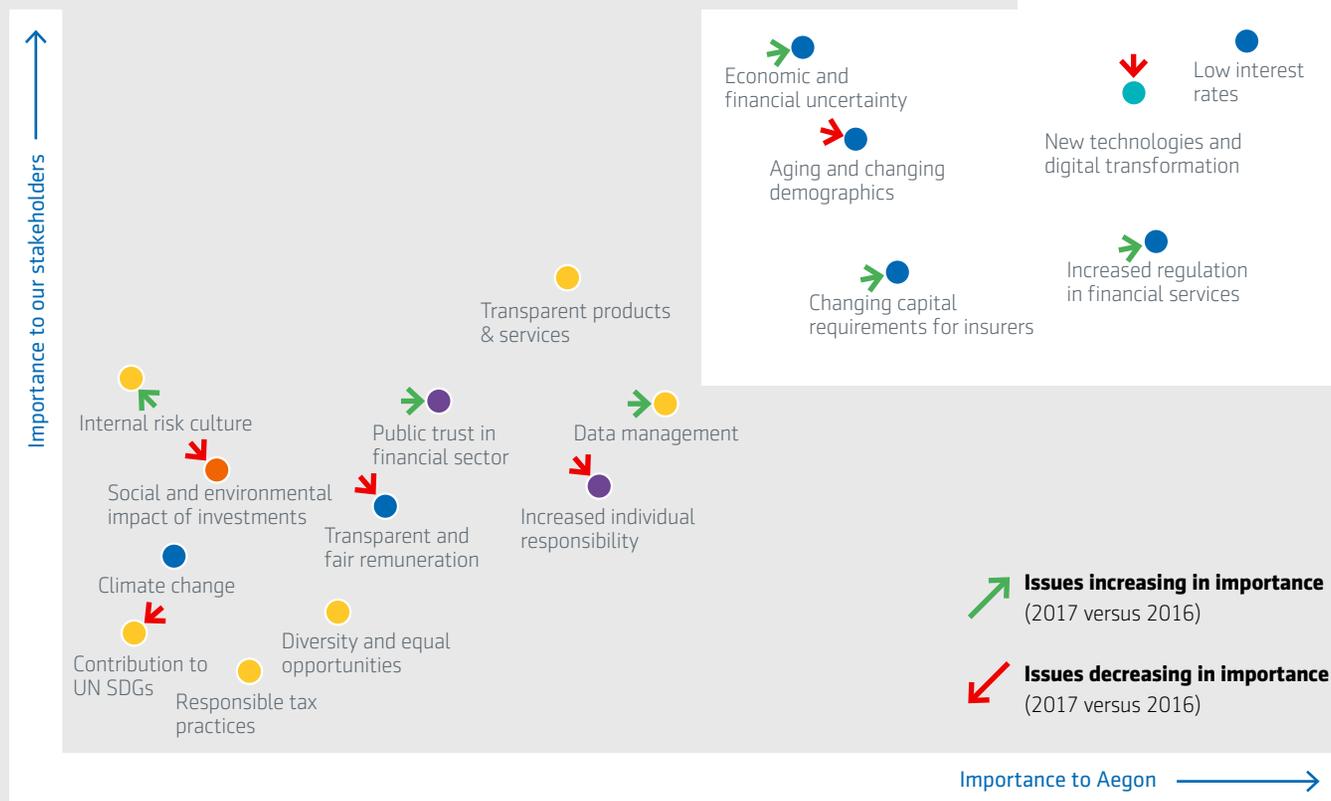


Every year, we carry out a materiality assessment. This helps us identify the issues that have the most impact on our business, profitability and reputation.

To conduct our materiality assessment, we look first at the main economic, financial, regulatory, climate-related and social factors affecting our environment. We survey both our own senior management and a cross-section of our stakeholders to determine which of these factors are the most important, or most *material*. The results are plotted on a materiality matrix (below) and fed into our reporting and strategy processes. Last year's survey took place in January/February 2017. This assessment helps with strategy implementation, and ensures we

continue to respond quickly to social and economic change. The exercise gave us five material issues: low interest rates, the advance of new technologies, aging populations, economic and financial uncertainty and tighter regulations (including changing capital requirements; we decided to combine these two issues). Over the next several pages, we'll look at how these five issues will affect our business, the risks and opportunities they'll bring and the actions we're taking.

Materiality matrix



Ability to control or influence

As part of our materiality assessment, we also look at our ability to control or influence the economic, social or regulatory issues affecting our business. In each case, we assess our impact – whether decisions we take can directly affect the underlying issue. It's clear that some lie within our control, such as our internal risk culture. Others – like interest rates or regulation – we have very little or no *direct* influence, but can manage, or mitigate, the effect on both our business and our stakeholders.

- Direct control** (Yellow dot): Issue is entirely within the company's control.
- Shared control** (Cyan dot): Control of the issue is shared with, or exercised through, another company, organization or third party.
- Strong influence** (Orange dot): Company has ability to influence the issue within its own businesses and value chain.
- Some influence** (Purple dot): Company has ability to influence, but only within its own businesses (not its wider value chain).
- No influence** (Blue dot): Company has little or no meaningful control or influence over the issue.

Materiality is an important concept in integrated and sustainability reporting. It helps ensure that this report reflects Aegon's main economic, environmental and social impacts, as well as those issues most likely to impact the company's stakeholders. The materiality assessment is an integral part of Aegon's strategy review cycle, which begins in the first quarter and runs through to the end of each year.