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1 Corporate sustainability rooted in our purpose

At Degroof Petercam, creating responsible prosperity is engrained in our purpose, rooted in the past and at the basis of our future action. Prosperity refers to the creation of financial wealth and to direct and indirect value creation, all of which are at the core of our activities. Yet it also refers to overall welfare and, as a result, a state of collective well-being. Since our inception in 1871, this ambition has been carried out by family shareholders for the benefit of an increasing number of stakeholders.

We have an inclusive mindset. Our footprint goes beyond profit. We care about the environment, social values and sound governance. As a pioneer, we have integrated these ESG considerations in our offering. Our decisions are guided by their impact on different stakeholders. To have a positive impact on inclusion and diversity, we aim to create a responsible environment for the individual and diverse talents at Degroof Petercam.

As a responsible group, we have the ambition to make a mark and have an overall positive impact when it comes to contributing to a sustainable future for society. We are in this for the long run and look for sustainable solutions, lasting across generations.

ESG challenges represent a unique opportunity to prepare a better and more sustainable future for everyone. We believe that the private sector and companies like ours have a crucial role to play in

implementing and promoting these objectives.

For this reason, we are determined to make our voice heard and promote change through our daily actions and the influence we can have on our stakeholders. All our teams, regardless of their jobs and locations, are driven by the same sense of purpose:

We create responsible prosperity for all by opening doors to opportunities and accompanying our clients with expertise.

Expertise is the essence of our DNA and is embodied by talented and entrepreneurial professionals who are passionate about what they do. They are driven by integrity and professionalism. They combine skills with understanding of where our clients and society are moving. Entrepreneurship is our engine; expertise is our fuel.

We accompany our clients, stand at their side to establish a strong and durable partnership, based on reliability, transparency and mutual knowledge. As their trusted companion, our clients can count on us

to guide them in reaching major milestones in their private, business or asset lifecycle.

We pursue excellence by delivering value through our expertise and services. Via our Private Banking, Asset Management (DPAM), Asset Services (DPAS) and Investment Banking (Corporate Finance and Global Markets) activities, we share our forward view with our clients and draw their attention to the impact of their decisions. Together, we create sustainable solutions that empower them to realize their ambitions. We envision these solutions with business acumen and integrity, keeping in mind the broader context.

We have the spirit to move forward, to turn innovative ideas into action. This implies being accountable to deliver tangible results and aiming to exceed expectations. We are determined to combine financial and sustainable goals to create added value for all our stakeholders.

The intrinsic values of the E.T.H.I.C. policy followed by our group, whose name represents the acronym for Excelling, Teaming-up, Humane, Intrapreneurial and Client-centric, reinforce the many initiatives taken within our organization in recent years.

Engagement



× 9,697

Participation of DPAM in a total of **683** general and extraordinary meetings for a total of **9,697** resolutions



Engagement of DPAM in **600** companies in which we have made our voice heard

Environment



100% green and renewable electricity purchased at group level



Carbon neutrality of our data centers



Involved with green electricity generation projects leading to annual production of **260 GWh**, which corresponds to the requirements of about **65,000** households

People & Society



24 different nationalities in the group



700 hours devoted to training in the field of health and safety



1,500+ employees trained and signed up to the Code of Ethics and Business Conduct



6 internal ESG experts



34 sustainable fund managers



2,200 days of corporate volunteering

2 At a glance

2.1 2021 sustainability highlights

Client assets



29% increase in assets under management invested in ESG and sustainable strategies at DPAM



84% of DPAM's assets under management are Article 8 and 9 products



91% of private banking discretionary mandates are Article 8 products

Responsible investing and banking



20-year anniversary of our first sustainable investment strategy



2021 signatory of the UN PRB



Top highest **A+** score of DPAM by the UN PRI since 2017



6 internal ESG experts



34 sustainable fund managers

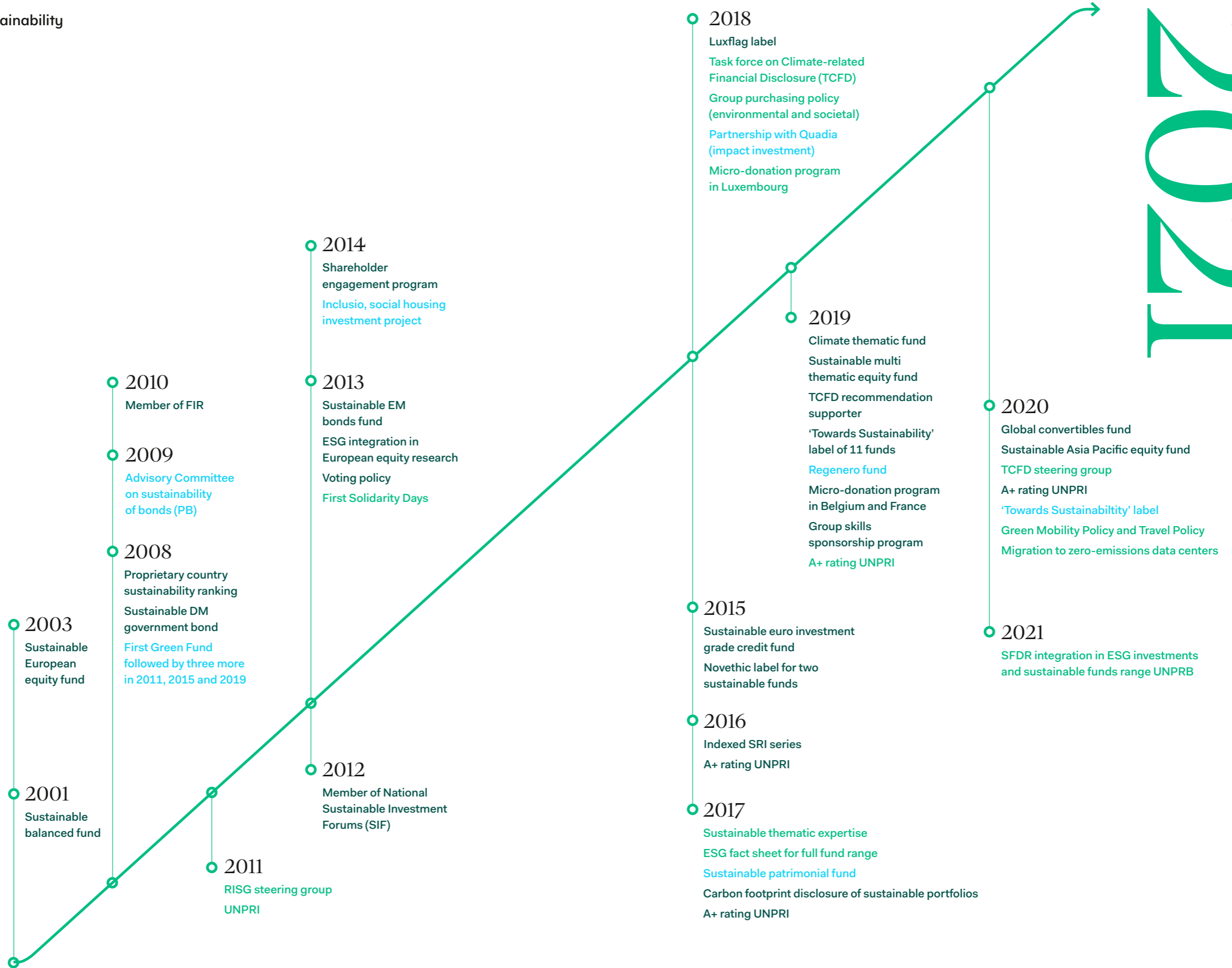


2,200 days of corporate volunteering

2.2 20-year history in sustainability

- Group
- DPAM
- Private Banking

2001



2021

2.3 Context of the report

This sustainability report reflects our unwavering commitment to our colleagues, our clients, our shareholders, our partners, the communities in which we operate and the planet we all share.

It describes how we address corporate sustainability and our Sustainable Finance journey across our activities and as a company. We share Degroof Petercam's main activities relating to sustainable development, the policies and guidelines we observe, and the governance we have adopted, and we take the pulse on progress made and on improvements to be considered. Risk management aspects are detailed in a separate dedicated risk report.

This report, prepared by Bank Degroof Petercam sa|nv, consolidates the non-financial information of the Belgian parent company.

In this report, unless explicitly stated otherwise, the term 'Degroof Petercam' refers to both the legal entity Bank Degroof Petercam sa|nv and the group of companies for which it is the umbrella structure. Through this report, the distinction between DPAM and Bank Degroof Petercam is indicated when describing sustainability considerations and measures taken that concern them respectively.

Unless indicated otherwise, this report covers information for the financial year ending 31 December 2021. The content has been reviewed and approved by Corporate Sustainability Steering Group, the Non-Financial Risk Committee, as well as the management board and board of directors and our external auditor. For consistency reasons, this report follows the same internal materiality exercise as used in the previous

year's report, which was based on extensive desk research and a series of interviews with key decision-makers within our organization. Several material aspects identified coincided with those of the main players in the Belgian financial sector and relate to our clients, people and society at large, the environment and our governance.

Degroof Petercam plans to further professionalize its materiality process by conducting a materiality assessment in 2022 with a broader stakeholder basis to assess and explain why issues are material from the 'impact' (stakeholder) perspective and/or from the 'financial' perspective. This and evidence-based systematic assessment will not only make it possible to make sound materiality judgements for our annual reporting, but will also be used for our strategic planning, budget allocation, risk management and the setting of concrete objectives and KPIs on topics relevant to stakeholders.

The materiality process will take into account the regulatory framework of the European Financial Reporting Advisory Group (EFRAG), which is expected to release the first draft of the standard on double materiality assessment by Q2 2022.

This report is presented in accordance with the Law of 3 September 2017 on the publication of non-financial information and information related to diversity by certain large companies and groups, published in the Belgian Official Gazette on 11 September 2017. This law amends Article 119 of the Belgian Companies Code by requiring the publication of material information relating to a company's activities, policies and due diligence in environmental, social

and personnel matters, respect for human rights, and the fight against corruption and bribery. Paragraph 2 of this article allows parent companies to prepare this consolidated non-financial statement as a separate report.

Adopted by the EU body on 27 November 2019, the Sustainable Finance Disclosure Regulation (SFDR) requires taking into account, when providing investment advice or portfolio management services, the positive and negative impacts on sustainability by its investment decisions or recommendations. This impact assessment, also called Principal Adverse Impact Indicators (PAIs), has to be reported based on a defined framework. However, as the Regulatory Technical Standards (RTS) on the SFDR regulation detailing these specific reporting requirements were postponed in 2021 and thus not yet applicable at the time of the publication of this report, no specific details on these PAIs are mentioned for now.

The Taxonomy Disclosure Delegated Act (Commission Delegated Regulation (EU) 2021/2178 (adopted on 6 July 2021)) provides for financial and non-financial undertakings to publish information on the Taxonomy alignment of their activities or their exposure to these activities. As the Taxonomy implementation is currently still ongoing and no reliable market data is available at the time of the publication of this report, no specific details on this are mentioned for now.

Beyond the regulatory requirements, this report also reflects Degroof Petercam's values, which are based on the conviction that we practice what we preach. Sustainability is embedded in our purpose and in our decision-making processes when we provide financial services to our clients.



“The sustainability journey we started 20 years ago has only strengthened my conviction that a sustainable societal approach and long-term financial performance go hand in hand.”

Hilde De Jaeger, Head of Institutional Sales Mandates Belgium (DPAM)

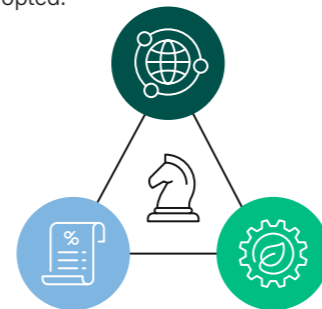
3 Strategy

3.1 Introduction

Historically, DPAM, our dedicated entity for institutional asset management, initiated its roadmap towards excellence in terms of sustainable and responsible investments in 2001. While these 20 years of in-depth experience have led to thought leadership in Responsible Investment and a vanguard position in the asset management industry, we initiated a 'step-up' exercise at group and private banking level a couple of years ago. Our objective is to have sustainability integrated throughout our entire company, not only in our investment solutions but also in our operations, risk management, governance and talent management.

