
V. Non-financial Report

Part I		
Introduction		72
Part II		
ESG strategy		86
Part III		
Walking the talk		106
Part IV		
Accompanying people in the transition		134
Part V		
Offering sustainable solutions		162
Conclusion		175
Appendix		178



2022 will more than likely be seen as a pivotal year for the corporate world, one which marked a turning point for society. Things are happening.

2022 is the year when new legislations supporting the EU's Green Deal were approved. It is the year when the Corporate Sustainability Reporting Directive (CSRD) was adopted, requiring companies to publish regular reports on their environmental and social activities. It is the year when the new requirement to assess client sustainability preferences came into effect as part of the MiFID II suitability assessment. From August 2022 on, investment advisers and asset managers probe clients on how they want their capital to be used to influence environmental, social or governance (ESG) related issues.

The regulatory landscape in Europe has been moving fast. Public awareness on climate change and biodiversity continued to grow. This amplified mobilization in favor of a more sustainable future has induced many initiatives blooming across sectors. Corporate sustainability appears high on any agenda and has become an essential component of a company's license to operate.

Part I

Introduction

1		Foreword	74
2		Scope	77
3		2022 at a glance	79
4		Over 20 years sustainability history	81



1 | Foreword

Dear reader,

2022 surely left its mark on European society and announces the beginning of a new era. Its ripple effects will continue to be felt for years to come, with newly adopted legislations on sustainability that apply to an extended number of companies across all sectors and with the energy crisis caused by the war in Ukraine which reverberates across the globe. In addition, an increasing number of stakeholders have rising concerns on climate change but also on broader ESG issues.

Responsible prosperity

These changes have strengthened our conviction that we, as a company, play an active role in accompanying the transition towards a more sustainable future. The notion of creating responsible prosperity for all is deeply engrained in our purpose.

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 our long-term shareholders. We have an inclusive mindset. Our footprint goes beyond profit. We care about the environment, social values, and sound governance.

Our sustainability journey

2022 was a pivotal year for global sustainability and in some instances a wake-up call. While Degroof Petercam had already embarked on its sustainable journey two decades ago, these developments validate the road we've chosen to take.

In the meantime, we continued to reinforce our governance around sustainability in all our businesses and our support services. The fact of having an in-house sustainability manager to coordinate and implement the sustainable finance roadmap at group level is another strong sign of our sustainability commitment.

Triple lens

We look at our sustainable impact through a triple lens:

1. by walking the talk
2. by accompanying people through the transition
3. by offering sustainable solutions to our clients

First, we are setting a positive example by **walking the talk** and bringing our own operations and investments on a sustainable path. It is a question of credibility when willing to play an active role in this transition.

Second, we **accompany people through the transition** by offering the right support to our staff and by actively engaging with clients, investee companies, and other stakeholders on sustainability-related topics and helping them meet their own objectives.

Third, **offering sustainable solutions** is where we have the most impact. Our commercial activities, the advice we give and the solutions we offer, consistently integrate a sustainable approach and underpin societal challenges.

In all activities where we operate, we've invested time and resources to discuss and 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 meet their ambitions. The announcement made by our institutional asset manager, DPAM, on its Net Zero commitment in April 2022 marks yet another inspiring milestone for our group.

Challenges and steps ahead

Our sustainable finance journey started more than 20 years ago with the launch of the first 'sustainable' fund in 2001. This was five years before the world woke up to Al Gore's 'Inconvenient truth' documentary. Our institutional asset management activities have been pioneering in the sustainable field ever since. The Responsible Investment Brand Index (RIBI) 2023 of Hirschel and Kramer (H&K) [placing DPAM in second position out of 600 asset managers globally](#), confirms our continued dedication. Today, supported by a strong governance and deep involvement of our teams, we focus on all aspects of our businesses and support services to create impact. 'Make a mark on society' is a clear objective, driven by the entire company and supported at Board level. It is engrained in our strategic roadmap, Route 26. It's now up to us to translate it into clear, forward-looking KPIs, turn innovative ideas into action, and move forward in a constantly evolving environment where hard data remain largely insufficient and new regulations are still open to interpretation and discussion. Although many challenges remain, the desire for greater sustainability prevails. It implies being accountable to deliver tangible results.

