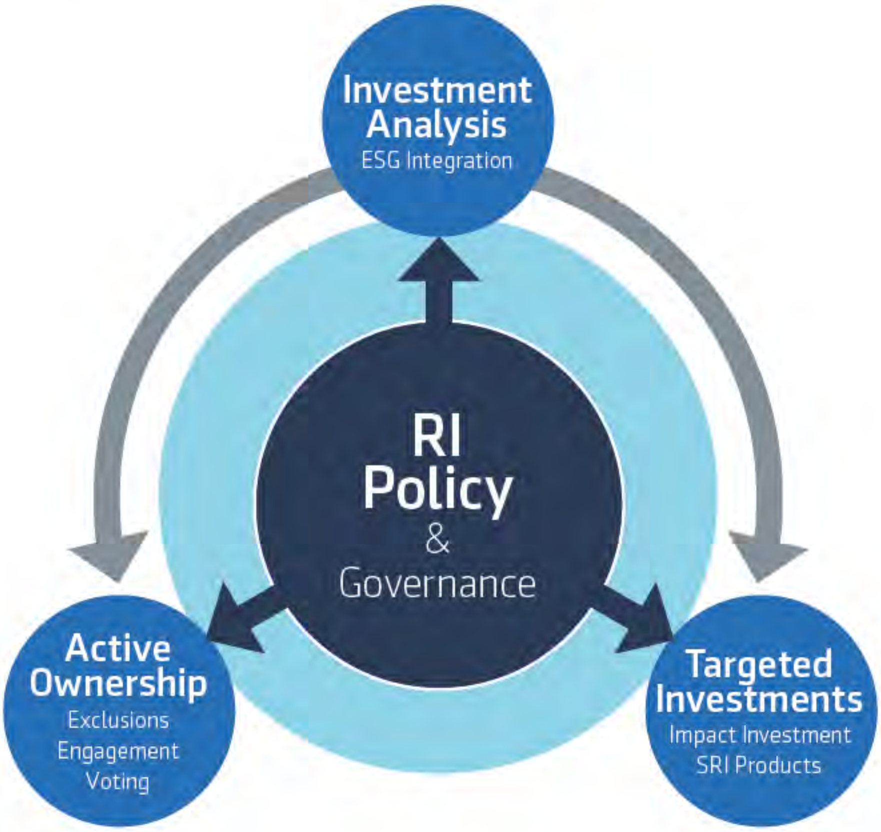
Responsible Investment at AAM

At AAM, we are responsible for providing our clients with sustainable investment products that offer the best possible long-term returns, consistent with their individual risk profiles and requirements.

AAM defines RI as follows:

"Investment processes that actively consider environmental, social and corporate governance ("ESG") factors in investment activities, decisions and ownership practices."

As a significant investor in a large number of industries and companies, AAM also has a responsibility as a provider of capital. We take this responsibility seriously. We believe in the benefits of active ownership and our ability to contribute to wellbeing and sustainable development. We are also convinced that by integrating ESG criteria into ownership considerations and investment decision-making, we can have a positive impact on long-term risk-adjusted financial returns.



When AAM was established in 2009 as a separate business, we therefore made it a priority to develop a more coordinated approach to our RI activities worldwide.

In 2010, AAM's Management Board approved a broad RI framework. Since then, we have focused on implementing the key elements of this framework: global policy development, coordinated engagement and voting, and enhanced ESG integration. More recently, we have also turned our attention to impact investment.

The implementation of the AAM RI framework was further supported by our decision to sign the UN-backed Principles for Responsible Investment ("PRI") in early 2011.

We believe that RI and ESG should be an integral component of how we conduct business and that the responsibility for implementing the various aspects of the RI framework should therefore lie with the people in our business: portfolio managers, credit analysts, legal professionals, and compliance experts. These dedicated professionals are then supported in their work by a small, decentralized RI team.

In order to support the integration of ESG into our business, in 2013, the AAM management board decided to appoint ESG Officers in all of our AAM businesses and to make ESG training mandatory for all portfolio managers and analysts. The RI team has already worked intensively with these contacts and has started to roll out the training program across the company. We already see that our colleagues at AAM increasingly understand and embrace ESG.

We have also placed an increased emphasis on impact investment in 2013, and have successfully engaged portfolio managers from different AAM businesses in discussions on impact investment. In view of our integrated approach to RI, and given our "finance first" focus in impact investment (see the chapter on impact investment for detail), this is a necessity in order to achieve more in this area. In the Netherlands, we have established an impact investment working group, and, also in the Netherlands, our first green bond investments have now been made.

Finally, 2013 was the year in which reviewed the voting policies and practices at Aegon. We are happy to share details of this review in this report.

Harald Walkate

Senior Vice-President, Head of Responsible Investment
Aegon Asset Management

RI Peer Review

In 2013, we carried out an internal assessment on the implementation of AAM's RI Framework as approved approximately three years ago. This internal assessment was recently completed.

As part of the assessment, we conducted a benchmarking exercise not only to define where we stand relative to our peers in terms of RI activity, but also to identify potential areas for further emphasis or opportunities to expand our range of RI activities.

We selected the 20 insurance companies and asset managers, headquartered in the US and Europe, that are closest to Aegon and AAM in terms of business type (life insurance, pensions, and asset management), size and geographic footprint.

We evaluated these companies and Aegon itself in five separate categories: (1) RI Policy, Governance & Exclusions; (2) ESG Integration; (3) Engagement & Voting; (4) Impact Investment; and (5) Miscellaneous (including SRI Funds, RI Reporting, Memberships and Other Initiatives). For each company in the peer group we developed a separate "company snapshot", showing our assessment of the company and its RI activity in each of the different categories.

While it is difficult to define objective or quantitative criteria for performance in these different areas, we tried to assign each company, including Aegon, to High Profile / Medium Profile / Low Profile levels for each of the five RI categories, based on publicly available information. We later compared our own assessment to the RI ratings provided by MSCI, and for the most part the rankings were comparable.

The main findings of our peer review are as follows:

1. There is no 'one size fits all' in RI. For example, while many companies take similar approaches to some RI activities, almost every company in our peer group has defined a unique approach to RI and provides at least some public information on it.
2. The review shows that the larger US and European insurance and asset managers peers for the most part have embraced RI and ESG and are working to implement their specific blend of RI initiatives.
3. The European peers appear to be much more active in all of the RI categories listed above, except impact investment, where US peers have undertaken large initiatives, some of them quite recently.
4. The peer review underscores our self-assessment in that it shows that, while there are differences in approach, the RI Framework at AAM is in line with industry best practice. It also shows that although there are areas that are work-in-progress, there are other areas where we can conclude we delivered on the objectives set out in 2010.

The self-assessment and peer review will be used as input for discussions at Aegon and AAM on plans and ambitions in RI for the next several years.

The Transamerica Pyramid in San Fransisco was awarded with a platinum certificate in 2011 by the U.S. Green Building Council.

Responsible Investment in 2013

Global RI Policy & Governance

Policy

Before AAM became a signatory to the PRI in early 2011, it had become apparent that there was no central policy guiding AAM on which standards to apply to investments on behalf of Aegon and Transamerica. Until 2011, responsible investment standards were laid out in individual country unit investment mandates and responsible investment policies.

Having signed up to the PRI, we therefore began to develop a global Responsible Investment Policy, outlining a consistent Aegon approach to RI, which the Management Board of Aegon N.V. adopted in November 2011. The Policy sets a number of standards that are used to evaluate the companies and countries in which we invest. It also includes measures to ensure we act on our responsibilities as a significant provider of capital and as an active owner, and to incorporate environmental, governance and social criteria into our investment decision-making process.

The Policy is guided by broadly accepted international frameworks such as the UN Global Compact and OECD Principles of Corporate Governance and is built around three separate concepts:

1. Aegon excludes certain investments in its own proprietary (GA) portfolios;
2. Aegon will engage with companies that appear to fail to live up to our standards, to better understand their situation and, where possible, work for improvement; and
3. Aegon includes ESG factors in its investment analysis and decision-making.

The policy applies to all Aegon wholly-owned or majority-owned companies where it has management control and applies to all major asset classes, as far as is practical.

Governance

When the RI Policy was launched, a global Responsible Investment Committee was also established. This Committee meets on a quarterly basis, and comprises representatives from the larger Aegon insurance and pension businesses, Aegon Corporate Center, and AAM. The Committee oversees implementation of the Policy, which includes drafting and updating of sector and issue policies, monitoring the engagement program and maintaining exclusion lists.

Active Ownership

In line with the Aegon RI Policy, AAM has a number of tools at its disposal to live up to its commitment to active ownership: exclusions, engagement and voting.

Exclusions

The Aegon exclusion lists that are applied by AAM are set by the RI Committee, and apply solely to the GA assets of Aegon. An exception is made by Aegon Netherlands, which has decided that the exclusion lists should apply to all assets managed by AAM in the Netherlands.

In setting these exclusion lists, the RI Committee is advised by AAM RI, which obtains research from external consultants or from authoritative sources on companies or governments which may be involved in controversial activities. The RI Committee has detailed guidelines that support the decision-making around exclusions.

Aegon may exclude companies or states for two reasons.

First, as the ultimate remedy in engagement processes where Aegon feels a company does not – and will not within a reasonable time period - meet the standards set out in its policies.

Secondly, to recognize international consensus. At this point international consensus is recognized on investments in controversial weapons (the manufacture, development, trading and maintenance of biological weapons, chemical weapons, anti-personnel mines, cluster bombs, munitions containing depleted uranium, and nuclear weapons involving countries outside the scope of the Non-Proliferation Treaty) and investments in bonds issued by states that systematically breach human rights.

Countries

Government bonds and other government debt from certain countries are excluded when there is at least a human rights related resolution from the UN Security Council or a restrictive measure from the European Union against the current government or rulers. If these do not provide sufficient clarity, we look for further insight into the current human rights situation of a number of countries, by researching further authoritative sources: Freedom House - Worst of the Worst Index; The Fund for Peace - The Failed States Index; and Human Rights Watch: regular country reports.

Sector policies

Earlier this year, Aegon Netherlands adopted additional sector policies for the oil, gas and mining sector. These sectors can have a large adverse impact on society and the environment when ESG risks are not managed properly. More sector policies will follow during the course of this year.

Aegon maintains a list of those companies, governments and other entities which are at any time excluded from investment consideration from its GA, as set by the RI Committee.

The Aegon exclusion lists that are in force as of the date of this report are attached in Appendix 2.

Policy Case Study: Firearms

In 2013, following the Sandy Hook Elementary School shootings in Newtown, Connecticut in December 2012, and in light of the increased public concern and a major policy debate over the manufacture and retail sales of firearms in the United States, Aegon held internal discussions related to the regulation of manufacturers or retailers of civilian firearms and the call for divestment in this area.

During 2013, the RI Committee met, not only to consider the potential risks of exposure in this area, but also to identify certain research tools available to integrate firearms research and screening into investment decision-making practice. During these discussions the RI Committee determined that AAM clients' needs and exposure in this area did not necessitate a formal firearms screening or exclusion approach at this point.