We promote a step-by-step and integrated approach, with clear priorities and the room for nuance, research, discussion and learning from our efforts. To set the next step and to further define and support our strategy, implement measurement systems and define KPIs, we opted:

- to **commit to external frameworks** allowing us to place our numerous existing initiatives into a broader framework
- to **implement strong governance and policies** to improve alignment within our group, leveraging on the knowledge and governance bodies already in place
- to continue **to invest in sustainability research**, both proprietary and external via data providers and strong connections with academic and specialized external boards and institutions



3.2 Commitments

As a long-term, responsible private bank and asset manager, we are in a unique position to enhance our investment process through specific commitments. They allow us to constructively engage with our investees, facilitate the energy transition, and inspire us to champion a sustainable future. We rely on a step-by-step, 'learning-by-doing' approach. We

not only disclose our efforts and reveal our progress on this journey, but we also make sure to acknowledge areas for future improvement.

3.2.1 DPAM

DPAM has been a signatory of the **Principles for Responsible Investment (UN PRI)** sponsored by the United Nations since September 2011. These Principles were developed by investors, for investors. By adhering to these principles, DPAM commits itself to adopting and implementing the six principles.

- **Principle 1:** to incorporate ESG issues into investment analysis and decision-making processes
- **Principle 2:** to be active owners and incorporate ESG issues into our ownership policies and practices
- **Principle 3:** to seek appropriate disclosure on ESG issues by the entities in which we invest
- **Principle 4:** to promote acceptance and implementation of the Principles within the investment industry
- **Principle 5:** to work together to enhance our effectiveness in implementing the Principles
- **Principle 6:** to report on our activities and progress towards implementing the Principles

In 2018, DPAM became a signatory of the **Task Force on Climate-related Financial Disclosures (TCFD)** as set out by the Financial Stability Board to actively promote thorough investment-, credit-, and insurance-underwriting decisions. The recommendations represent a voluntary, consistent, accessible and international framework to report on/disclose climate-related financial risk and improve risk management and opportunity identification. The implementation of the TCFD principles is a multi-year process. The TCFD process started in 2019 and the framework consists of four pillars:

- **Governance:** board oversight and the role of management
- **Strategy:** process of risk identification and its link with asset allocation and performance assessment, as well as the use of scenario analysis to assess the resilience of an investment strategy
- **Risk Management:** risk materiality assessment, data identification and use, risk measurement and prioritization
- **Metrics & targets:** use of metrics to understand and manage risks and opportunities

As part of this engagement, DPAM published its first TCFD report 2019, which describes our approach to managing climate-related risk (i.e. identifying, integrating and mitigating) and seizing opportunities (i.e. supporting the transition and financing solutions).

With regards to **Sustainable Investing**, DPAM has a threefold commitment:

1. **To uphold fundamental rights** as per the Global Standards, i.e. UN Global Compact, ILO instruments, OECD Multinational Enterprises (MNE) Guidelines, UNGPs and Underlying Conventions and Treaties. The Global Standards aim to uphold four fundamental principles: defend human rights, defend labor rights, prevent corruption and protect the environment.

Drawing on specialized and independent research, companies can be categorized as compliant, non-compliant or put on a watch list.

2. **To avoid controversial activities** that may affect reputation, long-term growth and investments. Several controversial sectors are excluded from the investment universe for our sustainable funds. Other controversial sectors or business activities are not specifically excluded from inception but are covered by our Controversial Activities Policy, which can result in the exclusion of business activities. This policy has a broad scope and covers all assets managed by DPAM with different degrees of implementation according to the level of sustainability (promoting environmental/social characteristics or sustainable objectives or not taking into account ESG factors).
3. **To be a responsible stakeholder.** In this context, DPAM engages in collaborative and dynamic global networks that guide/help it to gain a better understanding and knowledge of the challenges and opportunities associated with responsible investing and foster best practices.

Sustainable Investing | DPAM's commitment

Defend fundamental rights	Defend human rights and labor rights, prevent corruption and protect the environment
Avoid controversial activities	No financing of suspicious activities
	Avoid controversies that affect reputation, long-term growth and investments
	Clear engagement and policy on controversial issues
Be a responsible stakeholder	Bring sustainable solutions to ESG challenges
	Engage with companies, promote best practices and improvements

3.2.2 Bank Degroof Petercam

At group-level, Degroof Petercam signed the **United Nations Principles for Responsible Banking (UN PRB)** in December of 2021. The Principles provide a single framework for a sustainable banking industry developed through a partnership between banks worldwide and the United Nations Environment Programme Finance Initiative (UNEP FI).

Under the Principles, signatory banks measure the environmental and social impact resulting from their business activities, set and implement targets where they have the most significant impact, and regularly report publicly on their progress.

- **Principle 1: Alignment**
To align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in **the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks**
- **Principle 2: Impact & Target Setting**
To continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts
- **Principle 3: Clients & Customers**
To work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations
- **Principle 4: Stakeholders**
To proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals
- **Principle 5: Governance & Culture**
To implement our commitment to these Principles through effective governance and a culture of responsible banking
- **Principle 6: Transparency & Accountability**
To periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals

In addition to the steps listed above, within four years of becoming a signatory, this means that Degroof Petercam also has the obligation to fully implement:

1. an impact analysis which identifies where it has significant (potential) positive and negative impacts on society, the environment and the economy. Then identify where Degroof Petercam can realize the greatest positive impacts and reduce significant negative impacts
2. target-setting with specific, measurable (quantitative or qualitative), achievable, relevant and time-bound targets that address the significant impacts your bank has identified, and work towards achieving them
3. accountability in the existing reporting describing how Degroof Petercam is implementing the Principles and providing an assessment of the progress we are making

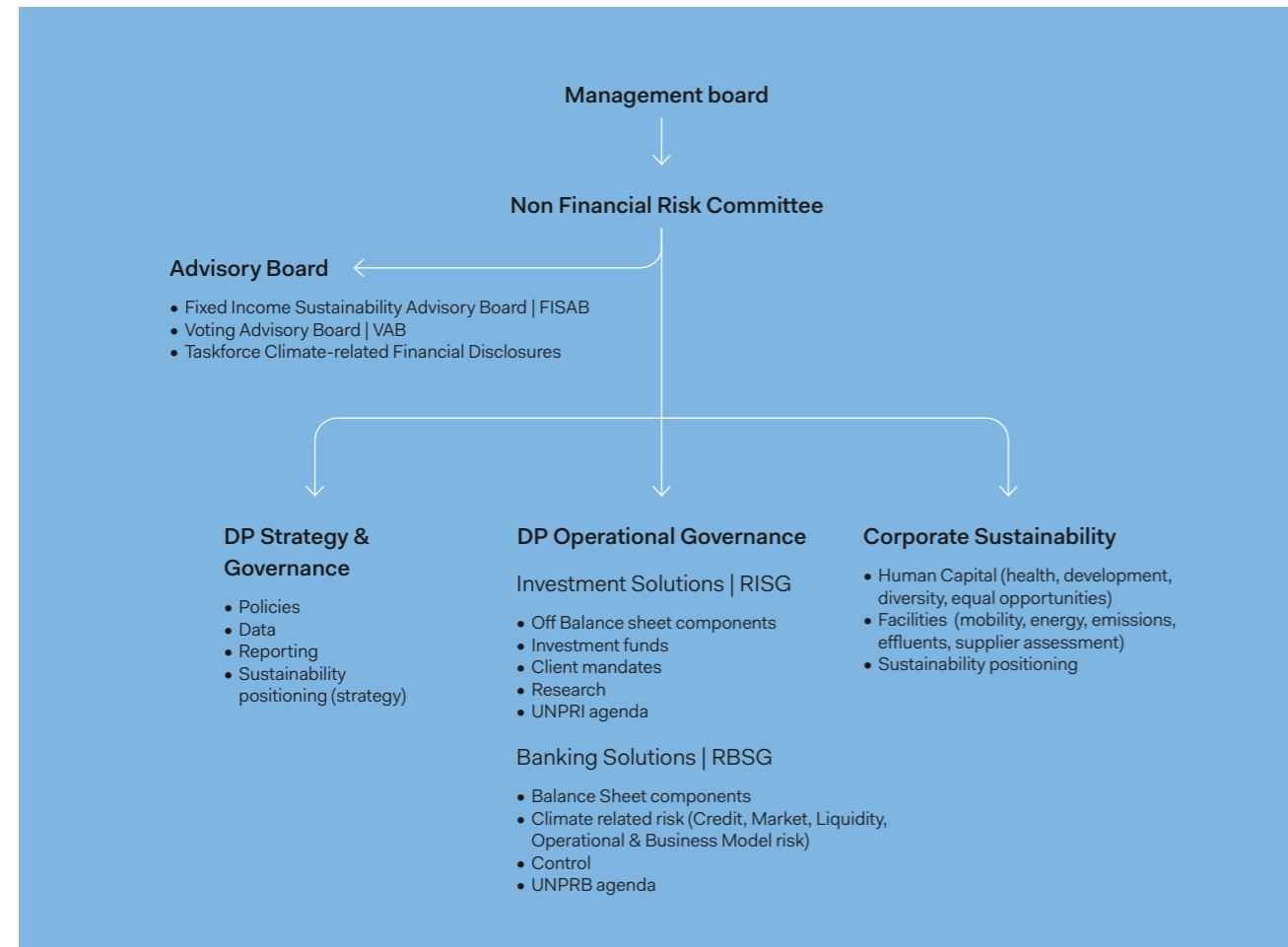
3.3 Governance and Policies

3.3.1 Governance at group level

Following the signing of the UNPRB at the end of 2021, an in-depth internal exercise was carried out to further professionalize the governance bodies at group level, whereby

- sustainability was embedded as much as possible in existing formal governance bodies
- existing bodies were extended to leverage DPAM's proven track record in ESG and integrate banking specificities
- new bodies have been established
- a Group Sustainability Manager has been appointed

The new governance will officially take effect in the first quarter of 2022 and is organized as follows.



In the governance model, three central steering groups are managing and monitoring a different aspect of sustainability.

I. Sustainability Strategy and Governance

This steering group meets bi-monthly and focuses on the strategic sustainability position, policy development and follow-up, data management and reporting.

II. Sustainability Operational Governance

This steering group focuses on the implementation of sustainable finance in the business activities: client assets, investment funds, UN commitments and climate. The group is composed of two steering groups: RISG (Responsible Investment Steering Group) and RBSG (Responsible Banking Steering Group), depending on whether they deal with investment solutions or banking services.

Responsible Investment Steering Group

The Responsible Investment Steering Group oversees the implementation of DPAM's mission statement regarding Responsible Investment. Its objective is to reflect on ESG challenges and to ensure that DPAM's approach, methodology, processes, products and services remain transparent and consistent. It also ensures that DPAM's approaches and processes in terms of responsible investment are in line with the six Principles (PRI) established by the United Nations. The RISG

meets every month and is chaired by the CEO of DPAM. Non-DPAM staff members are invited to join the RISG to extend the scope of action to all Responsible Investment aspects of the group.

Responsible Banking Steering Group

In analogy to the RISG, which is responsible for integrating sustainability aspects into the group's investment activities, a Responsible Banking Steering Group (RBSG) was set up early 2022. It oversees the following aspects: balance sheet components, climate-related risk (credit, market, liquidity, operational & business model risk), control and the follow-up of the UNPRB agenda. This steering group meets monthly and is chaired by the head of regulatory coordination of the group.

III. Corporate Sustainability

This steering group meets monthly and focuses on sustainability aspects at group level, whether on HR matters (Health, Training and Development, Diversity and Inclusion, Equal Opportunities), practical facilities (mobility, energy and waste management, CO₂ emissions), or the implementation of the overall sustainability positioning of the group.