And that's precisely what we intend to do. This non-financial report offers a view as to where we currently stand on our sustainable finance journey.

Jo Wuytack, Group Sustainability Manager
Hugo Lasat, CEO



This report brings tangible evidence of our commitments and the deep involvement of our teams. It demonstrates our desire for greater sustainability and our accountability to deliver tangible results. We are in this for the long run and that's our commitment to you.

”

Hugo Lasat, CEO

2 | Scope

This non-financial report reflects our pledge to our environmental, social and governance (ESG) responsibilities and commitments. It describes how we address corporate sustainability and how we have embarked on a Sustainable Finance journey. In this report, we share the non-financial information of Degroof Petercam's main activities related to sustainable development, policies, guidelines, governance structure, and the progress we have made in 2022.

Scope of this report

This report covers information for the financial year ending 31 December 2022, unless indicated otherwise. The term 'Degroof Petercam' in this report refers to both the legal entity Bank Degroof Petercam sa/nv and the companies in the group. Through this report, the distinction between Degroof Petercam Asset Management (DPAM) and Bank Degroof Petercam is indicated when describing sustainability considerations and measures that concern these entities respectively.

The topics that we cover in our non-financial report have been selected carefully, based on ample discussions within our internal governance bodies (page 96) and fueled by the insights provided by our stakeholders (page 90). We plan to further discuss and formalize the results of these discussions in the coming months to achieve a dual materiality assessment.

This dual materiality assessment, combined with systematic evidence-based assessments, will generate valued input for our annual reporting, strategic planning, budget allocation, risk management, as well as for establishing objectives and KPIs on topics that are relevant to our stakeholders. As such, the materiality process will take into account the regulatory framework of the Corporate Sustainability Reporting Directive (CSRD).

The content of this report has been reviewed and approved by the ESG Strategy Steering Group, the Non-Financial Risk Committee, as well as the management board and board of directors. In a number of cases, data reported should be seen as 'best effort' considering the limited availability of data in an early stage of a journey.





3 | 2022 at a glance

Launch of strengthened
Group Governance
around sustainability



Hiring of a Group
Sustainable Manager



Net Zero commitment
DPAM: an inspiration
for the other activities
of Degroof Petercam



100% certified green
electricity in Luxembourg,
France and Belgium



Carbon neutrality of
our data centers



24 different nationalities
in the group



Zero exposure to fossil fuel
in own investments (banking
book & loan portfolio)



Proven equal pay



Staff engagement score at 78%



Engagement of DPAM in 59 initiatives in which we have made our voice heard



DPAM on the second place in the Responsible Investment Brand Index 2023



Participation of DPAM in a total of 706 general and extraordinary meetings for a total of 10,303 resolutions



25 bn EUR assets under administration meeting ESG criteria (Art. 8, 8+, 9)



Almost 100% of Private Banking mandates meeting ESG criteria (Art. 8, 8+, 9) for a total amount of 15.2 bn EUR



91% DPAM funds meeting ESG criteria (Art. 8, 8+, 9)