The Committee further determined that if, in the future, increased risks or client concerns in this area necessitate further action, we have access to the necessary ESG research and data and service providers in order to implement screening, ESG integration or engagement strategies.

While the RI Policy does not currently take a position in the firearms debate, Aegon considers this a very important topic and is therefore actively following the discussion and monitoring the related policy debate.

Policy Case Study: Nuclear Weapons

In December 2013, the International Campaign to Abolish Nuclear Weapons (ICAN) published *Don't Bank on the Bomb: A Global Report on the Financing of Nuclear Weapons Producers*. The report lists approximately 300 banks, pension funds, insurance companies, asset managers and other financial institutions around the globe that invest in the companies that, among other activities, produce nuclear weapons. Aegon is listed amongst the 300 investors.

Aegon's exclusion policy covers manufacturers of nuclear weapons. However, exceptions are made for companies that act in line with the Non-Proliferation Treaty (NPT) which prevents the spread of nuclear weapons and weapons technology, but also recognizes 5 "nuclear weapons states" (the United States, the United Kingdom, France, Russia and China).

The Aegon NL RI Committee, as well as the Management Board of Aegon The Netherlands, took the publication of this report as an opportunity to reassess Aegon's policy on nuclear weapons.

Our clients' and stakeholders' views were central to our discussions on the issue. We considered the fact that the NPT has been signed by 190 countries (including virtually every country where Aegon has operations). Although the treaty is not beyond criticism, it can be seen as the primary normative anchoring point in discussions on nuclear weapons. While many of our clients, certainly in the Netherlands, are opposed to investments in companies associated with nuclear weapons, there is therefore no indication that there is 'international consensus' on this issue, which is a criterion for exclusion under our RI Policy. The Aegon NL RI Committee and Aegon NL Management Board also took into account the fact that a large number of other institutional investors take a position similar to Aegon's in their RI policies.

The Aegon NL RI Committee and Aegon NL Management Board agreed that this topic is, and will likely remain, a key issue for a large number of stakeholders, but decided to reaffirm Aegon's policy position on the issue at this time. They also agreed to monitor the debate on nuclear weapons to ensure that our policy continues to fairly reflect the views of our clients and other stakeholders.

Engagement

In line with the Aegon RI policy and with AAM's commitment to the PRI, AAM has established a process to engage with companies that do not conform to the standards outlined in the relevant policies.

AAM engages in three ways with companies we invest in:

- Directly, by AAM RI
- Directly, by AAM RI but supported by an external research provider (Sustainalytics), and
- Indirectly, through collaborative initiatives (for example, the PRI collaborative engagement platform or the Association of British Insurers)

Engagement activities are primarily initiated and managed by the AAM units Kames Capital (UK) and TKPI (the Netherlands), as well as by the global AAM RI staff. These engagement activities are coordinated through monthly conference calls.

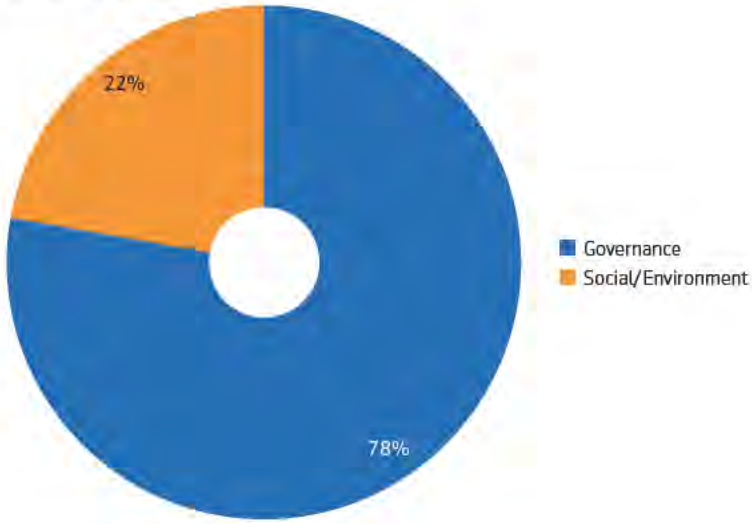
The AAM engagement program is monitored by the Aegon RI Committee. Developments in engagement dialogues and progress made are a standing agenda item, and decisions on initiation and termination of engagement dialogues are made by the RI Committee. Where possible, AAM seeks to directly involve portfolio managers and analysts at AAM units in the engagement activities.

In 2013, the RI Committee adopted an Engagement Guideline as a supplement to the RI Policy. This Engagement Guideline sets out in more detail how engagement and related activities are organized at Aegon and AAM. This guideline has not been published, but can be made available to interested parties upon request.

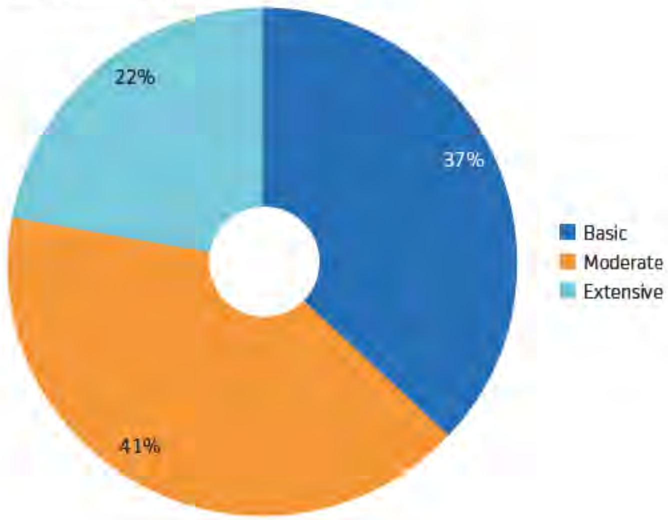
Engagement in 2013

- In 2013, AAM engaged with 201 companies on a range of ESG issues
- 78 % of AAM engagement activities were related to corporate governance matters; 22% were related to environmental or social issues
- We classify and record our engagement activity as basic, moderate or extensive; the same classifications used by the PRI in their annual self- assessment questionnaire

What did we engage on?



Engagement type



Extensive engagement: multiple instances of focused interaction with a company on issues identified, with a view to changing the company's behavior. The engagements were systematic and begun with a clear goal in mind.

Moderate engagement: more than one interaction with a company on issues identified. The engagement was somewhat systematic, but the specific desired outcome may not have been clear at the outset.

Basic engagement: direct contact with companies but engagement tended to be *ad hoc* and reactive. May not have pursued the issue beyond the initial contact with the company and includes signing letters authored by others.

Engagement themes and cases

In 2013, AAM held discussions with companies on a number of themes, as illustrated in the cases below.

Social: Human rights

- In 2013, human rights continued to be an important engagement theme: obtaining a better understanding of the human rights issues that companies face; how they deal with these challenging issues through policies, risk management and compliance; and how they report on human rights related issues.
- The importance of this theme in 2013 is also a reflection of the increased awareness of companies' obligations not to violate human rights in the course of their activities, and to provide redress when infringements occur, as outlined in the UN "Protect, Respect and Remedy" Framework developed by professor John Ruggie.
- AAM had a number of positive outcomes from its engagement activities regarding human rights.

The Ruggie Framework, also known as the UN "Protect, Respect and Remedy" framework, marks an important systemic approach to the treatment of human rights by states and corporations. It was created through years of multi-stakeholder consultations including global law firms, companies, investors, NGOs, and international institutions.

The framework is increasingly necessary to identify the distinct but complementary responsibilities of states and corporations in addressing human rights, so that each does not claim that the other is responsible while abuses continue unabated. In short, according to the framework and guidelines, global companies are expected to comply by:

- Adopting a human rights policy
- Verifying non-infringement through human rights due diligence
- Addressing any human rights abuses the company was involved in
- Measuring and reporting on human rights compliance

Environmental protection

- The important engagement issues in 2013 included mining and operational safety performance, oil drilling in sensitive environments, artisanal mining, oil-sands, shale gas, new project development standards environmental & social performance standards, operations subject to regulatory fines and other.
- Kames Capital is an investor signatory to the Extractives Industry Transparency Initiative (EITI), which supports improved governance in resource-rich countries through the verification and full publication of company payments and government revenues from oil, gas and mining. As a signatory to the Initiative, Kames is keen for appropriate companies that Kames invests in also to become formal signatories.

Governance

- AAM pays a great deal of attention to governance at the companies we invest in. Good governance enables a company to make decisions that maximize overall shareholder value and stabilizes a company, allowing it to better weather difficult circumstances. Good governance is also important for shaping perceptions with external stakeholders: partners and customers want to work with companies that are well-positioned to continuously provide services for the duration of their relationship.
- Primarily through the engagement of Kames Capital, AAM enters into dialogue with companies on remuneration and board structure issues prior to the shareholders' meetings.
- Governance is also a key issue in our voting activities. Please see the voting chapter for additional cases.

Case 1: Protecting human rights

AAM initiated a fruitful dialogue with a large telecommunications company that has been linked to concerns about its complicity in human rights abuses by controversial regimes, including Iran and Syria. AAM requested that the company strengthen its human rights due diligence procedures, enhance disclosure on initiatives to protect human rights in its sphere of influence and in high risk countries, and to improve its public reporting on human rights risks faced, by country of operation.

Over the course of 2013, the company took several steps to reduce its exposure to human rights related risks, including the establishment of a board-level Social and Ethics Committee. It was also working on a new human rights policy, for which it has studied the UN Guiding Principles on Business and Human Rights (UNGP). The company has conducted research into what human rights mean for its operations, given its exposure to high risk countries. It has also committed to addressing industry-specific issues, including the freedom of expression, privacy, and security. The company's progress with respect to these initiatives will be assessed in 2014.

Case 2: Human rights due diligence and controls on the use of human tissue

TKPI initiated engagement with a company in the healthcare sector that is specialised in processing human musculoskeletal and other tissue. The company was selected for engagement due to its exposure to human rights related risks, and concerns about the provenance and processing of the human tissue. TKPI requested that the company disclose what due diligence checks it has incorporated into its supply chain risk management system to ensure the procurement of healthy human tissue, and to ensure the consent of donors. TKPI also asked the company to commit to regularly auditing of its supply chain for ethical compliance.

The company was responsive and provided TKPI with strong evidence of quality and safety controls to ensure that human tissue they provide to patients is safe and disease-free. The company is certified under the ISO 13485 Standard, which is focused on product quality and safety and requires supplier auditing. Concerns about tissue health were adequately addressed. However, the company could do more to disclose how it audits suppliers on ethical aspects, such as donor consent.

Case 3: Protecting health and safety of employees

TKPI initiated engagement dialogue with a large steel company on account of its exposure to human rights related risks in the area of health and safety. The company had a long history of safety incidents that stand out in the sector in terms of their frequency, impact, and the recurrence of regulatory actions. TKPI asked the company to commit to human rights due diligence, continual improvement of its health and safety management systems across the Group's sites, OSHAS 18001 certification, and to a remediation system to provide redress for human rights violations occurring at its sites.