These steering groups have a direct reporting line to the existing official **Non-Financial Risk Committee**, a delegated committee of the **management board**. It meets monthly and is chaired by the Chief Risk Officer.

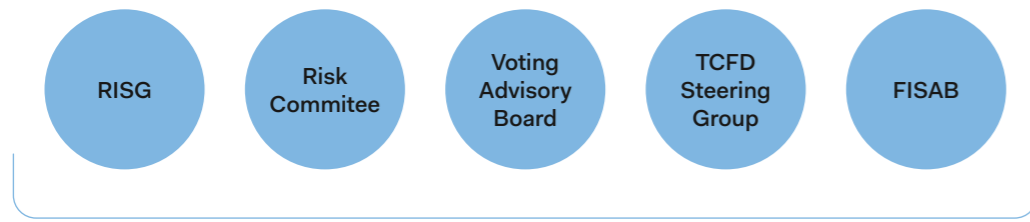
The CEO reports to the Board of Directors on both assessing and managing the Sustainable Finance agenda, including climate-related risks and opportunities.

The governance is complemented by three advisory boards, consisting of both internal professionals and external specialists, who provide additional knowledge on specialized topics.

3.3.2 Governance at DPAM

The day-to-day management of ESG is conducted by the **Responsible Investment Competence Center**, the RICC. The Center comprises four responsible investment specialists and is led by the responsible investment strategist. The center oversees all initiatives, methodologies and projects related to ESG aspects of the investment process and works closely with the different areas of expertise: equity, bond and credit research and management. It also ensures that the actions taken by the different governance bodies working on responsible investment policies are aligned.

To manage DPAM's Responsible Investments processes, DPAM operates via five steering bodies, dedicated to sustainability and ESG matters.



I. Responsible Investment Steering Group

The Responsible Investment Steering Group (RISG) oversees the implementation of DPAM's mission statement regarding Responsible Investment. Its objective is to reflect on ESG challenges and to ensure that DPAM's approach, methodology, processes, products and services remain transparent and consistent. It also ensures that DPAM's approaches and processes in terms of responsible investment are in line with the six Principles (PRI) established by the United Nations. The RISG meets every month and is chaired by the CEO of DPAM.

Non-DPAM staff members are invited to join the RISG to extend the scope of action to all Responsible Investment aspects of the group, particularly the off-balance sheet components, investment funds, institutional client mandates, research and monitoring of the UNPRI agenda.

II. Risk Committee

As of 2022, DPAM's Risk Committee emanating from the board of directors, has also been entrusted with carrying out the systematic review of the ESG risks linked to our investments across the environmental, social and governance aspects. It meets quarterly, is composed of four board members of DPAM, and is chaired by an independent board member of DPAM.

III. Voting Advisory Board

The Voting Advisory Board (VAB) is responsible for the strategic framework of responsible ownership applied to all DPAM funds and discretionary portfolio management mandates whose clients have expressly delegated the exercise of their voting rights to DPAM. The role of the VAB is:

1. to ensure that the voting policy is accurate and complies with legal and regulatory requirements and corporate governance developments
2. to ensure proper implementation of the voting policy
3. to address practical issues during the ordinary and extraordinary general meeting season
4. to decide on the voting strategy to be adopted when a conflict of interest arises during a meeting
5. to adopt recommendations and engage in dialogue with the management of target companies to promote voting policy principles and good corporate governance practices
6. to validate the voting activity report of DPAM and DPAS
7. to analyze ad hoc cases which could deviate from the Voting Policy and give appropriate voting guidelines

The VAB meets twice a year and reports to both the management board of DPAM and to the

Board of Directors of the investment funds in which DPAM exercises its voting rights.

IV. TCFD Steering Group

The TCFD (Task Force for Climate-Related Disclosures) Steering Group has an advisory and operational/executive role in the implementation of the TCFD recommendations in DPAM's overall investment decision-making process. The steering group reviews, updates and strengthens DPAM's climate change strategy and risk management process. It assesses the impact of climate change on DPAM's investments as well as the impact of DPAM's investments on climate change. The steering group meets every six weeks, is chaired by the CEO of DPAM and consists of members of the management board, the equities and fixed income CIOs and heads of research and the CRO.

V. Fixed Income Sustainability Advisory Board (FISAB)

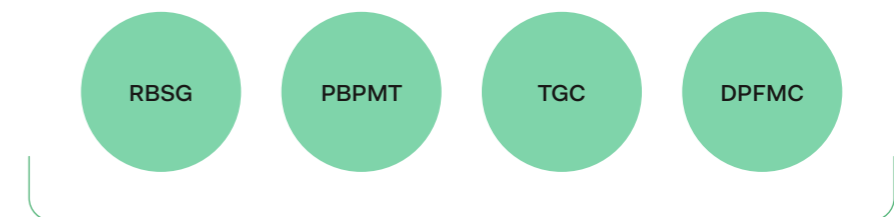
The Fixed Income Sustainability Advisory Board (FISAB) makes a key contribution in defining DPAM's proprietary country model assessing the sustainability of countries. The role of the FISAB is:

1. to select sustainability screening criteria to assess the countries
2. to determine the weighting of each indicator
3. to review the model and ratings to ensure continuous improvement
4. to validate the list of countries in the investment universe

The FISAB is composed of four external sustainable specialists/experts, two DPAM investment professionals and one macro economist and meets twice a year.

3.3.3 Governance at Bank Degroof Petercam

For the integration of Sustainable Finance in its investment activities at group level, we operate via four axes.



I. Responsible Banking Steering Group

In analogy to the RISG, which is responsible for integrating sustainability aspects into the group's investment activities, a Responsible Banking Steering Group (RBSG) was set up early 2022. It oversees the following aspects: balance sheet components, climate-related risk (credit, market, liquidity, operational & business model risk), control and the follow-up of the UNPRB agenda. This steering group meets monthly and is chaired by Jonathan, Regulatory Coordination.

II. Private Banking Portfolio Management Team

The Private Banking Portfolio Management Team (former PBPMTM) oversees the bi-annual update of the criteria that determine the SFDR internal 'SFDR Instrument Category' (used to respect the Product definitions and our responsibilities as Financial Market Participant/ Financial Advisor under the Sustainable Finance Disclosure Regulation) of the instruments that can be purchased in mandates. The criteria are sourced from external data providers. The PBPMTM validates the changes and in some rare instances requests a formal engagement with certain issuers. The PBPMTM can also request a review of the criteria and of the global sustainable investment policy. The PBPMTM meets on a bi-weekly basis and is chaired by the Head of Investment and Solutions.

III. Third-Party Funds Group Committee

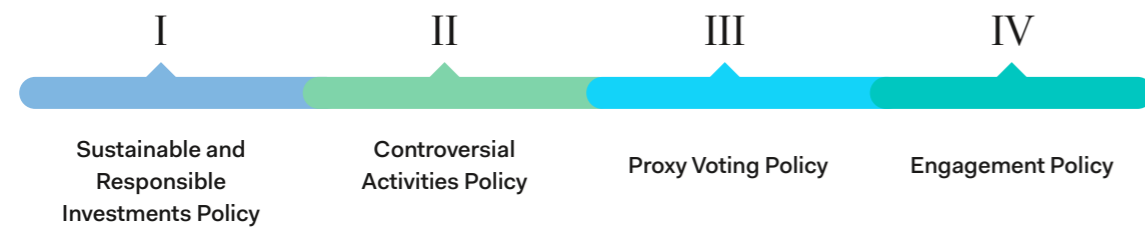
The Third-Party Funds Group Committee (TGC) oversees the engagement process with Third-Party (TP) Fund managers that appear on the Private Banking Conviction List. TGC decides on the fund engagement priorities and reviews the answers received from TP Fund managers to engagement letters sent to them. The TGC decides on possible action to be taken: adapt the SFDR Category, change eligibility or provide waivers. The TGC meets monthly and is chaired by a TPF Analyst.

IV. DP Fund Management Committee

The Degroof Petercam Fund Management Committee oversees the implementation of the global sustainable investment policy in the patrimonial funds used by private banking during regular portfolio reviews. Numerous ex-ante and ex-post controls are in place and breaches are reported through dedicated procedures. The committee meets monthly and is chaired by the Head of Fund Management.

3.3.4 Policies at DPAM

The sustainable and responsible investments at DPAM are governed by a set of four key main governance policies which have been approved by DPAM's board of directors. The policies are applied in all investment solutions and mandates distributed by DPAM in various countries in Europe.



The policies are available at: <https://www.dpamfunds.com/responsible-investment.html>

I. Sustainable and Responsible Investments Policy

The Sustainable and Responsible Investments Policy constitutes the main policy and provides additional information on how the other policies fit into a holistic responsible and sustainable approach. It gives an overview of DPAM's threefold commitment to sustainable strategies

and describes how ESG risks are defined and monitored and integrated from a risk and opportunity perspective. The approach is based on pragmatism and dialogue and is intended to be comprehensive by including all economic sectors. Through a dynamic process and a critical and constructive approach, DPAM shares its own definition of environmental, social and governance factors and how these are integrated into the entire investment process, e.g. through a normative screening, exclusion of specific activities or a best-in-class strategy.

II. Controversial Activities Policy

The Controversial Activities Policy details the controversial activity screenings carried out by DPAM and details which business activities and sectors it excludes from its investment strategies. The policy makes a clear distinction between the exclusions valid for article 8+ and 9 products on the one hand, and article 8 and others on the other hand. In addition to this, the policy applies an ESG integration approach to several controversial activities to raise awareness among fund and portfolio managers regarding the sustainability risks associated with some sectors.

The details of each controversial activity and the applied exclusion thresholds can be found in the controversial activities policy itself. In addition to these controversial activities and their respective thresholds, DPAM's stance on other controversial activities and sustainability issues is clarified.

III. Proxy Voting Policy

The Proxy Voting Policy aims to uphold the values and principles of corporate governance that DPAM advocates and intends to defend in the companies in which it invests, on behalf of DPAM Funds or clients in scope of the policy.

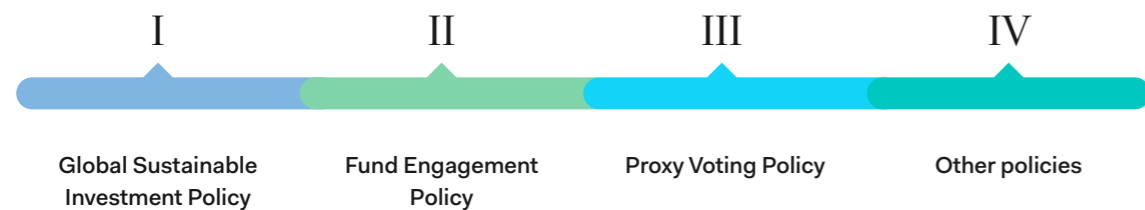
IV. Engagement Policy

The Engagement Policy of DPAM has a twofold objective:

- engaging in a dialogue to improve the quality of fundamental research for better-informed investment decisions and sustainable long-term performance
- engaging formally with the issuers to contribute to a better society via so-called impact engagements. These can be achieved by either:
 - reducing the negative impact of investments
 - defending values and convictions which are essential for the company and society

3.3.5 Policies at Bank Degroof Petercam

At group level, ESG integration in Belgium, Luxembourg and France for the discretionary portfolio management mandates and the patrimonial funds is described in the Global Sustainable Investment Policy (GSIP). Numerous other policies complement the implementation of Europe's sustainable finance agenda in our investment & portfolio management and fund management services.



These policies are available at <https://www.degroofpetercam.com/en-be/select-global-sustainability-funds>

I. Global Sustainable Investment Policy

The Global Sustainable Investment Policy (GSIP) establishes the global framework and measures to be applied to identify, classify and report the risks that present sustainability challenges to investments (so-called 'Sustainability Risks') and which the group has integrated into its investment decision framework. More specifically, it defines

- the principles established by DP to determine the sustainability risks regarding its investment decisions in the framework of discretionary portfolio services, fund management (including Patrimonial Funds and Funds administration DPAS) and client investment services in general.
- the extra-financial selection and qualification process for all financial instruments part of the DP investment Universe and how these instruments can be used to define ESG-promotion or impact products.