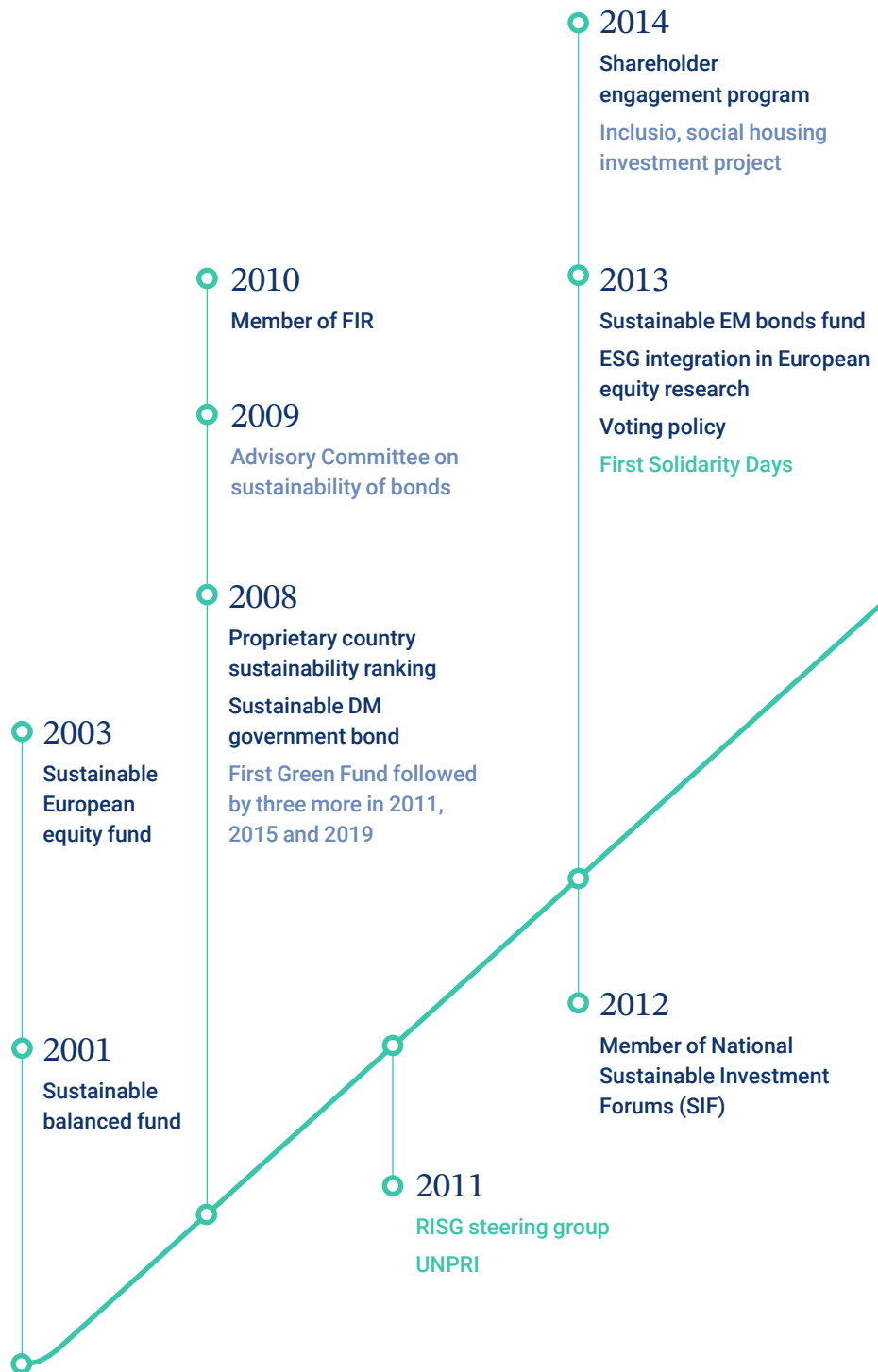


4 impact funds on renewable energy totaling 497 MW capacity (~25% of total onshore wind energy in Belgium in 2021)