The company reported that it has taken a more thorough approach to investigating incidents and performing corrective action, in order to prevent a recurrence of health and safety incidents. Based on statistics collected, the company is now implementing several programs aimed at improving safety that relate directly to existing causes of injuries or fatalities. It has also implemented a training program on safety issues which was attended by more than 2,000 operations managers in 2013. In addition, the company reported that it has set some statistics and targets, aiming for a zero fatality rate in 2014 and a 20% reduction in long-term injury frequency rates in comparison to 2013 figures. The company did not commit to expanding its OSHAS 18001 certification, which it stated would give a false sense of security if awareness of hazards and risk management are not first improved internally. The company also reported on its compensation programs in place for injuries or fatalities, which it stated vary by country so as to comply with national legislation in its different locations of operation.

Case 4: Enhancing ethics standards

TKPI initiated dialogue with an international engineering and construction company exposed to corruption and bribery-related risks. The company is facing allegations in multiple countries, involving staff with high levels of responsibilities including sales agents, business account managers and executives. TKPI requested that the company implement effective accounting and financial reporting procedures to reflect its transactions and dealings, disclose to what extent it addresses business ethics issues in its standard due diligence procedures, and perform and publicly report on periodic audits to ensure compliance with its anti-corruption policies.

The company responded by expressing its willingness to engage in dialogue over ESG related issues and the availability of its senior staff, including its Compliance Officer, for future discussions with its shareholders. It disclosed evidence of significant improvements to its anti-corruption policies, including adopting a new agent review policy requiring due diligence to be conducted for all business partners. Although the company has not provided evidence of new accounting/financial reporting procedures, it stated that an external auditor concluded that effective internal control was maintained in all material respects. The company has committed to compliance assessments, and reported that an independent corporate monitor had been appointed to review its ethics and compliance program.

Case 5: Addressing risks related to bribery and corruption

TKPI initiated engagement with a global energy company exposed to bribery and corruption related risks. The company was involved in a corruption scandal relating to its joint venture with an Angolan company, and could face charges under the U.S. Foreign Corrupt Practices Act. TKPI asked the company to improve its policies on bribery and corruption, to disclose whether it provides training relating to bribery or corruption for key managers dealing with foreign partners, to disclose whether ethics issues are included in its due diligence procedures, and to consider becoming a member of the EITI.

The company responded that it is committed to a strong policy on bribes and other forms of corruption, and has adopted and implemented a comprehensive anti-corruption compliance program that provides clear guidelines on what is and what is not considered acceptable behavior. Regarding training, the company disclosed that it provides in-depth training on its anti-corruption compliance program and on anti-corruption laws twice yearly, and requires 100% of its staff (including managers and employees who work with foreign partners) to participate in these training sessions. The company also stated that it is actively evaluating becoming involved with and a member of the EITI, as suggested by TKPI. These steps are in line with TKPI's engagement goals, and can be considered positive, although the company's disclosure with respect to the contents of its anti-corruption compliance program could be strengthened further.

Case 6: Concerns related to business ethics and environmental performance

AAM initiated dialogue with an international metals and mining company over concerns related to business ethics and environmental performance.

AAM asked the company to publish its anti-corruption policy, and disclose details of company training programs designed to strengthen management of risks related to bribery and corruption. AAM also asked the company to implement an independent whistle-blower program, allowing employees and third parties to report misconduct anonymously and without fear of retaliation.

On environmental performance, AAM noted that the company already has a relatively strong environmental policy and management system, but asked for additional steps to improve implementation. These include the pursuit of ISO-14001 certification across the company's operations and a program to reduce significant non-greenhouse gas emissions. AAM also requested disclosure of measures to address problems with water contamination at one of the company's mines in Australia.

In recent years, the company has been involved in a number of environmental controversies, and has faced allegations of fraud, bribery, tax evasion and breaches of international sanctions. AAM has requested a written response and a face-to-face meeting with company representatives, but so far has received no reply.

Case 7: Accord on Fire and Building Safety in Bangladesh

As news spread of the numerous deaths and injuries related to Bangladesh factory accidents in 2012 and 2013 and concern increased in the investor community related to risks to companies that source products in Bangladesh and other low-cost countries, AAM US joined an investor coalition coordinated by the Interfaith Center on Corporate Responsibility (ICCR) to actively engage apparel brands and retailers. The coalition was formed to urge these companies to commit to sign the Accord on Fire and Building Safety in Bangladesh ("Accord").

The Accord is intended to make Bangladeshi garment factories safe workplaces and is tailored to the distinctive challenges of the textile industry in Bangladesh. In participating in this engagement, AAM US joined over 200 investors from a larger global coalition representing $3.1 trillion in assets under management from the U.S., Canada, Australia and Europe.

AAM US signed a letter that was sent to 21 apparel brands and retailers that, at that time, had yet to join the Accord. The companies targeted were US apparel and retail brands and the letter referenced the Accord as the best route to mitigate safety risks to garment workers in Bangladesh. As of the writing of this report 150 companies have joined the Accord, including such high-profile brands as Adidas, Esprit, Carrefour, Abercrombie & Fitch, Tesco and Marks & Spencer.

Case 8: Land grabbing in Brazil

In October 2013, in a television broadcast, food processing company Bunge was linked with land grabbing practices in the Mato Grosso do Sul region, Brazil. Bunge owns and operates several sugarcane mills in Brazil and sells sugar to companies such as Coca-Cola Company and PepsiCo. After the broadcast, aid and development charity Oxfam released a report outlining the relationships of several Dutch financial institutions, including Aegon, and 22 food companies exposed to ESG risks, Bunge being one of them.

Bunge has been accused of being complicit in land grabbing practices by entering into contracts to buy sugarcane from farmers/landowners who 'grabbed' the land from the indigenous people. In the last decade sugar farming in the Mato Grosso do Sul region tripled. Since then indigenous communities have been trying to reclaim land that was taken from them illegally to build these sugar plantations. The rights of the indigenous communities to the land have been confirmed by the national authorities. However, until now the Brazilian authorities have not been successful in demarcating the land adequately and enforcing the law in this area. The resulting violence between the farmers and their private security personnel on one side, and the indigenous people on the other side, led to dozens of people being killed on both sides in recent years.

This social supply chain controversy was identified by our ESG research providers, but given that Bunge does not own or operate the sugar farms on disputed territory, and considering the company's response and the prevailing problems in Brazil with land rights and governance, the controversy was not assessed to be severe.

After engagement from Dutch institutional investors the company committed to not renew contracts with farmers on disputed land, an outcome that we deemed adequate for now, although we will monitor the company's commitment and will reassess the situation when necessary.

This case illustrates that we, as asset managers, are increasingly asked to monitor not only the activities of the companies we invest in, but also the potential risks they are exposed to along their supply chain. This poses a number of challenges for investors in terms of obtaining the relevant data and research and assessing materiality to our investments.

Eumedion participation

AAM NL and TKPI are active participants in the Eumedion platform

Eumedion is a Dutch organization that represents institutional investors' interests in the field of corporate governance and related sustainability performance. It is the objective of Eumedion to maintain and further develop good corporate governance and sustainability performance on the basis of the responsibility of institutional investors established in the Netherlands. At the same time, Eumedion wants to advance the acceptance of, and compliance with, generally accepted corporate governance standards by listed companies and institutional investors in the Netherlands and Europe in particular.

Eumedion numbers approximately 70 asset owners and asset managers among its members. AAM NL and TKPI staff are members of a number of Eumedion's committees, including the Legal Committee, the Audit Committee, the Investment Committee and the Research Committee.

Participation in Eumedion also plays an important role in AAM's engagement and voting activities: through participation in the Investment Committee, AAM can opt to be represented by other Dutch institutional investors at shareholders' meetings of Dutch (AEX-listed) companies. AAM staff also attend shareholders' meetings of AirFrance-KLM and Arcelor Mittal and at times represent other Eumedion participants.

On behalf of a select number of pension fund clients, and together with various other Eumedion members, TKPI also participates in another engagement initiative that is facilitated by Eumedion: Professor Paul Frentrop of Nijenrode University engages with a number of Dutch public companies on a range of issues, including strategy, governance, accounting standards, remuneration, and employee relations.

TKPI participates in CIO Dialogue in the Netherlands

A number of Chief Investment Officers (CIOs) of large Netherlands-based institutional asset managers have established a dialogue on the theme "working towards sustainable financial markets". TKPI participates in this initiative and is also the lead for one of the workstreams: "Communication and our role in society". The objective of this workstream is to explain to the general public what responsible investment is and to emphasize that RI is more than only excluding certain companies or countries. In doing so, the Dutch asset managers hope to show that investment is not only about financial analysis but that extra-financial factors also play a role. In 2013, preparations were made for the CIOs to have a series of meetings with journalists about these themes in 2014.

Posco Engagement – Site Visit

Posco is one of the world's largest steel manufacturers producing almost 38 million tonnes of steel annually. In June 2005, the company signed a memorandum of understanding with the Government of Odisha in India to build a 12 million tonne steel plant on a 4,000 acre site in Odisha. Since that time, Posco has worked with the local and national government to secure the required permits to start construction on the plant. However, the project has been linked to large scale protests relating to the involuntary relocation of people and other human rights violations.

In 2013, the International Human Rights Clinic (IHRC) and International Network for Economic, Social and Cultural Rights wrote a report called "The Price of Steel" which received extensive publicity. The report spoke of 22,000 people, mainly betel vine farmers and forest dwellers, being forcibly displaced, resulting in the destruction of villages and the loss of local people's livelihood. It also criticized the company for inadequately consulting with local residents and failing to conduct due diligence assessing the impact on the local community.

Aegon's engagement with Posco prior to our site visit

As part of our RI Framework we have been engaging with Posco for several years. The key topics on which we wanted to see improvement were as follows:

- Commitment to adopting specific policies on community consultation, land rights and forced resettlement.
- Commitment to concrete steps to improve living conditions at its POSCO-India Transit Camp.
- Evidence of an updated human rights policy, or of progress towards drafting such a policy.

In 2011 and 2012, we had maintained an open engagement with the company through a series of conference calls and letters. In 2013, we were invited, along with two other investors, to visit the site of the proposed steel plant to see the local situation and speak with representatives from Posco head office and the local staff.

The site visit

During our visit to the proposed site, we were informed that Posco is taking a very long term approach to building the steel plant in Odisha. They want to ensure that they appropriately engage with and gain the support of the local people. We were told that the plant would be located on land that was almost 90% owned by the government and that no people had been forcibly displaced as a result of the work done to secure the land needed for the first phase of the project. Posco estimated that approximately 2,200 people would be displaced as a result of the project and these people had been offered resettlement packages that are significantly more generous than those offered by the state government. We noted that the number of people to be displaced provided by Posco significantly differed from that provided by the NGOs. The company pointed to studies they had commissioned as part of their due diligence work.

A Rehabilitation and Periphery Development Advisory Committee was created by the Odisha State Government and comprises 43 members including representatives from the affected communities, women, displaced people, NGOs, local government officials, and the local member of parliament. This committee has been involved in the negotiation of the resettlement packages offered to those affected by the development of the steel plant. Since the signing of the memorandum of understanding more than 170 mass meetings have been held to listen to the concerns of the local community including those villages who are against the project. During our visit we did not have an opportunity to attend such a meeting but did hear from the local police authorities that such meetings had taken place.