The scope of the GSIP is Belgian, French and Luxemburg activities.

II. Fund Engagement Policy

The Fund Engagement Policy (FEP) defines the framework and measures to be applied to engage with external fund managers in the context of the group's commitment to the integration of ESG factors into its investment decisions. The scope of the FEP is Belgian, Luxemburg and French activities.

III. Proxy Voting Policy

For patrimonial funds, regarding investments in direct lines, a contract has been put in place for the exercise of voting policy for our direct line positions in the Global Strategy (in addition to what is done via the selected funds). Regarding the selection of underlying funds, the diligence process foresees an ex-ante control of policies as well as a continuous monitoring of reporting documents.

The Proxy Voting Policy aims to uphold the values and principles of corporate governance that DPAM advocates and intends to defend in the companies in which it invests, on behalf of DPAM Funds or clients in scope of the policy.

IV. Other policies

Various policies (engagement, fund selection, controversial exclusions, SRI) have been implemented in the context of the Towards Sustainability label by the Sustainable patrimonial funds.

The objective of the Towards Sustainability initiative is to help investors to identify investment solutions and to encourage financial institutions to offer a diverse and qualitative range of sustainable products.

The label aims to instill trust and reassure investors that the financial product is managed with sustainability in mind and is not exposed to very unsustainable practices. It is recognized in Europe as one of the more demanding label to get.

3.4 Internal Research and External Expertise

Degroof Petercam invests significant financial and human resources in sustainable research and expertise. The visual below provides an overview of these resources.



External research is conducted by the world's leading non-financial rating agencies and organizations. They provide daily high-quality, unbiased specialized research, ratings and data on climate change, natural resource constraints, impact and governance information to our

internal research teams. It is also important to note that our internal responsible investment specialists work hand in hand with our credit and equity analysts and portfolio managers who are actively involved in the process. To ensure individual commitment to the sustainable policy, variable remuneration incentives of internal experts are linked to the ESG aspects of the work they perform.

Key specialized experts play an important role in the optimization of processes and methodologies through critical thinking and independent **expert insights** on sustainable finance. Being able to benefit from the knowledge of various independent external experts specialized in environmental, social and governance issues adds significant value to the process.

Next to our membership of the UN PRI and UNPRB, we also actively engage with following partnerships to further the dialogue and advance sustainability efforts in the financial industry.



“Being sustainable in IT goes further than going paperless and reducing the carbon footprint of our servers. It's about rethinking our ways of working and empowering our colleagues and clients by means of innovative and secure digital solutions while maintaining proximity.”

Emmanuel Ndiaye, Head of IT Risk & Security



Different methodologies are used to integrate ESG and sustainable dimensions and to implement the different SFDR funds' classifications.

At private banking level, the integration of ESG aspects takes three forms

1. **exclusion**, which consists of defining a set of controversial sectors or activities that are not eligible for the investment universe
2. **application of ESG criteria**, which makes it possible to identify risks or opportunities that would not always be detected by conventional fundamental analysis
3. **exposure to sustainable strategies** that enhance the ESG impact of the portfolio (via thematic or best-in-class strategies)

At DPAM-level, the table below depicts the different methodologies used across the different SFDR funds' classifications. The different ways in which DPAM carries out this integration are detailed on the sustainable and responsible investment policy and range from best-in-class approaches to best scorecard approaches. We refer to DPAM's website for the classification of specific funds and the subsequent applied ESG approach.

4 Sustainability at client level

This section details the group's offering to clients who are seeking for ESG and sustainable solutions.

4.1 Fund and portfolio management

4.1.1 SFDR

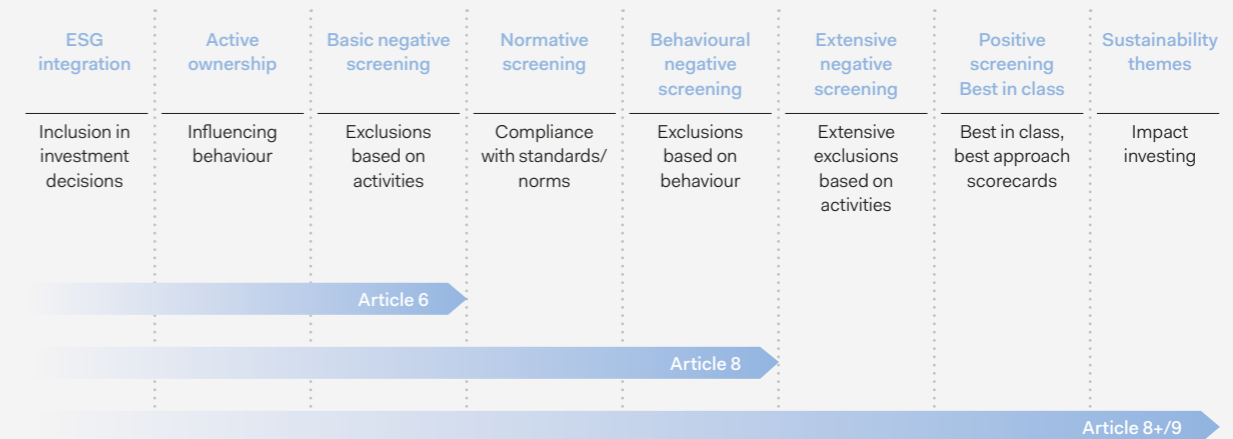
I. Introduction

The EU Sustainable Finance Disclosure Regulation (SFDR) establishes a new framework to trigger changes in behavioral patterns in the financial sector, discourage greenwashing and promote responsible and sustainable investments. It came into effect on 10 March 2021 and lays down harmonized rules for the integration of sustainability risks, the consideration of adverse sustainability impacts in processes and the provision of comparable sustainability-related information with respect to financial products.

One of the consequences of this regulation is the classification of financial products in distinct categories described as follows:

Article 6	Article 8	Article 8+	Article 9
Neutral products	ESG integration products	Sub-category of Article 8 products of the SFDR	Sustainable products
Financial products which integrate some sustainability risks	Financial products which promote, among other characteristics, environmental and/or social characteristics	Financial products which promote, among other characteristics, environmental and/or social characteristics and invest partially in sustainable investments	Financial products with sustainable investment as their objective

SFDR Classification



II. SFDR year-end data Bank Degroof Petercam

(in billion EUR)	Mar-21	Dec-21	(%)
Discretionary mandates (article 8)	4.4	4.9	+11%
Patrimonial fund (article 8)	9.4	10.0	+6%
Patrimonial fund (article 8+/9)	1.6	2.3	+43%

At the end of 2021, of the 5.3 billion euros in assets under discretionary management mandates, 91% were labelled article 8.

The private banking patrimonial funds investment offering, which is labelled article 8, saw its assets under management grow from 9.4 billion euros in March 2021 to 10.0 billion euros at year-end.

The private bank's sustainable patrimonial fund investment offering is labelled 8+ and witnessed growth from 1.6 billion euros to 2.3 billion euros.

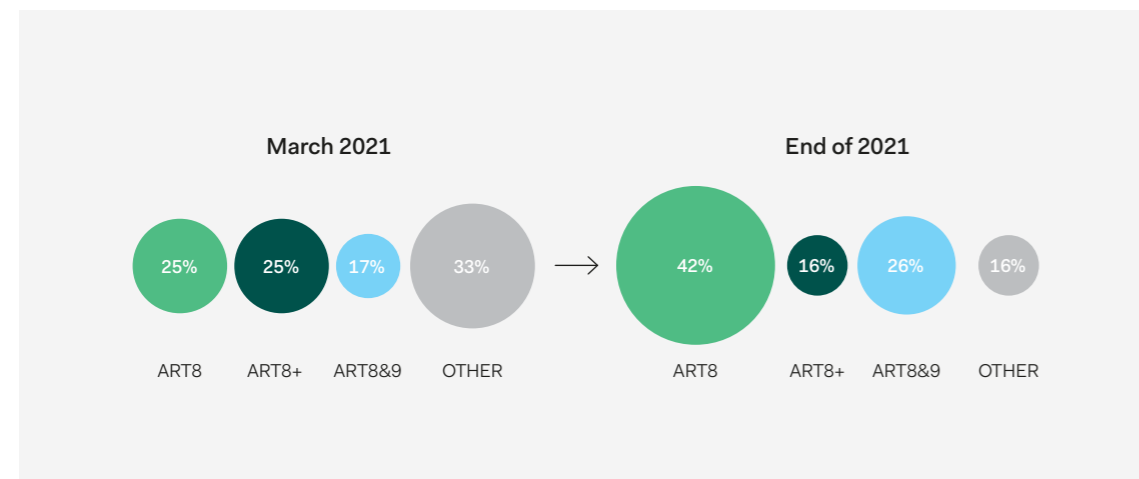
III. SFDR year-end data DPAM

(in billion EUR)	Mar-21	Dec-21	(%)
DPAM Institutional mandates (article 8)	2.6	3.0	18%
DPAM funds (article 8)	9.0	16.3	81%
DPAM funds (article 8+/9)	13.9	16.6	20%

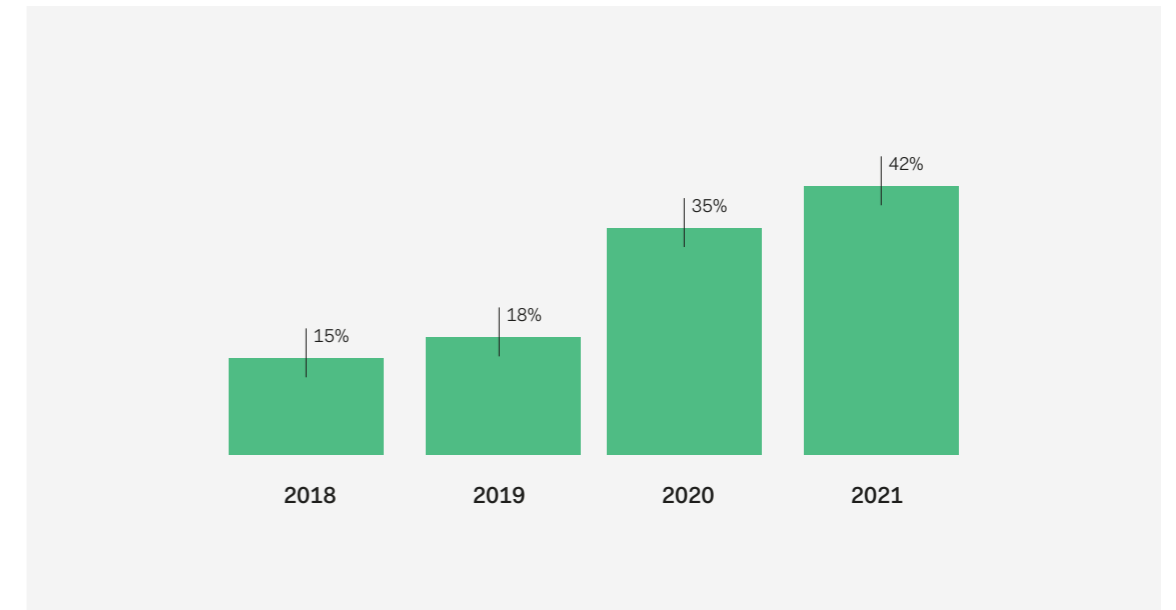
At the end of 2021, 100% of institutional mandates were labelled article 8.

Assets under management in Article 8 funds grew from 9 billion euros in March 2021 to 16.3 billion euros at year-end. DPAM sustainable funds (article 8 +/9) witnessed growth from 13.9 to 16.6 billion euros.

The charts below show DPAM's overall assets under management (AUM) allocated according to SFDR classifications. They demonstrate the progress and the efforts made during the year to classify our funds to be as impactful as possible. Over a nine-month period, the portion of total assets under management that were article 8 & 9 products showed significant improvement, jumping from 67% to an impressive 84%.