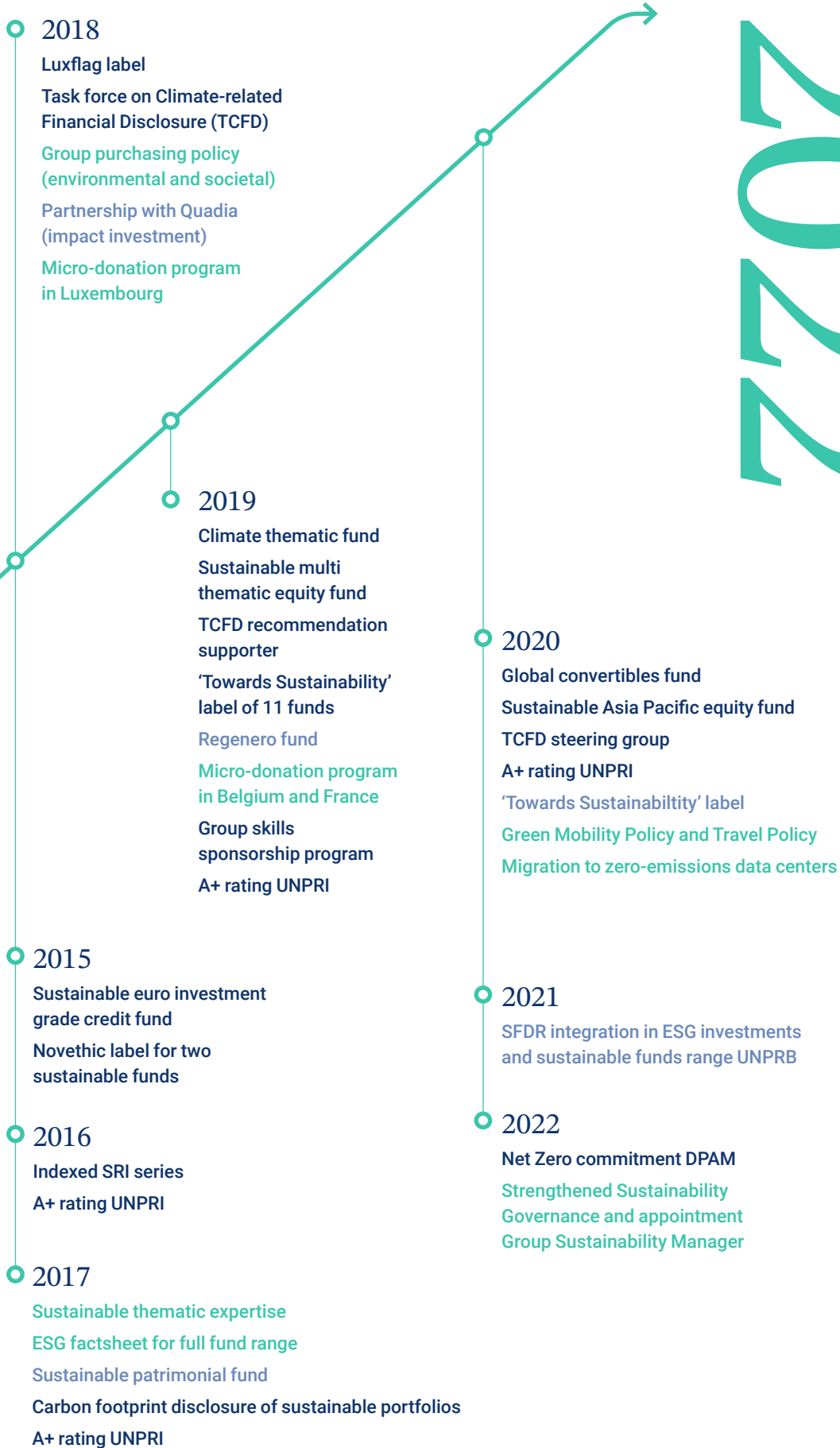


4 | Over 20 years sustainability history

2001



2022



- Group
- DPAM
- Private Banking





Value. Life.

In 2022 we continued to finetune our ESG strategy based on existing fundamentals and convictions. We achieved this through numerous conversations within our new governance framework and were fueled by stakeholder engagement. In doing so, we aim to turn ESG risks into concrete and impactful opportunities. New regulations also contribute to our purpose of creating responsible prosperity.

Part II

ESG strategy

1		How we create value	87
2		How we organize our sustainability governance	95
3		How we translate our sustainable strategy into effective policies	97
4		How we manage our ESG risk	99
5		How we report on sustainability	99