Posco told us that they take allegations of human rights abuse very seriously. Feelings about the project are very divided. During sensitive periods, such as when local people are handing over their betel vines as part of the resettlement process, police are present to maintain the peace and Posco officials are often present to observe first-hand what is going on.

Posco built a Transit Camp where people who supported the project from villages that were opposed to the steel plant could live in safety. The camp was intended to be a temporary solution until such time as the people could either return to their villages or find employment elsewhere. While living in the camp, people are provided with free housing, water, and electricity as well as a small allowance. We had a chance to visit the camp during our trip to the proposed site and observed that the conditions in the camp, while very basic, appeared similar to those of the surrounding villages.

During our meetings with the local Posco staff and representatives from the head office in Korea, we asked about the implementation of the company's human rights policy. We were told that significant progress had been made in developing a policy based on best practices. The company was working to adopt the plan in the coming months and set up training programs for their staff globally.

Subsequent engagement

It was clear during our site visit that the views of the NGOs and Posco relating to the construction of the steel plant in Odisha are very different. We felt it was important to talk to the NGOs about our impressions and observations as a way of validating what we had seen and encouraging dialogue between the two parties. There are still significant issues to be dealt with in bringing this project to conclusion. In line with our RI Policy, we will continue to engage with the company to ensure that concerns about human rights, community engagement and other matters are seriously addressed. We were encouraged by the fact that we were invited by Posco to participate in a stakeholder panel as part of their year-end annual reporting process. The purpose of this panel was to hear from investors and other stakeholders about matters that are important to the stakeholders and the company.

Voting

Aegon uses the voting rights attached to the shares of companies that it invests in to promote the standards set out in its RI policies.

Aegon has a "Global Voting Policy", which was adopted by the Executive Board of Aegon N.V. in 2008. This policy sets out company-wide practices and principles for all its asset management operations, and operates alongside existing local initiatives.

In this policy, Aegon points to a range of international and national corporate governance best practice initiatives and regulations that are applicable to the various Aegon and AAM units that are equity owners. A number of Aegon and AAM units have also adopted supplementary voting policies that are tailored to local best practices and governance principles.

Proxy Voting Project 2013

In 2013 AAM conducted a review of Aegon voting policies and practices. The review focused on AAM NL, TKPI, Kames Capital and AAM Canada, the AAM units that are most active in proxy voting.

For this review, AAM engaged the services of GMI Ratings, a pioneer in the application of non-traditional risk metrics to investment analysis and risk modeling. GMI Ratings provides global research coverage of the environmental, social, governance and accounting-related risks affecting the performance of public companies and as such has expertise in the areas of governance and proxy voting.

A key observation in this project was that public equity for AAM amounts to only approximately 17% of aggregated AuM, and much of this public equity is held in passively managed and broadly diversified portfolios. Also, some of the AAM units (AAM US and AAM Spain in particular) have an extremely limited share in these public equity investments, and therefore the costs associated with proxy voting may outweigh the benefits, since their small positions in each firm may limit their voting power and ability to influence management, while even a basic level of proxy voting activity can come at a relatively large expense. This makes proxy voting largely irrelevant to some of our units.

At the same time, one outcome of the discussions on this project was the consensus that AAM has rights and responsibilities as a shareholder in a large number of companies, and has a duty to exercise these rights and responsibilities to the extent reasonable, also as a way of enhancing portfolio value.

The discussions in this project resulted in a number of recommendations that are currently being implemented as shown in the table below.

Recommendation	Implementation
We should consider appointing **a global proxy voting manager** to act as liaison with the proxy advisor, ensure organizational efficiency, and to look after operational/ logistics aspects of voting ensuring execution of votes.	The RI/governance specialists at Kames Capital will increasingly take the lead in proxy voting activities for other AAM businesses going forward.
We should consider focusing on **proxy voting in the home markets** of the AAM units that are significant public equity holders.	AAM NL, TKPI, Kames Capital and AAM Canada already vote all (or almost all) of their local country holdings and will continue doing so. In these voting activities we are supported by ABI (Association of British Insurers) for the UK, Eumedion (platform for institutional investors) for NL, and closely follow the Ontario Teachers' Pension Plan's proxy voting guidelines for Canada.
For the **rest of the world** votes, we should consider focusing on the larger holdings (suggested threshold > 0.1% of issued capital) and emphasize voting for actively managed equity holdings over passively managed holdings.	The biggest change in this area is with AAM NL, that – besides actively voting all of its Dutch holdings – will now focus only on the actively managed equity holdings. For these votes, the relevant portfolio manager will liaise with the governance specialists at Kames to vote the proxies with a considered approach.
We should consider developing a **customized Aegon/AAM voting policy**, setting out in more detail our company's positions on a number of issues, which could be implemented by our proxy advisor. This would create more efficiency in the voting process, while also allowing us to take a considered position in a larger number of votes.	In 2014, we will develop a customized policy for the Dutch holdings. While we will still monitor these votes and have the discretion to deviate from the advice, this will allow us to work more efficiently. If our experiences with the customized policy are positive, we will consider implementing customized policies for other units. This year, we will also update the Aegon N.V. Voting Policy, subject to approval by the RI Committee and the Aegon N.V. Management Board.
There is an opportunity for closer **cooperation and coordination with our external proxy voting advisor**, ISS.	We are in discussions with ISS to consolidate and update our service contracts to reflect the changes outlined above.
We should consider forming a **firm-wide voting group** to exchange best practice insights.	Although it is difficult to coordinate voting decision-making internationally, given the sometimes differing standards adhered to locally, and the often pressured decision-making atmosphere of proxy season, we are considering some firm-wide coordination of proxy voting policies and procedures. At a minimum, an annual post-season review of what worked and what needs attention would help promote efficiencies and positive ROI for our global proxy voting program.

Voting cases

British American Tobacco: constructive dialogue on executive remuneration changes

Kames Capital voted against the executive remuneration proposition at the BAT Annual General Meeting (AGM) in 2011, 2012 and 2013 over concerns that the earnings per share performance conditions attached to the executive long-term incentive plan (LTIP) were insufficiently challenging versus consensus estimates. Under this arrangement, a grant of 200% of the CEO's salary would vest even when the company failed to meet consensus earnings expectations. If the company met expectations, which it did at the time of the review, a grant of 400% of his salary would vest. Given the company had a habit of beating expectations, the fact their targets were less than consensus were felt to be all the more egregious.

In September 2013, BAT consulted shareholders on a number of proposed changes to executive remuneration. These included increasing the maximum bonus available for 'exceptional individual performance' and the addition of a sales performance metric to the LTIP. Kames and a number of other shareholders indicated they were not supportive of increases to the annual bonus opportunity. Following individual correspondence with the company and a collaborative meeting with other investors, the company agreed to make a number of changes. These included: not increasing the maximum bonus opportunity, underpinning the top-line growth measure with an operating profit threshold and an increase to the executive shareholding requirement. Kames will review the LTIP earnings per share performance conditions again ahead of 2014's AGM.

Fidessa: constructive dialogue on executive remuneration changes

On reviewing the paperwork for the Fidessa AGM, it became apparent that the balance of fixed to variable remuneration had been altered considerably. Specifically, the CEO had received a salary increase of 157% and the Finance Director 40% whilst the maximum bonus opportunity was reduced from 400% to 100%. No changes were made to the LTIP and no LITP awards were made in the year under review.

Fidessa has historically paid executive directors relatively low salaries but provided the opportunity for high variable pay levels in comparison to its peers (an arrangement we supported as long-term large shareholders). Following the changes, salaries were now at upper quartile levels versus peers and the salaries had changed from 13% of total remuneration to 33%. Kames contacted the company and had four long phone calls with the Chairman of the Remuneration Committee before both parties agreed that Fidessa would revisit the changes in a consultation with shareholders after the AGM. We were therefore able to vote for the remuneration report at the AGM.

In June 2013, Fidessa entered into a consultation exercise with shareholders that led to the salary of the CEO being reduced to a more acceptable level. In October, the Chairman again consulted us on board structure and refreshment. Our engagement on this latter issue is ongoing.

3i: constructive dialogue on executive remuneration changes

This company made adjustments to its remuneration structure during the year, effectively shortening the time frame over which the long-term incentive vested.

The previous arrangement deferred any annual bonus paid over 100% of salary into shares for 3 years. The new proposal was for any bonus over 40% to be deferred and vest in equal tranches over 1, 2, 3 and 4 years. While this change did not have a huge effect when bonus levels are lower, in 2013, when bonus levels were >300% of salary, the impact was significant.

In addition, Kames was concerned that the company's Remuneration Committee had also reduced the vesting period attached to the LTIP. Under the previous arrangement, LTIP vesting depended on annualized 3 year return on equity with 50% of any award vesting after year 3, 25% after year 4, and 25% after year 5. During the year, the LTIP performance criteria were changed following shareholder feedback and in line with the stated strategic goals of the company's transformation plan. We had no objection to these changes. However, the remuneration committee also decided to shorten the vesting period of the LTIP, so that it vested entirely at the end of 3 ½ yrs. In Kames' view, this had the effect of increasing the value of any award to participants (as no reduction in grant sizes had been made to account for the time value of money) and sent a poor message to the market of the long term prospects of the company.

After a long and constructive conversation with the Chairman of the company, the company changed the vesting schedule for the LTIP back to the previous arrangement and the executives agreed to abide by the changes for the 2013 awards despite the fact they had already been granted. We therefore were able to support the remuneration report.

In July 2013, we also had engagement with the Chairman regarding board refreshment. This is an ongoing dialogue.

Pescanova: shareholders take the lead

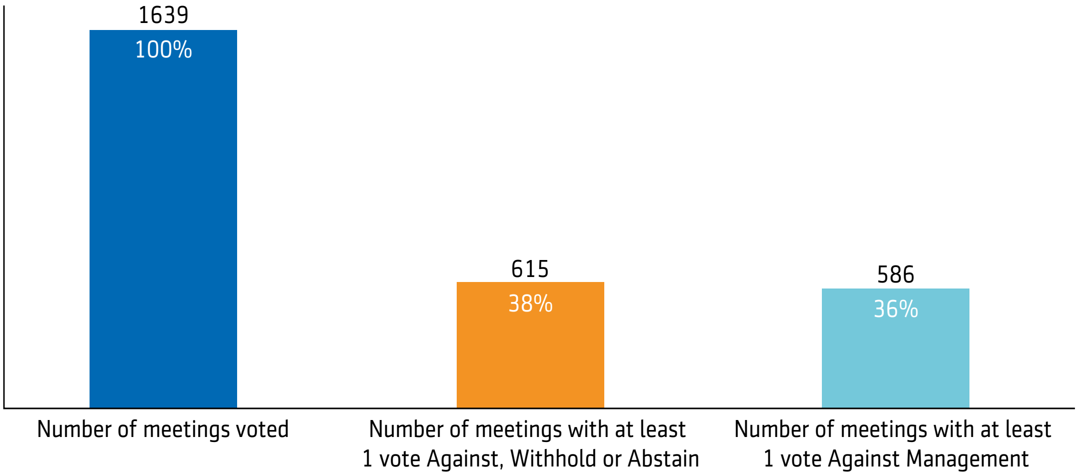
In August 2013 AAM was contacted by a shareholder in the Spanish fishing company Pescanova with the request to support a shareholder proposal to replace the whole Board of Directors at the upcoming extraordinary general meeting. Two minority shareholders responsible for this proposal wanted to implement necessary changes in order to rebuild shareholder value and avoid liquidation. The shares of this once very successful and innovative company stopped trading in March 2013 when it filed for creditor protection. The CEO of the company was subject to criminal and civil investigation because of allegations of fraud. AAM decided to support this shareholders' proposal in order to have a chance to recover our losses. The proposal was supported by 71% of the represented shareholders and therefore approved.