In this categorization, article 9 and article 8+ products are considered sustainable investments, meaning that at year-end 2021, 42% of DPAM's assets under management are considered sustainable investments. As shown below, this figure has progressively and consistently improved in recent years.



IV. SFDR year-end data DPAS

The table below shows DPAS's assets under administration for the funds for which DPAS operates as management company.

(in billion EUR)	Mar-21	Dec-21	(%)
Home funds (article 8) ¹	10.09	12.68	26%
Home funds (article 8+/9) ¹	7.84	9.04	15%
Third party (article 8)	0.02	1.93	8356%

(1) Double counting: funds for which DPAS has delegated the management to DPAM or to Bank Degroof Petercam in Belgium.

4.1.2 DPAM sustainability model

I. Introduction

DPAM's proprietary sustainability model for funds and mandates follows a classification according to the following category definitions:

- Laggard
 - Companies that don't respect the minimum fundamental values. These companies are classified as non-compliant with the Global Standards or have been found to be implicated in the most severe ESG controversies (level 5 on a scale of 1 to 5).

- These profiles are strictly forbidden in Article 8 and Article 9 products.

• **Subpar**

- Companies with an ESG risk management score in the worst (fourth) quartile of their industry or that are facing serious allegations of controversial behavior (level 4 on a scale of 1 to 5). Both classifications are treated equally, as severe controversies reveal information about the effectiveness of a company's potentially high ESG score and the linked policies and programs.

• **Follower**

- Companies with a below-average ESG risk management score (in the third quartile in their industry) but that do not face serious allegations of controversial behavior (maximum level 3 on a scale of 1 to 5).

• **Explorer**

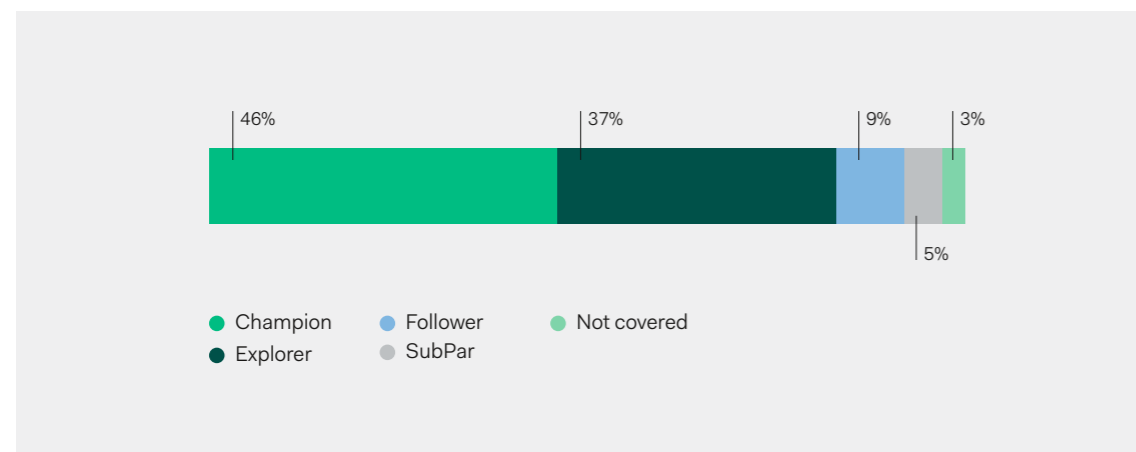
- Companies with a good ESG risk management score (between the 50th and 75th percentile in their category) that do not face any severe allegations of controversial behavior (level lower than 4 on a scale of 1 to 5).
 - Companies with a superior ESG risk management score (between the 75th and 100th percentile in their category) but which face moderate allegations of controversial behavior (level 3 on a scale of 1 to 5).

• **Champion**

- companies with a superior ESG profile (ESG risk management score between the 75th and 100th percentile in their category) and which do not face any moderate or severe allegations of controversial behavior either (below level 3 on a scale of 1 to 5).

II. Year-end data DPAM

At year-end 2021, according to its sustainability model, DPAM's investments across its funds and mandates revealed the following profile allocation¹:



0.07% of DPAM's AUM are invested in 'Laggard' companies, limiting the risks linked to ESG factors of our investments. Moreover, nearly half of our investments are defined as 'Champions'. These companies fall into the top 25 percentile of their peer group according to

(1) Does not consider sovereign bonds and cash, as the propriety sustainability model cannot be applied for these types of assets.

data provider *Sustainalytics* and do not face a controversy higher than a two on a five-point scale.

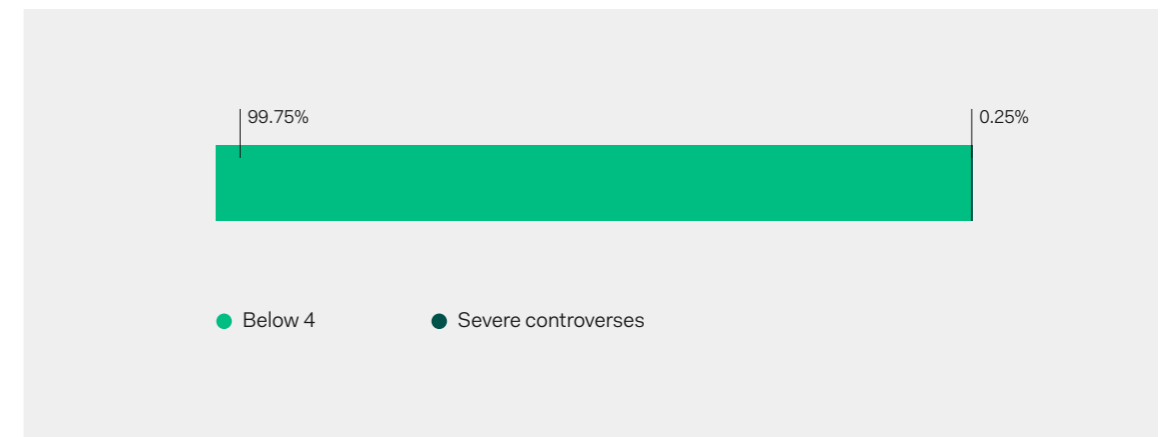
Focus on social dimension

In 2021, DPAM's portfolio companies have booked good results when looking at the controversy levels of social issues. Only 1.66% of DPAM's asset under management across all its funds and mandates face a social controversy higher than a level 3.



Focus on governance dimension

In terms of governance controversies, 0.25% of DPAM's assets under management across all its portfolios and mandates face a governance controversy higher than 3.



4.1.3 Third-party recognition

Awards and labels granted by third parties recognize our conviction and efforts on sustainable and responsible investments. Most of DPAM's sustainable funds are submitted to an annual internal and external audit conducted by the respective labelling authorities. 2021 audits confirmed that the sustainable funds adhered to the sustainable investment rules described earlier and that the policies are aligned with best sector practices.

In addition to external acknowledgements, in 2021 DPAM appeared in the Hirschel & Kramer Responsible Investment Brand Index (RIBI™), where it was ranked sixth among more than 500 global asset managers. This recognition demonstrates DPAM's commitment to put sustainability at the forefront of the global agenda, something DPAM has been doing for years and will continue to promote in the future.

In 2021, DPAM continued to receive international recognition in ESG matters with prestigious ratings and awards. Also, the sustainable patrimonial funds of Bank Degroof Petercam have obtained the Towards Sustainability label from Febelfin, which together with Luxflag, is considered among the most ambitious in Europe on sustainability.



As a signatory of the UN-backed Principles of Responsible Investment (PRI), DPAM has to report every year on its progress to implement the six principles. In 2020, DPAM obtained the top A+ rating once again. The organization did not issue ratings in 2021.



For all the relevant sustainable funds, DPAM obtained the Luxflag label, which highlights the quality of our sustainable strategies.



For all the relevant funds, we obtained the label Towards Sustainability from Febelfin.

4.2 Credits

The precautionary principle we adopt is that the purpose of each credit facility must never circumvent Degroof Petercam's objectives in terms of ESG ambitions.

On climate and environmental risk, a dedicated section has been integrated into the internal Group Lending Policy. It specifies that no credit can be granted to corporate clients acting in carbon intensive industries or activities harmful to the environment, namely, coal mining, oil and gas production and deforestation. As the lending activity of the bank is mainly dedicated to private individuals, it is not materially exposed to these kinds of risks. However, it is the bank's intention to also assess the climate and environmental risks at all credit granting process, being it the pre-assessment for Lombard Loans to ensure those risks are not applicable or very limited, or the full assessment for real estate loans, structured loans and unsecured loans.

4.3 Private equity

I. Renewable energy

In Belgium, Degroof Petercam is one of the pioneers of impact investing. We launched our first impact fund investing in renewable energy in 2008, and three more followed in 2011, 2015 and 2019.

These four impact funds represent a combined capital of over 270 million euros, and involve over 2 billion euros of renewable energy assets. Through these initiatives, Degroof Petercam is positioning itself as a leader in wind funds offered to private and institutional clients.

In 2021 the Green Fund IV fund jointly managed by TTR Energy and Degroof Petercam closed the purchase of eight French onshore wind farms in 2021. The eight wind farms, representing

a total of 100MW, located in the north of France, generate 240 GWh/year, which corresponds to the consumption of about 60,000 households.

These eight wind farms were already operational and equipped with old technology. They will be upgraded to benefit from the latest innovations in design and infrastructure. This retrofit of older wind turbines, also known as 'repowering', consists of replacing the turbines with newer, typically larger and more efficient designs.

This impact investment offer allows Degroof Petercam's clients to invest in renewable energy technology (wind, biomass, hydro) in France (mainly), Spain and Belgium.

II. Real estate with a social aspect

In 2014, Degroof Petercam, Revive and Kois Invest joined forces to launch Inclusio. Inclusio is a leading investment company in Belgium that focuses on affordable and quality housing for vulnerable people, housing adapted for people with disabilities and social infrastructure (daycare centers, schools, reception centers for migrants, etc.).

Inclusio, which has been 'B Corp' certified since its inception, is rapidly expanding throughout Belgium thanks to the dynamism of its team and the support of committed private and institutional investors who wish to give meaning to their investments.

At the end of 2020, Inclusio obtained the status of Regulated Real Estate Company (RICS) and launched its IPO on Euronext Brussels via a capital increase of 60 million euros.

Today, an estimated 3,000 people are living in a building belonging to Inclusio: 2,500 people are renting affordable housing units.

III. Regenerative economy

To offer impact solutions to retail and institutional clients, Degroof Petercam entered into a partnership in 2018 with Quadria, a Swiss-based asset manager and a European leader in impact investing. A new fund focusing on the regenerative economy was launched in 2019: Regenero Impact Fund (Regenero).

Regenero invests in companies seeking to address today's environmental and social challenges in the areas of energy transition, sustainable food and the circular economy. Through their products and services, they contribute to a regenerative economy that favors local, participatory, circular, functional and organic-inspired approaches. They distance themselves from the conventional linear model (harvest, produce, discard) and offer a new framework for an economy that restores and regenerates nature to foster innovation, self-reliance, resilience and efficiency.

So far, 12 investments have already been made, totaling about 25 million euros. These investments cover a wide range of companies active in sectors ranging from the growing of biodynamic and organic fruit to the repair and refurbishment of smartphones and electronics or clothing, to sustainability education and the production of customized solar panels. The launch and private placement of this fund raised awareness of impact investing among target clients. The last closing of this fund took place in February 2021 and the fund's commitments amount to 52.6 million euros, which will ensure good diversification between the different selected projects.

4.4 Philanthropic advice

Degroof Petercam also plays a pioneering role in offering philanthropic advice to its clients. Our Philanthropy service, established over ten years ago, provides sound and structured advice to our clients who wish to contribute their capital and time to a more sustainable world through philanthropic initiatives.

In 2021, the department accompanied around 15 clients in philanthropic advice assignments.