1 | How we create value

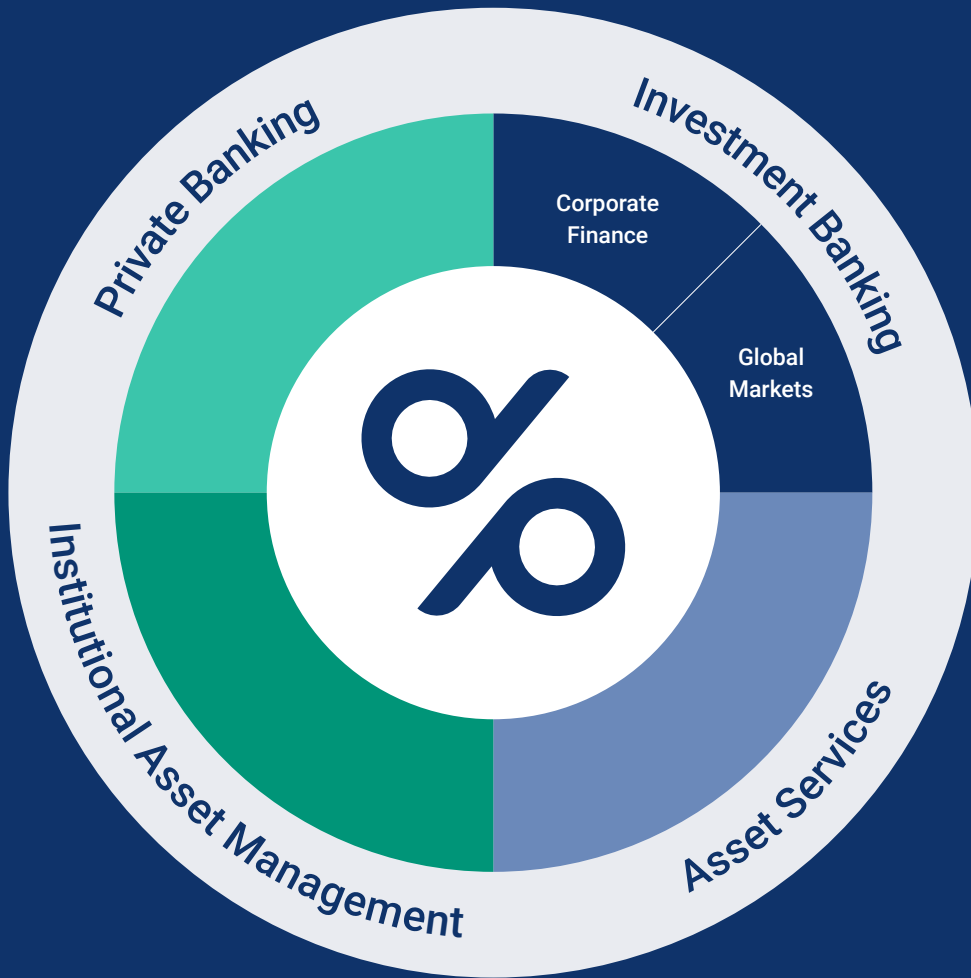
At Degroof Petercam, we want to create responsible prosperity for all. We aim for a sustainable impact, not only within the financial industry, but in broader society as well. And we do so by putting our distinctive expertise at the service of our clients and our stakeholders in general through advice and corporate social initiatives.

1.1 Business model and strategy

With growing instability and an accelerated pace of evolution in the world, clients turn to trustworthy end-to-end financial expertise. Given the highly regulated and complex environment, investment solutions are becoming often commoditized and more similar. Our differentiating business model offers a unique and integrated approach to our clients' global assets.

Degroof Petercam goes beyond the 'product' or the commodity. Degroof Petercam is a reference investment house serving private, corporate and institutional clients in a distinctive combination of private banking, institutional asset management, investment banking (corporate finance and global markets) and asset services.

Degroof Petercam deliberately stays away from activities in which talent of people cannot make the difference. By developing four investment activities, we service our clients from a holistic approach and provide them with the bigger picture.





Our model can be compared to a Rubik's cube: if we offer one activity alone, our clients are only serviced in one color or in 2D. By offering different activities that

reinforce each other and cover the entire value chain, we upgrade our value proposition to 3D and any combination of colors. We do not aim to be the biggest, but we want to be the best in the markets and activities we are active in. We want to be the reference investment house driven by people.

”