However, as of April 2014 the company still faces liquidation. Auditors discovered €2 billion more in previously undisclosed debt and on April 30 the lenders voted on a restructuring plan giving the biggest banks control of the company. They will retain € 1 billion of debt, which means that at least €2.25 billion will be amortized. The two minority shareholders will withdraw from the restructuring. While the position of the shareholders remains tenuous, we are hopeful that the banks succeed in restructuring the company that employs thousands and operates almost a hundred ships.

Votes cast in 2013

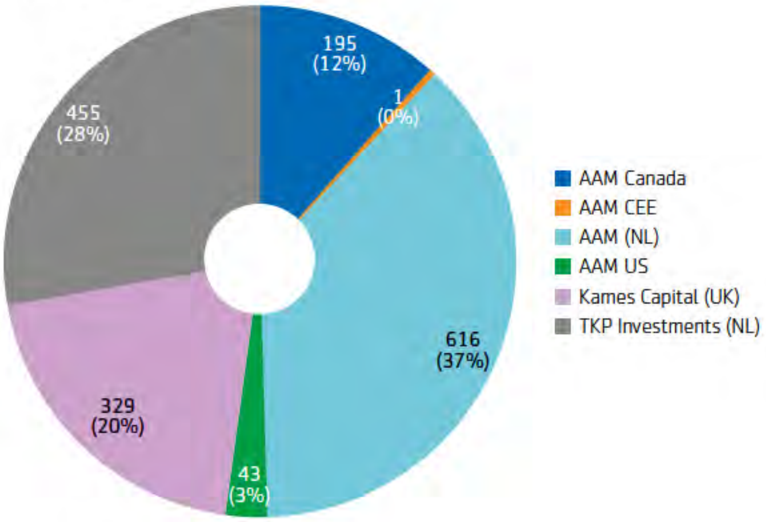
In 2013, AAM voted on 1,639 meetings, on at least 21,692 agenda points.
94% of votes were cast "with management", and 6% were "against management".[1] The number of meetings with at least one vote against management was 36%.

Break-down of meetings

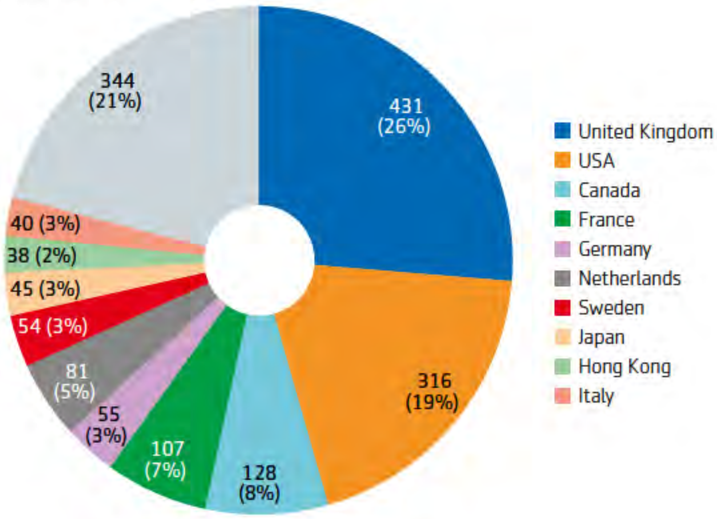


1. "Against management" consists of votes against management proposals, abstentions and withholds.

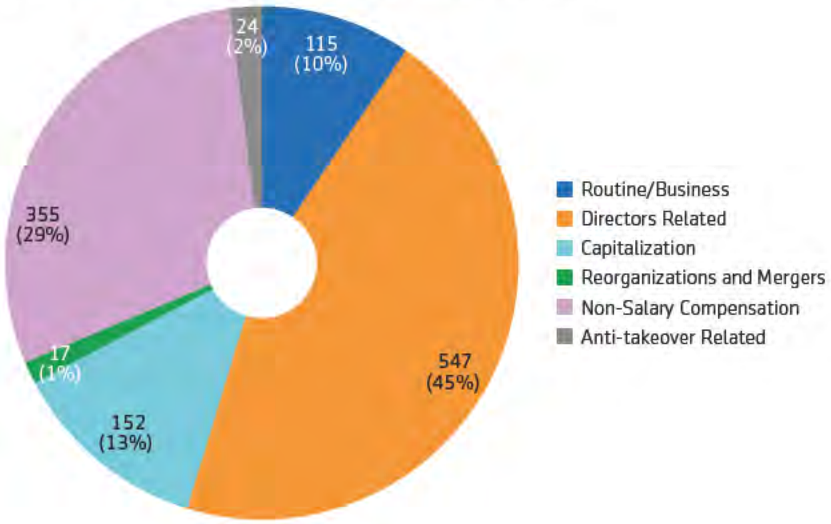
Meetings voted by AAM unit



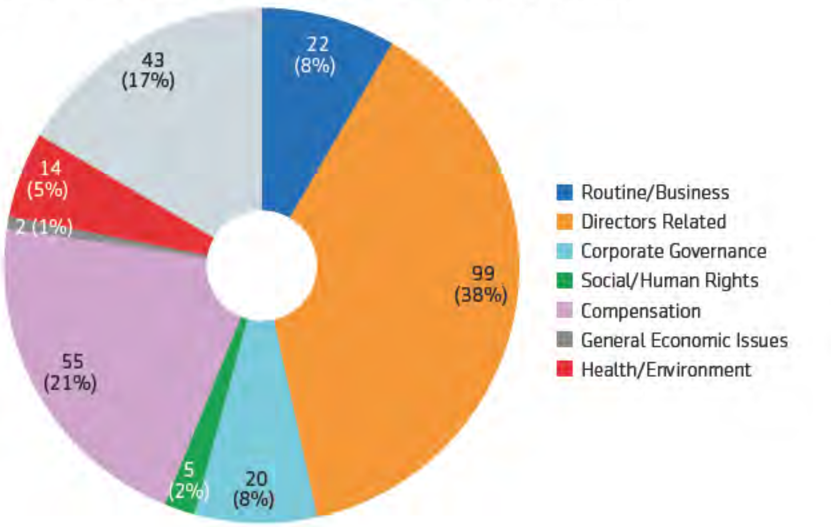
Meetings voted per Country



Break-down of votes against Management Proposals



Break-down of votes on supported Shareholder Proposals



A number of AAM units also publish separate Responsible Investment and voting reports. For details, please see Appendix 3. For votes cast by AIM B.V. see Appendix 4.

Aegon Asset Management has sustainable timber investments in the US, New Zealand and Brazil.

Investment Analysis

ESG Integration

Aegon aims to contribute broadly to wellbeing and sustainable development through active ownership, and also believes that integrating ESG criteria into investment decision-making can have a positive impact on long-term risk-adjusted financial returns.

This is in line with AAM's commitment to the PRI, as well as the observation that it is increasingly argued that applying ESG factors is required by fiduciary duty, given that ESG factors are an important component of assessing industries and valuing companies.

Aegon defines ESG integration as "taking into account ESG factors in investment management analysis and decision-making".

ESG Integration in 2013

ESG integration was one of AAM's key focus areas in 2013. We have reported earlier on our process to select an ESG data and research provider in 2011, and the decision early 2012 to work with MSCI to provide ESG research, ratings, and screening tools to help us further integrate ESG factors into our investment analysis and decision-making. Approximately 50 people within the company were given access to the MSCI services.

ESG Officers

While access to data was a good step in further integrating ESG factors into our investment research and decision-making, we felt that more work needed to be done to truly embed ESG in our internal processes and documentation. The AAM Management Board therefore decided to appoint ESG Officers in all of the AAM units, whose role would be to act as local contact for the global AAM RI team and for MSCI, and who would lead the discussion on how ESG factors can be integrated in the investment processes in their unit.

ESG Training

The AAM Management Board also made ESG training mandatory for all portfolio managers and analysts in all AAM units, and we have since then selected a modular online training offered by RI Academy that explores the use of sustainability data in fundamental analysis and security selection. CFA Institute members earn Continuing Education (CE) credit hours upon successful completion.

This training is supplemented with webinars and sector conference calls organized by MSCI that demonstrate the functionality of MSCI ESG Research's online platform, MSCI ESG Manager, and discuss materiality of ESG issues in various sectors, as well as face-to-face meetings in the various AAM locations.

GRESB

The Global Real Estate Sustainability Benchmark (GRESB) is a leading indicator for sustainability in the property and real estate world. It is an industry-led organization committed to rigorous and independent evaluation of the sustainability performance of real estate portfolios and is supported by about 50 members.

In 2012, the three AAM units that are significant real estate investors (Kames Capital, AAM NL and TKPI, totaling approximately € 3 billion in real estate investments), took the initiative to join GRESB. This initiative was supported by the Aegon Group Sustainability department.

The information available through GRESB allows property and fund managers to better understand how environmental and sustainability factors impact their holdings. As such, AAM views this as an important tool in integrating ESG factors into the company's € 3 billion real estate portfolios.

GRESB collects information regarding the sustainability performance of property companies and funds. This includes information on performance indicators, such as energy, water, GHG emissions, and waste, but its survey also covers broader sustainability issues, such as climate change risk assessments, performance improvement programs, and engagement with employees, tenants and suppliers.

In 2013, 550 property companies and funds participated in the GRESB Survey, managing USD 1.6 trillion in value. The database covers 49,000 assets in 46 countries and is actively used by more than 100 institutional investors, fund managers and property companies managing USD 6.1 trillion in assets.

In the course of 2013, AAM NL, TKPI and Kames Capital have started incorporating GRESB data in their real estate investments (see also the TKPI case study below). AAM US, which also has a large real estate portfolio, has also shown interest in GRESB and is assessing whether GRESB data can be used in the management of its real estate holdings.

GRESB Case Study – TKPI

In 2013, TKPI engaged with all their non-listed European real estate fund managers to discuss their sustainability policies and their score in the 2013 GRESB benchmark. During these discussions, both parties focused on initiatives that were aimed at reducing environmental impact like energy consumption while at the same time enhancing fund returns.