“Sustainability is more than a slogan. As a colleague, I am pleased that our group is focused on its social role and commitment.”

Arnaud Denis, Corporate Communication Manager

5 Sustainability at group level

5.1 Environmental

5.1.1 Energy emissions/carbon footprint

I. Building

In 2021, we continued to take concrete steps to reduce our emissions:

- 100% of the electricity purchased is green and renewable, as guaranteed by the supplier
- we started the widespread use of video-conferencing equipment in all our regional offices and an effective and reinforced system of additional distance working measures
- we had solar panels installed on our building in Liège and double glazing installed in our building in Antwerp
- we installed electric vehicle charging stations in our main buildings and, where possible, our new offices are systematically equipped with them. A study is underway to determine whether these measures can be rolled out to all our regional offices

We have started in 2022 a pilot project for Belgium to accurately determine the group's carbon footprint in order to develop concrete reduction measures in a phased plan.

DPAM started monitoring its carbon footprint in 2020. At year-end it amounted to 408.8tCO₂, which translates into 2.7t CO₂/employee or 10.46 kg CO₂/million euro in AUM. This encompasses emissions such as commuting, business travel and waste. These figures are a significant improvement compared to last year. The reason for this improvement is twofold. First, we have fewer employees working from foreign offices, where we needed to

take geographical averages to enumerate the emission drivers due to a lack of data. These averages tend to be higher than the actual emissions, therefore diminishing the emissions in 2021. Second is the impact of the working from home policy in 2021 due to the coronavirus pandemic. Indeed, the figures for 2020 were based on 2019's actual emissions, where working from home was less widely used.

These emissions were offset in 2021, which is why DPAM can be considered a CO₂-neutral company for all its relevant emissions.

II. Green electricity generation

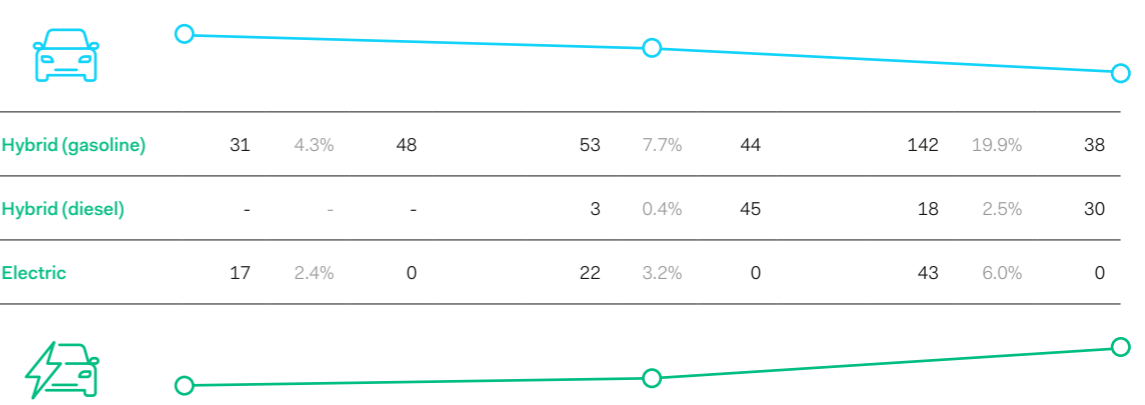
In 2012, Degroof Petercam funded two entrepreneurs who wished to develop renewable energies, both in wind power and biomass. We financed a first project of five wind turbines in the Saint-Vith region, partly with subordinated debt and partly with equity. Today, nine years later, Degroof Petercam owns 20% of this wind farm, which has kept its promises in terms of electricity production combined with a financial return of over 10% per year.

In 2021, our participation in the project contributed the equivalent of more than 20 million kilowatt hours of annual production. This represents the consumption of 600 electric vehicles travelling 15,000 km per year (according to the Belgian average), with the effect of reducing CO₂ emissions by around 1,000 tons per year.

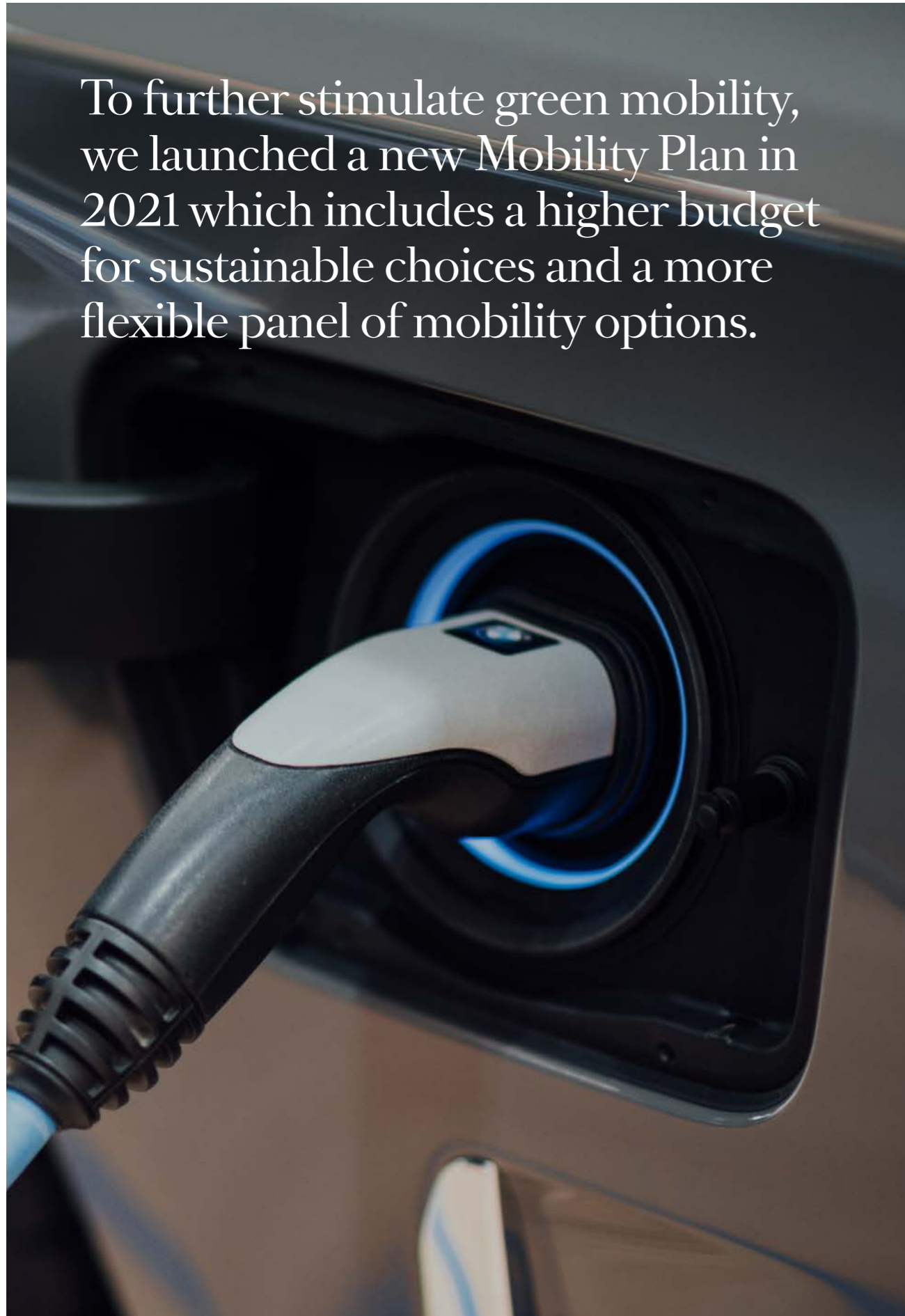
III. Fleet

Company cars are Degroof Petercam's second largest source of emissions, after emissions from electricity consumption. Our mobility plan provides alternative mobility options to company cars, such as public transport passes, (electric) bicycles, electric scooters, etc. If a vehicle emits more than 145 g/km, it can be exchanged for an electric vehicle. The table below shows the development of our fleet:

	2019			2020			2021		
	#	%	CO ₂	#	%	CO ₂	#	%	CO ₂
Gasoline	32	4.5%	129	51	7.4%	127	64	9.0%	121
Diesel	636	88.8%	116	556	81.2%	116	445	62.5%	115
Hybrid (gasoline)	31	4.3%	48	53	7.7%	44	142	19.9%	38
Hybrid (diesel)	-	-	-	3	0.4%	45	18	2.5%	30
Electric	17	2.4%	0	22	3.2%	0	43	6.0%	0
Total	716			685			712		



To further stimulate green mobility, we launched a new Mobility Plan in 2021 which includes a higher budget for sustainable choices and a more flexible panel of mobility options.



The proportion of electric and hybrid vehicles has steadily increased in recent years. To further stimulate green mobility, we launched a new Mobility Plan in 2021 which includes a higher budget for sustainable choices and a more flexible panel of mobility options.

This new measure had an immediate effect on the fleet: a more than 20% reduction of diesel vehicles, the doubling of electric vehicles and tripling of hybrid vehicles. This has resulted in lower average CO₂ emissions per vehicle.

As part of the Mobility Plan, employees can also opt for an (electric) bicycle or a scooter. By the end of 2021, 84 bikes or scooters had been provided. As a result of the COVID-19 pandemic, the use of cars and transport in general has decreased considerably, with the immediate result that fuel consumption has dropped significantly.

IV. Travel

The COVID-19 pandemic substantially reduced travel. Also, the philosophy of how meetings are organized has evolved, as our colleagues appreciated digital communication as a good alternative to face-to-face meetings. The latest Travel Policy also encourages our employees in this direction: travel is only allowed when necessary and alternatives must be privileged when possible (e.g. telephone, video conferencing, combining several appointments, etc.). Short haul flights are discouraged. A new travel booking platform raises travelers' awareness and will start indicating the CO₂ cost of each trip. The reports issued by this tool will also give us insights about our travelers' habits and, in so doing, optimize their choices.

5.1.2 Resource usage, effluents and waste

The amount of waste and effluents we generate represents a significant portion of our total environmental impact; sound waste management is therefore of importance.

In 2021, the amount of waste collected decreased significantly because of the limited presence in our offices due to the COVID-19 pandemic. The figures are therefore not representative.

While we have yet to define a comprehensive waste management strategy, we continue to undertake specific actions to promote efficient and sustainable waste management.

Here is a non-exhaustive overview of the measures we took, improved or extended in 2021:

- the daily collection of confidential paper documents was reduced to once a week by introducing metal containers. Waste collection has also been reduced in our regional offices: it is now carried out on request, as volumes have fallen sharply
- we continue to work with the company MCA, which supervises our waste collection provider. This company is ISO 14001 certified and guarantees the recycling of our waste materials such as paper, mixed plastics, organic waste, PMC, cans, glass, ink and toner cartridges and neon lights
- cleaning services use environmentally friendly products whenever possible or at least with as few abrasive substances as possible
- all used batteries are recycled
- we are reducing the consumption of single-use plastic. More water coolers have been introduced in various offices to reduce the amount of disposable PET bottles. In our VIP meeting area, drinking water is served in glass bottles
- staff members received a water bottle which they can fill at water fountains, and a porcelain coffee cup, to help drastically reduce the consumption of disposable cups. Disposable cups next to coffee machines have been removed and replaced by porcelain cups and mugs

- the company restaurant at the Brussels headquarters has launched its 'Veggie Thursday' and introduced the use of seasonal vegetables
- the company restaurant works closely with local food producers who raise their animals and grow other crops in a sustainable manner

5.1.3 Green IT

I. Server migration

The migration of our data centers to Luxembourg completed at the end of 2020 allowed us to move from four data centers equally divided between Belgium and Luxembourg to two consolidated units in a single location, Luxembourg. The management of this new IT infrastructure was entrusted to an external partner, LuxConnect. LuxConnect is at the forefront of sustainability and is the first and one of the few data center operators to offer truly carbon-neutral facilities. In addition to reducing our energy footprint, this IT consolidation also allowed us to reduce the number of servers by 20% through efficient infrastructure management.