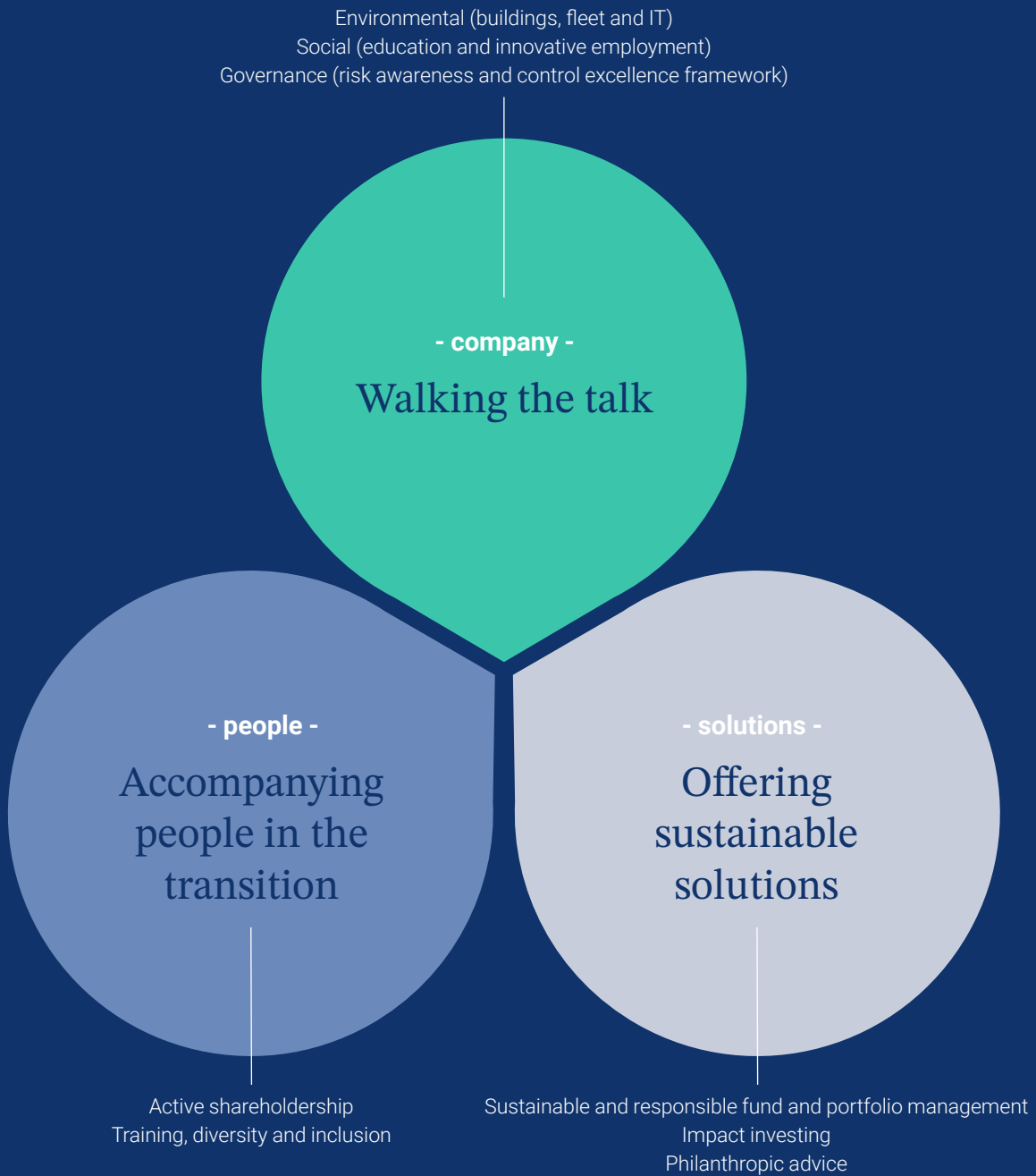
Hugo Lasat, CEO

1.2 Stakeholders

Stakeholder interactions	Stakeholder concerns
Clients	
<ul style="list-style-type: none"> • Via regular personal contact, we accompany our clients, stand side by side with them and establish a durable partnership based on trust and knowledge. • Clients are regularly invited to sessions in which our experts share their views on a broad range of topics including sustainability. • Clients are being requested to express their sustainable preferences in line with current MIFID setup. 	<ul style="list-style-type: none"> • Protection, resilient financial return and well managed (ESG) risk of their assets • Impact (for some clients) • Resilient financial return and well managed (ESG) risk of Degroof Petercam
Shareholders	
<ul style="list-style-type: none"> • Shareholders are duly informed and can officially exchange with the company during the Annual General Meeting. • Shareholder conventions regulate the type and frequency of intermediate shareholders meetings. • Board members (some of which are also shareholder) are strongly involved in different governance bodies (risk, IT, audit, remuneration, etc.) as well as through monthly board meetings. 	<ul style="list-style-type: none"> • Resilient financial return of client assets • Resilient financial return of the company • Well managed (ESG) risk creating responsible prosperity in society
Staff	
<ul style="list-style-type: none"> • Via regular communication moments and initiatives, the company strives to increase staff's understanding of its objectives, strategy and activities and to foster and engage staff in its vision and values. • The internal 'Tell us' survey measures employee engagement every two years. With an 82 % response rate in 2022, 'Tell Us' proves to be a powerful tool to measure employee engagement. • Permanent feedback is fostered via social dialogue and the development of a humane and open culture. • Regular contacts with work council's representation are established 	<ul style="list-style-type: none"> • Fair and attractive remuneration • Learning and development • Impact by working for a company with ESG engrained in its purpose • Good work-life balance
Government/Regulators	
<ul style="list-style-type: none"> • We have an open dialogue with our regulators on different levels and in different countries. • Regular reports and exchanges with FSMA, NBB, CSSF, AMF, etc. take place 	<ul style="list-style-type: none"> • Respect and implementation of the regulation (Tax, SFDR, MiFID, AML, CRR, etc.) • Robust risk & control framework • Future proof infrastructure and processes
Sector Federations, labor unions	
<ul style="list-style-type: none"> • We are strongly involved at Febelfin, BEAMA (Belgian Asset Managers Association), ABBL (Association des Banques et Banquiers, Luxembourg), LPEA (Luxembourg Private Equity Association) level. • A strong social dialogue is fostered together with employee delegations in Belgium, France and Luxembourg. 	<ul style="list-style-type: none"> • Protect industry interests • Fair, transparent and encouraging working environment
Investees, third-party fund manager	
<ul style="list-style-type: none"> • We have institutionalized contacts through our participation and voting at AGMs, via (formal) engagement processes, and formal and informal top management meetings. 	<ul style="list-style-type: none"> • Advice, expert views and insights on companies', sovereigns' and funds' contribution to sustainability