For example, buildings with higher energy efficiency will result in lower service charges to tenants and can therefore create a competitive edge over less efficient buildings. GRESB is used as a guideline in these discussions, as the benchmark comprehensively measures performance on a variety of sustainability linked topics. Engagement with fund managers allows TKPI to judge the professionalism of the fund managers and to share best practices between funds.

In the long run, this engagement will assist the parties in further enhancing their performance on both real estate investments and sustainability.

Project Delphi

In addition to the ESG integration initiatives listed in this chapter, we have continued our involvement in Project Delphi. This investor-led initative endeavors to determine material ESG factors and metrics that drive value, and to develop a framework for the creation of collective investment vehicles and/or integration into investment decision making, validated by asset owners.

Project Delphi seeks convergence around the materiality and impact of ESG factors on investment and asset allocation decisions. There has been a great deal of research carried out into the financial impact of ESG factors, which has produced a large number of ESG factors that are deemed to be "material". Project Delphi intends to bring these strands of research together to produce a short-list of the most important factors and how to measure them.

AAM recently attended a large-scale Delphi meeting in London where the progress in the Project Delphi work streams was discussed with many of the participants.

TKPI ESG Integration Project

Early 2013, TKPI arranged an internship for Emiel van Duuren, a student at the University of Groningen. Van Duuren used the internship to assemble data on 126 internationally operating asset managers that were either under contract or under research at TKPI, in order to analyze why and how mainstream asset managers account for information about ESG factors and how this impacts their conduct and performance.

The analysis showed that asset managers use ESG information especially to manage risks and to "red-flag" companies. The impact on the performance of the investment portfolio was shown to be relatively limited. Van Duuren used the analysis as a basis for his master thesis "An Analysis of ESG integration by Mainstream Mutual Fund Managers", that also includes a number of recommendations for TKPI on further implementation of ESG issues in the selection of external asset managers.

The study was also used as a basis for the article 'ESG integration by asset managers ', by Bert Scholtens and Auke Plantinga of the University of Groningen, as well as van Duuren himself, which won the Sustainalytics Academic Award, an annual prize worth € 3,500 sponsored by Sustainalytics and awarded by the academic network of the PRI. The abstract of the paper is included below.

Abstract

This study analyzes whether and how conventional mutual equity funds integrate environmental, social and governance (ESG) factors into their investment process. This is investigated for 126 funds that are under contract or under research with TKP Investments. I find that the majority of funds have ESG data and staff at their disposal, but they only use it when these factors are likely to have a material influence on financial returns. Usually this is in the case of managing downside risk, translating into avoiding the worst ESG performers. A cross-section regression is used to find out whether 'high ESG' funds are better able to beat their benchmark index than 'low ESG' funds over a 1-year and 3-year period. Indicative evidence is found that high ESG funds performed worse over 2011, but better over the longer 3-year period 2009-2011. So although literature points out that various ESG factors, especially governance, influence returns, there is no unambiguous evidence that this information can be used ex-ante to improve the risk-return profile of an investment portfolio.

Targeted Investments

Impact Investment

As part of our review of impact investment ("II", in this chapter) in 2012 (for details, please see the 2012 Responsible Investment report) it was concluded that Aegon's primary responsibility is to ensure that our assets are managed in such a way that they cover the liabilities we take on as an insurance and pensions company[2]. As such, investments should always be evaluated from a risk & return perspective first.

As a result of these discussions, Aegon and AAM decided to define II as follows: "Direct or indirect investments in businesses, organizations and projects that meet our existing risk and return requirements but also have the intent to create a measurable social or environmental impact". In impact investment terminology, this makes us a "finance first" impact investor.

We have also followed the discussion in the impact investment community about whether II can be classified as an asset class. AAM does not believe that II can be considered an asset class, and is firmly on the "II as an investment approach" side of the discussion.

In view of the above, we have taken the position that II should be integrated with our existing investment platforms and therefore the portfolio managers and analysts covering the different existing asset classes should have responsibility for evaluating potential II opportunities, to determine where they can meet the criteria set out in their investment mandates.

Having said this, we are currently putting in place internal structures, supported by the AAM RI team, that will facilitate further discussion about II.

In addition, we have taken the initiative to establish an informal network of investment specialists at insurance companies (or insurance companies' asset management divisions). This network, called IIII (Insurers' Investors for Impact Investment), will share insights and best practices on II for insurers, will discuss how greater clarity can be created in the II community on how insurance companies invest (with the impact of Solvency II, liability driven investments, focus on fixed income investments, etc.), and will potentially discuss opportunities for cooperation or co-investment. So far four other international insurance companies have committed to participate in IIII and we hope to share more details on this network in our 2014 RI Report.

2. We look at impact investment primarily in the context of general account ("GA") assets: Aegon's proprietary assets that are held as reserves to meet liabilities under life insurance and pension commitments.

Aegon currently holds the following investments that could be classified as impact investments:

Renewable Energy -Solar	AURA has been researching the solar investment tax credit ("Solar ITC") asset class for 2 years and, to date, a small investment has been made in solar ITC through our investments in LIHTC. Solar ITC presents an opportunity for AURA to leverage the expertise, resources, investor clients, and distribution channels that already exist within its LIHTC business. Yields in the near term appear attractive, next to the obvious benefits from further renewable energy sources. In addition to Solar ITC, in November 2013, AAM US invested $10 million in Notes of the first syndicated securitization of residential and commercial solar installations and receivables.
Geothermal	AURA has invested in geothermal tax credits worth approximately $10 million that are imbedded in a much larger LIHTC investment for a new construction site in New Mexico.
Sustainable timber	Since 2002, AURA has invested USD 107 million in the timberland investment program; since then USD 139 million has been distributed and USD 84 million remains invested. Regional investments include all of the key timberland sub-regions of the United States, New Zealand and Brazil. While the current portfolio does not reflect exposure to all major global timberland investment regions, AURA's timberland investment professionals review global investment opportunities on a regular basis and have constructed the timberland portfolio to achieve designated risk objectives. The portfolio includes exposure to both the coniferous and deciduous species groups as well as investment in both plantation and natural forest types. The timberland portfolio exhibited excellent diversification performance for the broader portfolio after the onset of the financial crisis in 2008. 98.5% of the timber holdings is independently certified as 'sustainable' by the Forestry Stewardship Council ('FSC'), Sustainable Forestry Initiative ('SFI') or other. Currently, we expect the exposure for Aegon's GA assets to timberland to decline; however, we are reviewing the possibility of making timberland investments on behalf of third-party clients.
Retirement homes	Kames Capital manages a fund that invests in retirement homes and elderly care facilities in Scotland and Northern England. The fund's assets under management are nearly € 100 million.
Wind power	In the US, we have investments in four wind power projects, a commitment of some € 165 million euros. Together, the projects contain 188 wind turbines that are capable of generating enough electricity for approximately 65,000 homes. They do so with zero greenhouse gas emissions. The same amount of electricity generated from conventional fossil fuel plants would have resulted in the emission of over 500,000 tons of CO_2, 2.5 tons of SO_2 and 1,081 tons of nitrous oxides per year. The primary source of financial return is production tax credits ("PTCs"). The projects generate tax credits for each megawatt hour ("MWh") of electricity produced for the first ten years of the project life. The tax credit rate is indexed to the Consumer Price Index and the current PTC rate is $23 per MWh. Aegon US is not currently generating sufficient taxable income to utilize all the tax credits it has generated. Consequently, no new investments in US wind farms are foreseen for the immediate future. However, AAM NL is evaluating the possibility of making investments in European renewable energy projects.

Green bonds	Aegon Asset Management has been looking at the market for green and sustainable bonds for quite some time. In the last few years we have seen the market for green bonds slowly develop from the initial phase in which there were only a few small bond issues placed with private investors. In 2013 the issuance of green bonds grew strongly with issuance from agency issuers such as the World Bank and the European Investment Bank. These agencies finance a large range of projects of which many qualify as sustainable investments and thus the potential for green bond issuance is substantial. We expect the market for green bonds to grow quickly in coming years as investor demand picks up and more issuers will follow the example of the large agency issuers. Aegon Asset Management currently does not have specific investment mandates from its clients to invest solely in green bonds. But we do have substantial room within our current investment mandates to invest in green bonds issued by agencies and corporates. In order to meet our investment requirements, a green bond should have the same investment characteristics as the regular bonds such as creditworthiness, pricing, liquidity and minimum size. If these requirements are met, we can participate in green bond issuance, as we have done several times in 2013. We will review green bond issuers on a regular basis to ascertain that the projects which are financed with the proceeds of the green bond issuance are in line with our expectations on their impact. The holdings of green bonds at year end 2013 amounted to € 81 million.
Development banks	In the United States, we have investments in fixed income instruments and other bond issued by regional development banks. These banks operate in emerging and lesser developed countries, promoting economic growth and helping reduce poverty. These assets amount to € 73 million.
Affordable housing	AURA, through its Community Investments group, has been investing in Low Income Housing Tax Credits (LIHTC) and Historic Credits for the past 25 years, and has helped to create more than 120,000 units of affordable housing across the country. The LIHTC is a dollar-for-dollar tax credit in the US for affordable housing investments and accounts for approximately 90 percent of all affordable rental housing created in the US today. The tax credits are more attractive than tax deductions as they provide a dollar-for-dollar reduction in a taxpayer's federal income tax, whereas a tax deduction only provides a reduction in taxable income. The portfolio size as of year-end 2013 is approximately € 2.1 billion containing over 280 separate investments. These investments are typically held 10-16 years as the credits flow for 10 years with a remaining 5-year compliance period. This asset class is very attractive to investors for multiple reasons including high yields, low risk, tax planning and stability of earnings while meeting social obligations and objectives. AURA currently holds a 5% market share with active plans to grow that share both in the guaranteed and unguaranteed space for both internal and third-party clients. In the Netherlands AAM NL also invests in affordable housing: almost € 500 million at the end of 2013.

SRI Products

SRI products offer investment funds to (typically) retail clients, with investment strategies that often revolve around exclusions (or negative screening) for a specific ESG issue, or a combination of ESG issues; e.g., companies with poor environmental or human rights records, or companies that are active in the arms or tobacco industries, are excluded from investment consideration.

Increasingly, SRI is now defined as Sustainable and Responsible Investment, in line with the tendency to also build investment strategies around 'positive screening' – investing in companies that, in individual sectors, offer the best sustainability records.

Aegon currently offers a number of SRI products, in the United Kingdom, the Netherlands and Hungary:

Country	Fund	Description
United Kingdom	• Ethical Cautious Managed	Covers UK equities and corporate bonds. Investment is restricted in accordance with the fund's "dark-green" investment criteria.
	• Ethical Corporate Bonds	Covers higher quality sterling corporate bonds. Applies "dark-green" investment criteria.
	• Ethical Equity Fund	Covers UK equities, with a bias toward small and mid cap stocks. Applies "dark-green" investment criteria.
Netherlands	• Aegon Duurzaam Aandelenfonds (Aegon Sustainable Shares Fund)	Covers global equities, applying a range of sustainability criteria. Uses Dow Jones Sustainability Index as benchmark, excluding the following sectors: alcohol, tobacco, gambling, armaments and firearms.
	• Aegon Sustainable World Equity Fund	Covers global equities, applying a range of sustainability criteria. Uses Dow Jones Sustainability Index as benchmark, excluding the following sectors: alcohol, tobacco, gambling, armaments and firearms.
Hungary	• Aegon Climate Change Fund	Covers equities in the developed world. Investments are focused on companies that are active in clean technologies, alternative energy, environmental management and agri-business.