II. Recycling of IT devices

Since 2020 we have been supporting the international social enterprise 'Close the Gap' which aims to bridge the digital divide by donating high quality second-hand IT devices from European companies to educational, medical and social projects in developing and emerging countries. Laptops, mobile devices, screens and other IT equipment continue to be recycled and transformed into genuine development tools to accelerate the fight against poverty.

5.2 Social

5.2.1 Health and safety at work

Degroof Petercam is committed to creating a healthy and safe working environment for its staff members, whose well-being remains a priority. Degroof Petercam regularly informs and consults its staff representatives. In 2021, they met 15 times.

Below is a non-exhaustive overview of the initiatives we undertook, improved and expanded in 2021:

I. Committee for Prevention and Protection at Work (CPPT)

Degroof Petercam meets monthly with its staff representatives. Improvements have been made to the functioning of the committee in recent years, including the quarterly participation of the occupational physician and regular reporting in areas such as work accidents, safety drills, training, office inspections, etc. The CPPT and the occupational health department were closely involved in the management and monitoring of the COVID-19 health crisis at group level.

II. Internal social advisors and confidants

The in-house internal prevention advisor has clearly defined roles and responsibilities and benefits from the external expertise of an advisor specializing in psychosocial risks for workers. To ensure transparency, the new job description of the internal prevention advisor, as well as the applicable procedures and policies, are included in the new work rules. In 2021, two internal confidants were selected by staff to serve as informal internal psychosocial mediators

and advisors.

III. All staff - engagement survey

In 2021, the internal employee engagement survey was relaunched, allowing staff members to express their views on their perception of their own health, safety and well-being at work. The results of this survey show an improvement compared to previous results in 2021 and an increase in employee engagement. Most of the comments refer to the expected return to the office and the structural implementation of teleworking. Separate action plans have been drawn up for each department to continue efforts in this area.

IV. Remote and flexible working - Domus 2.0

In 2021 we rethought the ways of working within Degroof Petercam. The systematic implementation of a flexible working mode with two days of teleworking per week in Belgium was tested in the autumn of 2021. A similar work mode is also being studied in France and Luxembourg. Teleworking for each team is now systematically organized.

To support staff members and people managers in the prolonged telework situation, trainings were given to facilitate the use of remote working tools, to reinforce good remote collaboration practices and the 'Golden Rules' of teleworking.

At the same time, a flexdesk system has been set up in Belgium, allowing everyone to choose a workstation at the office adapted to their needs. A large network of ambassadors has been set up to support this change in each department.

With a view to continuing the hybrid work mode, particular care has been taken to transform all meeting rooms into 'smart rooms'. Using the latest technology, these rooms enable meetings combining face-to-face and remote participants in a simple and efficient manner. Managers and ambassadors were trained in the use of these tools and in the right behaviors for organizing and leading hybrid meetings.

V. Prevention of stress and burnout

We offer several training courses to raise the awareness of stress and burnout symptoms and to provide employees with advice and tips to better identify the warning signs. In addition, training courses for team leaders are designed to improve communication and talent management. Stress prevention training for people managers was organized with the external prevention consultant.

Webinars and e-learning sessions were dedicated to stress management related to the COVID-19 pandemic and the situation resulting from prolonged teleworking. Some staff members also benefit from individual coaching with external specialists as a preventive measure.

In 2021, a total of 700 hours were devoted to training in the field of health and safety in the workplace. The table below provides an overview of the type of training provided in this area¹.

(1) These figures are only representative for Belgium.

Type of training	Number of participants
Increase your resilience	21
Golden Rules for Remote Leadership	12
Mental resilience	3
How to manage your stress in times of Corona	4
Zen work: your PC is your ally - recorded webinar	18
How to organize myself for healthy & productive telework	133
Action plan Tell us: winter blues	77
Career in perspective (keynote & workshop)	50
Energy@work	26
Managing stress within your team (for people managers)	16
Power of sleep	43
ESG	2
Total of participants	405

Since 2018, Degroof Petercam has implemented a policy to gradually reintegrate staff members who return to work after a long period of incapacity. In addition, employees whose disability is linked to work-related stress can apply for free coaching as part of their reintegration, in collaboration with 'huis voor veerkracht/centre de résilience'.

In 2021, the overall absenteeism percentage (2.24%) increased compared to 2020 (2.09%). The overall figure remains below the sector average. No serious work-related accidents were reported in 2021.

5.2.2 Training and education

The European financial industry is subject to strict regulations on staff training and retraining, particularly when it comes to knowledge of the products, procedures and regulations specific to the sector.

Degroof Petercam offers training programs and opportunities for personal and professional development. Our training policy allows staff to be trained, both internally and externally, on subjects that are in line with Degroof Petercam's strategy, but also on subjects that are specific to each expertise and each business. This training policy is also available to colleagues from France and Luxembourg (adapted local program).

Over the past year, training efforts focused on regulations, management of remote teams, IT tools, etc.

Despite the context of the COVID-19 pandemic, Degroof Petercam has maintained its other training initiatives, in a 'remote' or digital format. In particular, the 'e-Summer Academy' was a great success, with a record 1,225 participants. 65 sessions organized from July to September were structured around six themes: future industry trends, know your group, office tools, working remotely, personal balance, managing your career, leadership. This record participation rate was 20% higher than in pre-covid 2019 and demonstrates the adoption of

new training methods.

However, this training method resulted in fewer training hours than in previous years as distance learning or e-learning mode is characterized by generally short training sessions.

Capitalizing on the appetite for online training, a catalog dedicated to soft-skills and leadership has been made available to all employees. It is composed of more than 60 training subjects, covering topics such as self-knowledge, personal development, communication modes, change management, well-being & resilience, team management, etc. It is accessible to all staff members at any time, on a self-service basis.

	Total hours	Number of employees	Average
Senior Management	21,048	1,082	19
Management & Professionals	2,103	115	18
Staff	5,939	326	18
Grand total	29,091	1,523	19

5.2.3 Employment, diversity and equal opportunities

This section contains data on the group's Belgian, Luxembourg and French subsidiaries.

At year-end 2021, Degroof Petercam provided quality jobs to 1,531 employees in Belgium, Luxembourg, France, Spain, Italy, the Netherlands, Germany and Switzerland for functions in line with our business areas, such as private banker, financial analyst, asset manager or administrative staff, but also for expertise as diverse as compliance, risk and audit. This figure accounts for 24 different nationalities and includes early retirees, employees on long-term disability and independent directors.

Degroof Petercam aims to provide its staff with competitive remuneration, training programs and opportunities for personal and professional development. We strive to attract, develop and retain top-level employees by offering them attractive and stimulating leadership roles that open new prospects for development.

Our people management is based on social legislation and sectorial regulations and on our own values of humanity and teaming-up. Measures concerning the employment of personnel are supervised by various group bodies, such as the Remuneration committees in Belgium and Luxembourg and the joint bodies specific to each of the countries in which we are present.

I. Satisfaction and commitment

Obviously, the year was marked by the working circumstances induced by the COVID-19 pandemic: the majority of staff members worked remotely thanks to efficient telecommunication tools. Concerned about the well-being and motivation of everyone in these circumstances, Degroof Petercam reinforced its means of internal communication in 2021, with additional intranet spaces and radio shows. Regular newsletters on topical issues also kept the internal communication flowing.

At the end of 2021, a survey on sustainable employee engagement based on the Willis Towers Watson methodology was conducted in all countries of the group. More than 1,100 employees responded. The engagement rate, measured as an increase over the previous year, met the benchmark standards on a national and industry level. This survey serves as an indicator to

monitor the implementation of the improvement actions initiated following the broader 2020 survey.

At group level, actions are focused on employee development and customer service:

- performance reviews for all employees are accompanied by a personal development plan, which is discussed three times a year (setting objectives, interim evaluation, end-of-year evaluation) between manager and employee
- an awareness and training program (FOCUS) has been set up to strengthen customer service

Each department has also developed its own improvement plan for 2021 following the survey.

II. Demographic statistics

In 2021, Degroof Petercam experienced a further increase in the number of its employees in Belgium and Luxembourg. In France, the number of employees is lower than the previous year, following an internal reorganization program linked to the change in the status of the activities.

Of the total number of staff members, the percentage of women amounts to 42%, the same level as in 2020, with few differences between countries. Among managers, the proportion of women is 37%, 59% among employees and 21% in senior management positions.

In terms of age distribution, there is stability in the age groups above 30 years. Despite a recruitment policy aimed at attracting female talent and increasing the number of female candidates for all external positions, the recruitment of young men has supplanted that of women. The attractiveness of certain specialized functions in the high finance sector remains low for women. In this respect, Degroof Petercam supports the initiatives of Women in Finance, which aim to promote the financial sector to young female talent.

Degroof Petercam acknowledges the importance of having gender-neutral remuneration policies and practices.

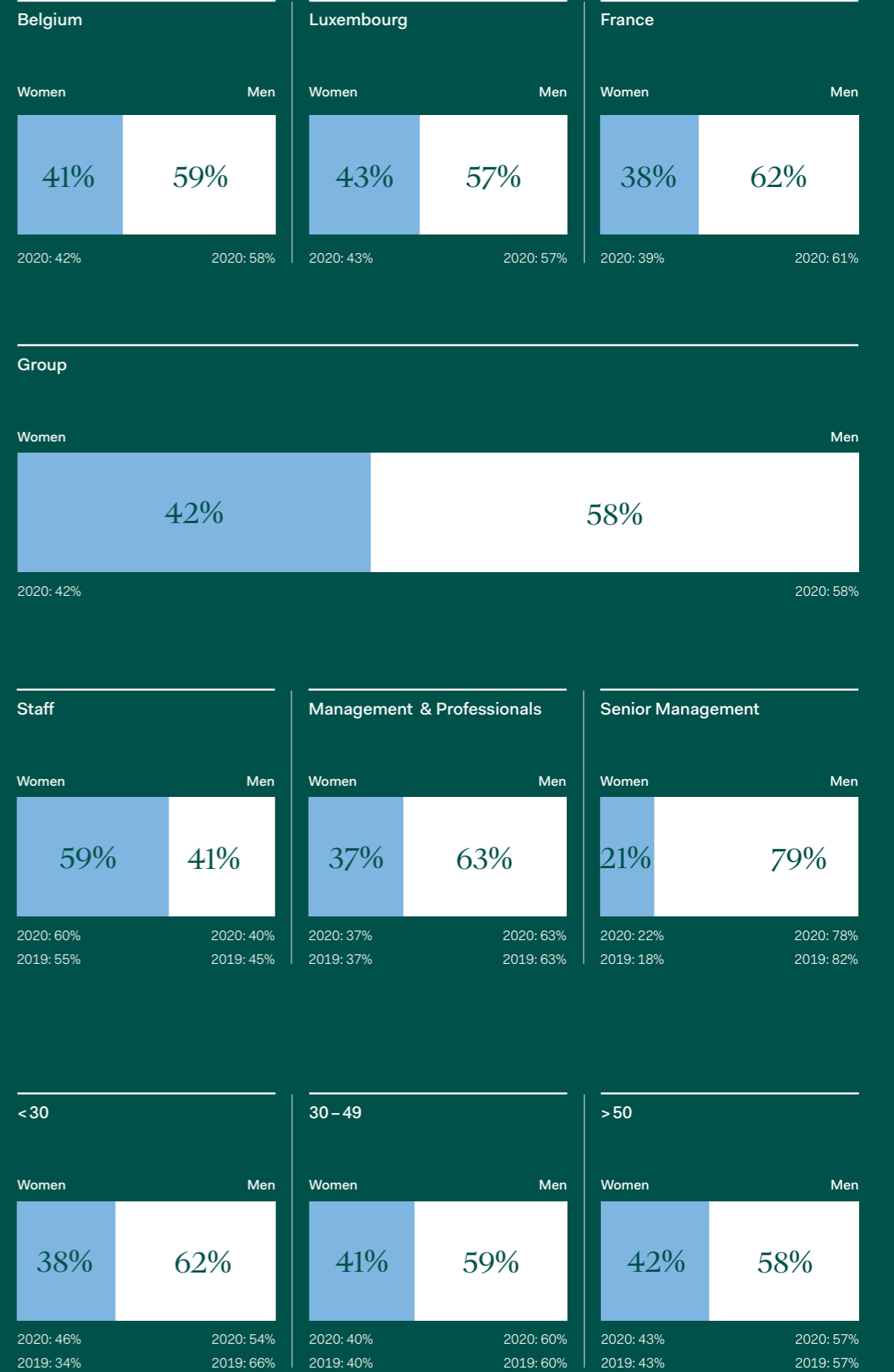
In Belgium, awaiting the interpretation circular letter of the NBB with detailed instructions on the methodology for transposing Europe's Capital Requirements Directive (CRD V) and EBA guidelines, Degroof Petercam carried out an internal analysis to get a first glance on the existing gender equity pay and potential gaps.