As of December 2013, AAM had nearly € 1.9 billion of assets under management in SRI products. Aegon believes that SRI products are of interest to certain clients in our markets, and we are currently looking at ways to enhance our current SRI product offering.

In addition to the products mentioned above, AAM's joint venture in China, Aegon Industrial Fund Management Company also operates a successful SRI fund with € 684m AuM and a Green fund with € 212m AuM.

Aegon had impact investments in wind farms, solar energy, affordable housing, geothermal and sustainable timber, with a combined value of almost €3 billion.

Appendices

Appendix 1.

Relevant Aegon Policies and Links

Publicly available policies and other documentation	Link
Global Compliance Charter	http://www.aegon.com/Documents/aegon-com/Governance/Governance-documents/Global-Compliance-Charter.pdf?epslanguage=en
Aegon Code of Conduct	http://www.aegon.com/Documents/aegon-com/Governance/Governance-documents/Code-of-Conduct.pdf?epslanguage=en
Aegon Human Rights Policy	http://www.aegon.com/Documents/aegon-com/Sustainable/AEGON-Human-rights-policy.pdf
Aegon N.V. Responsible Investment Policy	http://www.aegon.com/Documents/aegon-com-old/Sustainability/AEGON-N-V-Responsible-Investment-Policy.pdf
Aegon Environmental Policy	http://www.aegon.com/Documents/aegon-com/Sustainable/AEGON-Environmental-policy.pdf
Statement on Diversity and Non-discrimination	http://www.aegon.com/Documents/aegon-com/Governance/Governance-documents/Diversity-Statement.pdf?epslanguage=en
Global Donations Policy	http://www.aegon.com/Documents/aegon-com/Sustainable/AEGON-donations-policy.pdf
Dividend Policy	http://www.aegon.com/en/Home/Investors/Shareholders--AGM/Dividend-Policy/
Shareholder Communications Policy	http://www.aegon.com/Documents/aegon-com/Investors/Share-information/2/Shareholder-communications-policy.pdf
Global Voting Policy	http://www.aegon.com/Documents/aegon-com/Investors/Share-information/2/Global-voting-policy.pdf
Employee Insider Trading Rules	http://www.aegon.com/Documents/aegon-com/Governance/Governance-documents/2/Aegon-Insider-Dealing-Rules-2013.pdf

Appendix 2.
Exclusion List

January 2014

Companies
Aeroteh S.A. (Romania)
Alliant Techsystems Inc. (United States)
Ashot Ashkelon (Israel)
China Aerospace International Holdings (Peoples Republic of China)
China Spacesat (Peoples Republic of China)
Gencorp incorporated (United States)
General Dynamics Corporation (United States)
Hanwha Corporation (South Korea)
Hanwha Chemical Corp (South Korea)
Larsen & Toubro Ltd. (India)
Norinco International Cooperation Ltd. (Peoples Republic of China)
Poongsan Corporation (South Korea)
Poongsang Holdings Corporation (South Korea)
Singapore Technologies Engineering (Singapore)
Textron (United States)

Countries
(Government Bonds and Other Government Debt)
Belarus
Burma
Democratic Republic of Congo
Eritrea
Guinea (-Conakry)
Iran
North Korea
Somalia
Sudan
South Sudan
Syria
Zimbabwe

Appendix 3.

AAM Units' RI & Voting Reports

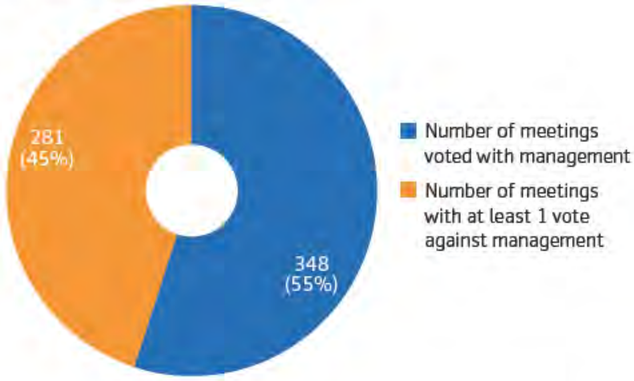
AAM unit	Report link
TKP Investments	http://www.tkpinvestments.com/multi-manager-beleggingen/verantwoord-beleggen/stemrapportage
Kames Capital (Responsible Investment documents including engagement & voting)	http://www.kamescapital.com/corporateresponsibility.aspx
Aegon Investment Management AIM (in Dutch)	http://www.aegon.nl/overaegon/organisatie/stemverslagen/

Appendix 4.

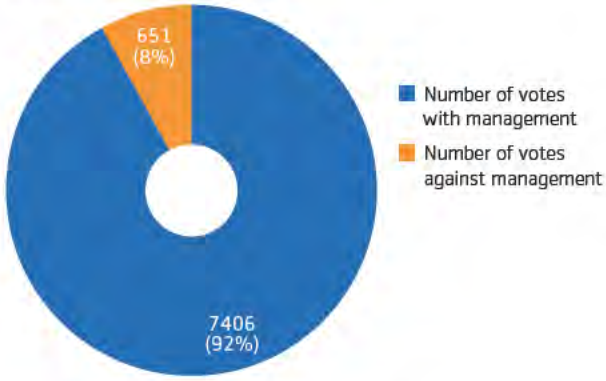
Voting Report
Aegon Investment Management B.V

This appendix shows how Aegon Investment Management B.V. voted in 2013.

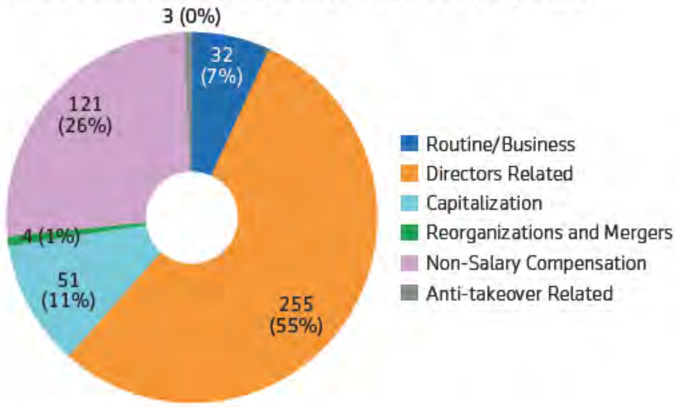
Meetings in 2013



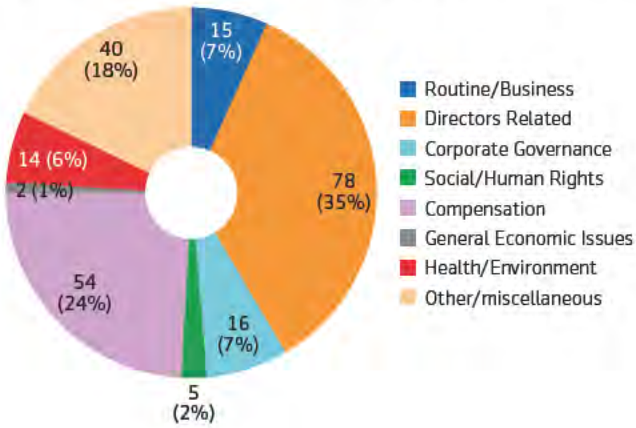
Votes cast in 2013



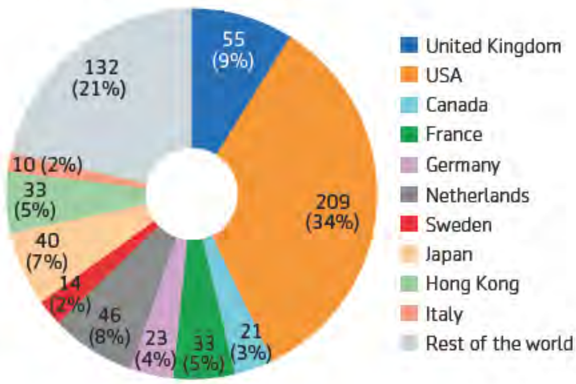
Break-down of votes against Management Proposals



Break-down of votes on supported Shareholder Proposals

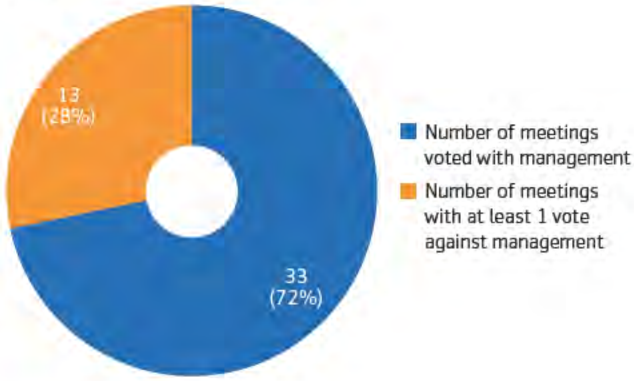


Meetings voted per Country

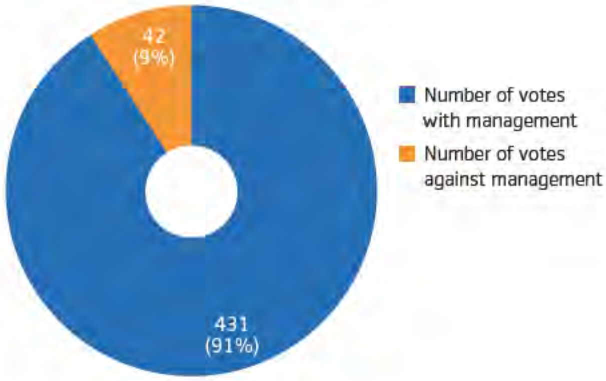


AIM B.V. votes specified for Dutch meetings:

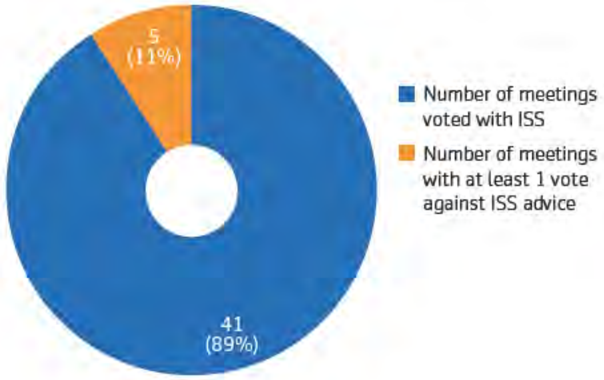
Dutch meetings in 2013



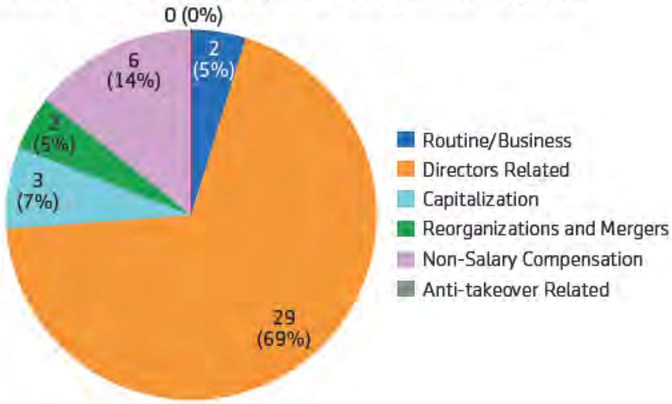
Votes Dutch meetings cast in 2013



Meetings with/against advice proxy-advisor



Break-down of votes against Management Proposals



Shareholders did not submit any proposals at the Dutch meetings we voted on in 2013.

Appendix 5.

Cooperation and Collaborative bodies

Organization	Commitment
United Nations Principles for Responsible Investment	AAM became a signatory to the UNPRI in February 2011. Kames Capital, AAM's asset management business in the United Kingdom has been a signatory since 2008. Membership commits AAM to the UNPRI's six principles for responsible investment, and reporting annually on progress towards implementing them. www.unpri.org
United Nations Declaration of Human Rights	AEGON's Human Rights policy states that the company's "business activities are guided by the UN Declaration of Human Rights," as well as core standards of the International Labor Organization and the principles on human rights and labor standards set out in the UN Global Compact. www.un.org/en/documents/udhr/
International Labor Organization	www.ilo.org
United Nations Global Compact	www.unglobalcompact.org
Carbon Disclosure Project	Aegon has been a member of the Carbon Disclosure Project since 2009. The Carbon Disclosure Project encourages companies to be more open about their greenhouse gas emissions. Investors signing up to the project manage assets worth approximately USD 71 trillion. www.cdproject.net
Extractive Industries Transparency Initiative	AAM's Kames Capital is a member of the Extractive Industry Transparency Initiative, which aims to improve governance in the global oil, gas and minerals sector. www.eiti.org
Global Reporting Initiative	Aegon is an Organizational Stakeholder of the Global Reporting Initiative, which sets guidelines and standards for sustainability and non-financial reporting. www.globalreporting.org
International Integrated Reporting Council	Aegon is currently participating in a pilot project organized by the IIRC to develop guidelines for integrated reporting. www.theiirc.org
Global Coalition on Aging	In 2010, Aegon became a founding member of the Global Coalition on Aging, which seeks to raise awareness of aging issues among policymakers and the general public. www.globalcoalitiononaging.com
Association of British Insurers	Aegon UK collaborates closely with Association of British Insurers. The ABI is the voice of insurance, representing the general insurance, investment and long-term savings industry. It was formed in 1985 to represent the whole of the industry and today has over 300 members, accounting for some 90% of premiums in the UK. www.abi.org.uk
Dutch Association of Investors for Sustainable Development	AAM is a member of the Dutch Association of Investors for Sustainable Development (VBDO) which represents the interests of institutional and private investors in the Netherlands who wish to contribute to sustainable development. www.vbdo.nl

Organization	Commitment
Eumedion	AAM is an active member of Eumedion which is a forum for corporate governance and sustainability in the Netherlands and represents institutional investors' interests in these fields. www.eumedion.nl
United Nations Environment Program Finance Initiative Principles for Sustainable Insurance	Aegon is a founding signatory of the UNEP-FI Principles for Sustainable Insurance (PSI) that were launched in June 2011. Signatories of the PSI strive for the integration of ESG considerations in their primary business processes and their interactions with stakeholders. http://www.unepfi.org/psi/
Global Real Estate Sustainability Benchmark	GRESB is an industry-driven organization committed to assessing the sustainability performance of real estate portfolios (public, private and direct) around the globe. Aegon and AAM joined GRESB in 2013. www.gresb.com
Global Impact Investment Network	Aegon is a founding Network Member of the Global Impact Investing Network (GIIN). GIIN is a nonprofit organization dedicated to increasing the effectiveness of impact investing. www.thegiin.org

Disclaimer

Forward-looking statements

The statements contained in this document that are not historical facts are forward-looking statements as defined in the US Private Securities Litigation Reform Act of 1995. The following are words that identify such forward-looking statements: aim, believe, estimate, target, intend, may, expect, anticipate, predict, project, counting on, plan, continue, want, forecast, goal, should, would, is confident, will, and similar expressions as they relate to Aegon. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Aegon undertakes no obligation to publicly update or revise any forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which merely reflect company expectations at the time of writing. Actual results may differ materially from expectations conveyed in forward-looking statements due to changes caused by various risks and uncertainties. Such risks and uncertainties include but are not limited to the following:

- Changes in general economic conditions, particularly in the United States, the Netherlands and the United Kingdom.
- Changes in the performance of financial markets, including emerging markets, such as with regard to:
  - The frequency and severity of defaults by issuers in Aegon's fixed income investment portfolios; and
  - The effects of corporate bankruptcies and/or accounting restatements on the financial markets and the resulting decline in the value of equity and debt securities Aegon holds;
  - The effects of declining creditworthiness of certain private sector securities and the resulting decline in the value of sovereign exposure that Aegon holds.
- Changes in the performance of Aegon's investment portfolio and decline in ratings of the company's counterparties.
- Consequences of a potential (partial) break-up of the euro.
- The frequency and severity of insured loss events.
- Changes affecting mortality, morbidity, persistence and other factors that may impact the profitability of Aegon's insurance products.
- Reinsurers to whom Aegon has ceded significant underwriting risks may fail to meet their obligations.
- Changes affecting interest rate levels and continuing low or rapidly changing interest rate levels; changes affecting currency exchange rates, in particular the EUR/USD and EUR/GBP exchange rates.
- Changes in the availability of, and costs associated with, liquidity sources such as bank and capital markets funding, as well as conditions in the credit markets in general such as changes in borrower and counterparty creditworthiness.
- Increasing levels of competition in the United States, the Netherlands, the United Kingdom and emerging markets.
- Changes in laws and regulations, particularly those affecting Aegon's operations, ability to hire and retain key personnel, the products the company sells, and the attractiveness of certain products to its consumers.
- Regulatory changes relating to the insurance industry in the jurisdictions in which Aegon operates.
- Acts of God, acts of terrorism, acts of war and pandemics.
- Changes in the policies of central banks and/or governments.
- Lowering of one or more of Aegon's debt ratings issued by recognized rating organizations and the adverse impact such action may have on the company's ability to raise capital and on its liquidity and financial condition.
- Lowering of one or more of insurer financial strength ratings of Aegon's insurance subsidiaries and the adverse impact such action may have on the premium writings, policy retention, profitability of its insurance subsidiaries and liquidity.
- The effect of the European Union's Solvency II requirements and other regulations in other jurisdictions affecting the capital Aegon is required to maintain.
- Litigation or regulatory action that could require Aegon to pay significant damages or change the way the company does business.
- As Aegon's operations support complex transactions and are highly dependent on the proper functioning of information technology, a computer system failure or security breach may disrupt the company's business, damage its reputation and adversely affect its results of operations, financial condition and cash flows.
- Customer responsiveness to both new products and distribution channels.

- Competitive, legal, regulatory, or tax changes that affect profitability, the distribution cost of or demand for Aegon's products.
- Changes in accounting regulations and policies may affect Aegon's reported results and shareholder's equity.
- The impact of acquisitions and divestitures, restructurings, product withdrawals and other unusual items, including Aegon's ability to integrate acquisitions and to obtain the anticipated results and synergies from acquisitions.
- Catastrophic events, either manmade or by nature, could result in material losses and significantly interrupt Aegon's business; and
- Aegon's failure to achieve anticipated levels of earnings or operational efficiencies as well as other cost saving initiatives.

Further details of potential risks and uncertainties affecting the company are described in the company's filings with NYSE Euronext Amsterdam and the US Securities and Exchange Commission, including the Annual Report. These forward-looking statements speak only as of the date of this document. Except as required by any applicable law or regulation, the company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Contact

Aegon and AAM welcome feedback on both the content of this report and the company's overall performance in the area of RI.

If you wish to contact us directly, our address is:

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Interns

Over the last few years, we have been fortunate to work with a number of very talented interns, who have helped us implement substantial parts of our RI Framework.

Without their help we would certainly not be where we are today in terms of realization of this Framework so we would like to acknowledge them in this report and thank them for their contributions.

Harald Walkate

Jelena Stamenkova-Van Rumpt
Paola Gutierrez Watts
Anny Tsai-Hsuan Chou
Faylynn Wang
Alina Pavlova
Manika Bansal
Lampros Romanos
Emiel van Duuren

Responsible Investments in 10 steps

Pension funds can develop an approach to responsible investment (RI), even without large RI teams or budgets. Many of the RI activities can be performed by the pension fund board, the pension fund management company, or by the external asset manager. Asset managers can contribute by advising on RI and ESG (environmental, social, governance) themes.

1. Gain an understanding of relevant RI themes through dialogue with beneficiaries and other stakeholders (employees, regulators, peers).
2. Allocate specific responsibility for RI to one board member or trustee; create a RI Committee.
3. Develop (or update) your RI policy based on the input from the beneficiaries and other stakeholders; reference internationally accepted standards like the UN Global Compact, OECD guidelines, Ruggie Framework.
4. From a reputational point of view, determine categories of activities that the pension fund does not want to be associated with (e.g. controversial weapons, tabacco, alcohol, countries that breach human rights). Obtain advice from your asset manager or a specialized ESG firm. Update the exclusions list once a year.
5. Ask your asset manager about their engagement dialogues on ESG with the companies they invest in on your behalf. You can also consider setting up an engagement program specifically for your fund. Specialized firms and some asset managers can provide this service.

AAM NL and TKPI developed this 'conversation starter' document in 2013. It is used in discussions with pension funds and other clients about responsible investment.

6. Ask your asset manager whether they vote on the shares they hold for your pension fund; you can also consider setting up a proxy voting program specifically for your fund. Proxy advisory firms and some asset managers will provide this service.
7. Ask your asset manager to what extent they have incorporated ESG (environmental, social, governance) factors in their investment analysis and decision-making. Check if they are signatories to the Principles for Responsible Investment or similar standards and request a copy of relevant reporting.
8. Ask your asset manager what options there are to invest in investments that meet your risk & return criteria but also have a social or environmental 'impact' (e.g. renewable energy, microfinance, affordable housing, green bonds). Consider investing in specific SRI (sustainable and responsible investment) funds, for example those that track a sustainable index.
9. You can cooperate with other asset owners and asset managers. Organizations like your local SIF (social investment forum) and the Principles for Responsible Investment (PRI) offer suitable platforms for this.
10. Report on sustainability and RI in your annual report, describing the activities listed above. Ask your asset manager to provide input.

www.aegonassetmanagement.com

1401241 May 2014

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