Based on our methodology, no systematic gender pay gaps have been detected. When there seems to be an issue, this can be justified explained by objective elements (seniority, type of function, individual cases). When looking at the percentage of promotion/salary increase between men & women, the compensation review 2021-2022 also appears to be gender equitable.

The group will continue its efforts to ensure that male and female workers get equal pay for equal work or work of equal value. In this respect, the compensation and benefits team has developed a tool to perform this exercise across all departments and countries. The objective is to increase the granularity of the exercise based on future instructions of the NBB and to expand the scope of the analysis in France and Luxembourg in 2022.

5.2.4 Social engagement programs

In addition to its primary mission of promoting employment, the Degroof Petercam Foundation ('the Foundation') is also committed to promoting philanthropy among our staff members



through participatory social engagement programs such as volunteering, sponsorship, skills sponsorship and micro-donations to associations.

Degroof Petercam encourages the engagement of its staff in social causes. Four initiatives were proposed in 2021:

1. **Solidarity Days:** nearly 200 colleagues volunteered for 11 activities, ranging from hockey lessons for inner-city youth to preparing and distributing hot meals to people in need to cleaning up flooded houses.
2. **DP Forest:** on the occasion of the 150th anniversary of Degroof Petercam, we launched a sustainable challenge to collectively walk or run 150,000 km in 150 days to finance the creation of our DP Forest. More than 50 colleagues planted 3,500 trees on rehabilitated plots in Belgium and Luxembourg.
3. **Micro-donations:** this program, which allows employees to have a monthly amount deducted from their paycheck, raised more than 32,000 euros which was donated to the River CleanUp organization.
4. **Foundation against Cancer:** 11,000 euros were raised through a bike ride sponsored by the Degroof Petercam cycling team.

Finally, since the Foundation's aim is to have a social impact, it must address this issue in all its dimensions, including in the assets and investments it holds. The Foundation's assets are managed by Degroof Petercam and are allocated to ESG integration products. These include investments via direct equity lines or funds that pursue an SRI strategy. In addition, the Foundation also makes investments directly related to its mission, such as investing in a social impact bond and providing interest-free loans.

5.3 Governance

5.3.1 The Code of Ethics

As a major financial institution, it is essential for Degroof Petercam to adopt strong governance which relies on the skills, commitment and dedication of the directors, the members of the management and all employees, as well as on the trust all these persons inspire. Each must have a great sense of responsibility and strict professional rigor to maintain this trust.

The Board of Directors determines Degroof Petercam's strategic objectives, as well as its integrity policy. The Code of Ethics is the corporate document that represents the practical and effective implementation of the principles of integrity promoted by the Board of Directors.

The Code of Ethics defines the rules of ethics and professionalism that directors, members of the management and all employees must observe in the conduct of their work and their activities. The ethical rules are inextricably linked to the provision of financial and ancillary services as well as to activities in the financial sector which are highly regulated and subject to rules of integrity. The Code has been approved by all relevant bodies, both at Group level and at the level of all Group Entities and applies to the directors, members of management and all internal employees of the Group.

It covers the following topics:

- compliance with legal and regulatory requirements
- appropriate collaboration with the competent authorities
- ethics, fraud and corruption
- information security
- equal treatment, prohibition of discrimination



5.3.2 The Risk Awareness and Control Excellence program (RACE)

After finalizing the new Code of Conduct, a Risk Awareness and Control Excellence (RACE) program was designed, combining informational and awareness campaigns and dedicated training and e-learning. This mandatory training program has also been added as a key performance element in the evaluation process of every employee.

In 2021 the RACE program comprised five modules covering the following topics.

I. Anti-bribery and corruption

Our group established the Anti-Bribery and Corruption Program in 2020. Our anti-corruption policy applies to everyone and is transposed within each group entity. Degroof Petercam applies a zero-tolerance policy regarding all possible forms of corruption.

A mandatory e-learning has been set up to familiarize every staff member with the regulation and to help recognize and mitigate the associated risks.

II. Information security

From phishing to ransomware, new threats are constantly emerging. The training on information security covered various topics such as cybersecurity, data protection, remote working security, physical security, etc. It raised awareness of the importance of the individual role of every staff member in safeguarding sensitive company data and assets, with key information security principles regarding confidentiality, integrity and availability.

III. Whistleblowing

Whistleblowing is a crucial component of our control and risk management framework. Anyone who runs into irregularities, misconduct, or violations of our Code of Conduct is invited to bring this up with his line management, so that the matter can be looked into and handled appropriately. The whistleblowing procedure protects both the organization and the whistleblowers themselves.

IV. Conflict of interests

This conflict-of-interest training was set up based on very concrete examples. It insists on proper management of conflicts of interest, as their consequences can be devastating for a company. In this context, our professional rigor index has been reviewed and now includes the obligation to declare any conflict of interest.

V. GDPR

The right to privacy and data protection is enshrined in the General Data Protection Regulation or GDPR, which clarifies how data should be used and protected. Degroof Petercam fully subscribes to the ethical aspects of this regulation. A dedicated Data Protection Officer organized a mandatory training in the first quarter of 2022, introducing what privacy and data protection is, describing our obligations as a financial institution, clarifying the resulting obligations for staff member and, through examples and exercises, explaining how it should be applied in our working environment.

“Making a difference, having an impact. This is what animates me. As an individual and as a company, we make a mark on the environment and on society. Working everyday with colleagues of 24 nationalities is an assertion of diversity and an enrichment to all.”

Cathy De Doncker, HR Officer



6 Sustainability outside Degroof Petercam

6.1 Active shareholdership

6.1.1 DPAM

The voting policy that has been adopted seeks to uphold the values and principles of corporate governance that DPAM intends to defend and promote with the companies in which it invests. The application of this policy is illustrated in the 2021 voting activity report [\[here\]](#).

In 2021, DPAM, exercised the voting rights attached to the shares held in the 54 institutional portfolios (SICAVs, FCPs, mandates), including their sub-funds managed by the management company. DPAM took part in a total of 683 general and extraordinary meetings for a total of 9,697 resolutions. This is largely aligned with the activity of last year. DPAM made its voice heard in 600 companies mainly in Europe and North America [\(see engagement report 2021\)](#).

6.1.2 Private Banking Patrimonial Funds

For the patrimonial funds, as the composition of the sustainable fund is entirely that of a fund of funds, according to a 2/3 DPAM funds and 1/3 external funds breakdown, there is no direct voting participation to the general assembly. Engagement with external funds is as previously described (see 'external funds').

The 'patrimonial' funds of private banking are composed both of funds and of investments in equity and fixed income positions. For these direct line components of the patrimonial funds,

a system was put into place with data provider IVOX Glass Lewis assisting with the execution of proxy instructions and in analyzing the proposals of the shareholder meetings' agendas. Active participation in these general assemblies will start in 2022. When it concerns funds of funds (with a breakdown of 2/3 DPAM funds and 1/3 external fund), there is no direct voting participation in the general assembly. Engagement with external funds is described below (see 'external funds') and for the DPAM funds we refer to the engagement and proxy voting policy at DPAM described earlier.

6.1.3 External funds

As an investor in third-party funds on behalf of its clients, Degroof Petercam has the responsibility to express its opinion on the management of these funds and make its voice heard. Degroof Petercam speaks up to urge fund managers of funds in which it invests to manage them according to best practices. Engaging with fund managers either through direct dialogue during meetings with their representatives, or, more formally as described in the Fund Engagement Policy, is a means to ensure that these best practices are respected.

In 2021, 10% of external fund managers received a formal engagement letter.

6.2 Supplier assessment

6.2.1 Environmental assessment of suppliers

The purchasing policy introduced in 2018 describes the group's principles for the environmental assessment of its suppliers. These principles cover a wide range of issues, including economic, ethical and environmentally responsible criteria, i.e. the purchase of products containing sustainably produced materials.

In line with the company's vision, we work hand in hand with our suppliers and partners to reduce our environmental footprint. We integrate environmental criteria (energy, emissions, products and services) into the selection process of our key suppliers and partners. We will extend this approach to all externally purchased goods and services whose negative impact on the environment can be avoided or mitigated.

In implementing sustainable procurement practices, we started by focusing on those products and services with the greatest impact on the environment, namely building management services, catering, office supplies, paper and company cars.

Today, more than a quarter of our expenditure goes to suppliers and partners who are committed to the same environmental and ethical principles that we observe.

6.2.2 Social assessment of suppliers

In addition to the environmental criteria, our purchasing policy also includes criteria in the selection of suppliers that promote greater diversity within their teams by avoiding any form of discrimination, whether physical, intellectual, social or cultural. In addition, our terms and conditions require suppliers to comply with the following provisions:

- the United Nations' Supplier Code of Conduct
- SA8000 (social accountability standard developed by Social Accountability International)
- International Labor Organization Convention 138
- United Nations' Convention on the Rights of the Child

6.3 Client satisfaction

As a client-centric organization that accompanies its clients with expertise, the group included client satisfaction as a key performance indicator in our corporate scorecards, thereby adding customer satisfaction as one of the essential yardsticks for business success.

In 2021 a client satisfaction survey for Private Banking clients was conducted in Belgium. Out of the 13,300 invitation mails, 1,981 clients participated in the research, leading to a response rate of 15%. The main take-away showed high levels of overall satisfaction and shows that the relationship manager is Degroof Petercam's key asset. Nearly 8 out of 10 clients are generally satisfied with Degroof Petercam. However, not all types of clients are equally convinced. In this respect, remediation actions have been identified and put in place.

A new survey of this type is planned for 2022 and our intention is to extend client satisfaction surveys to all our business lines, including Private Banking Lux, DPAS, DPAM and Investment Banking.

6.4 Education and innovative employment

Created in 2008, the Degroof Petercam Foundation's mission is to support social innovations for employment by focusing on three main areas: tomorrow's skills, entrepreneurship and working towards a more inclusive labor market. It works with leaders who are implementing solutions to unemployment or underemployment, and has defined several goals to be achieved by 2023 as follows:

- commitment of 5 million euros in assistance
- participation in the creation of 3,000 jobs
- 30% of Degroof Petercam's employees and clients involved in its activities

Each year, the Foundation selects and supports a new project with a solution for employment with a grant and tailored coaching. The Foundation's first award consists of a one million euro grant and personalized follow-up over five years.

Ticket for Change, a French initiative that trains and brings together people who want to put positive societal impact at the heart of their work, was the 2021 grand prize winner. In seven years, more than 120,000 people have participated in Ticket for Change programs to activate their talents and put them at the service of society through their work.

In addition, the Foundation offers long-term support to the Story-me project until 2029, for a total amount of 300,000 euros. This collaborative philanthropy initiative aims at stimulating entrepreneurial skills in vocational schools in Brussels, more specifically among teachers, educators and students in their second and third year in secondary school.

“We offer training and tools to activate talents to solve current social and environmental challenges. We want to reconcile employment and positive impact.”



Matthieu Dardaillon, chairman and co-founder of Ticket for Change, Laureate of the 2021 of the Grand Prize of the Degroof Petercam Foundation



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