Academic world	
<ul style="list-style-type: none"> • Some of our staff members are lecturers or professor at several high schools and universities. • Our experts are regularly invited to give a lecture or join a panel of experts. • Our HR department has developed institutionalized contacts with high schools and universities to offer internships to students and to capture the needs of young graduates. 	<ul style="list-style-type: none"> • Investment intelligence and economic insights • Business/Entrepreneurial perspective
Other partners	
<ul style="list-style-type: none"> • We are committed to collaborate with partners promoting sustainability (UN PRI, UN PRB, CDP, Climate Action, Fairr, etc.). 	<ul style="list-style-type: none"> • Sustainable and responsible investments • Promotion of the transition in the industry

Impact that goes beyond profit

Sustainable and socially responsible



1.3 Responsible impact

When we talk about sustainable and responsible value creation at Degroof Petercam, we distinguish three levels: company, people, and solutions.

1.3.1 Company

As a company, we walk the talk and strive to practice what we preach as a consumer, an investor, and an employer. Whether it concerns our own investments (loans granted & banking book), fleet and mobility options, buildings, and (IT) infrastructure, we strive to reduce our emissions as fast as possible. Our impact, however, goes beyond the 'E' from ESG. We also support society by promoting our staff's engagement through for instance the solidarity days, micro donations or mentorship via our Foundation. The 'G' component is addressed by adhering to the highest ethical standards in terms of how we conduct our businesses.

1.3.2 People

Walking the talk gives us the credibility to accompany our stakeholders in their own sustainable transition, whoever they are.

I. Colleagues

We strive to foster talent development and a healthy, diverse and inclusive working environment. We support and feed our staff's sustainability knowledge and enable them to make the transition in their personal and professional life (awareness, trainings, etc.).

II. Clients

We guide our clients in their sustainable transition through discussions, presentations and awareness sessions, as well as by actively sharing our research and insights.

III. Investee companies

We operate as active shareholders in the shareholder meetings of our investee companies and engage with their management to advocate and facilitate the transition to raise the bar over time. For DPAM, operating as an active shareholder is core to their business, as evidenced by their strong voting policy and meaningful investment in engagement activities. On a smaller scale, Private Banking also started engagement activities with companies and asset managers.

IV. Other

Our commitment to the United Nations' Principles for Responsible Investment (UN PRI), the United Nations' Principles for Responsible Banking (UN PRB), Task Force on Climate-Related Financial Disclosures (TCFD) and other actors in the sector should be seen as additional efforts to engage in dialogue to promote ESG within the financial industry.

1.3.3 Solutions

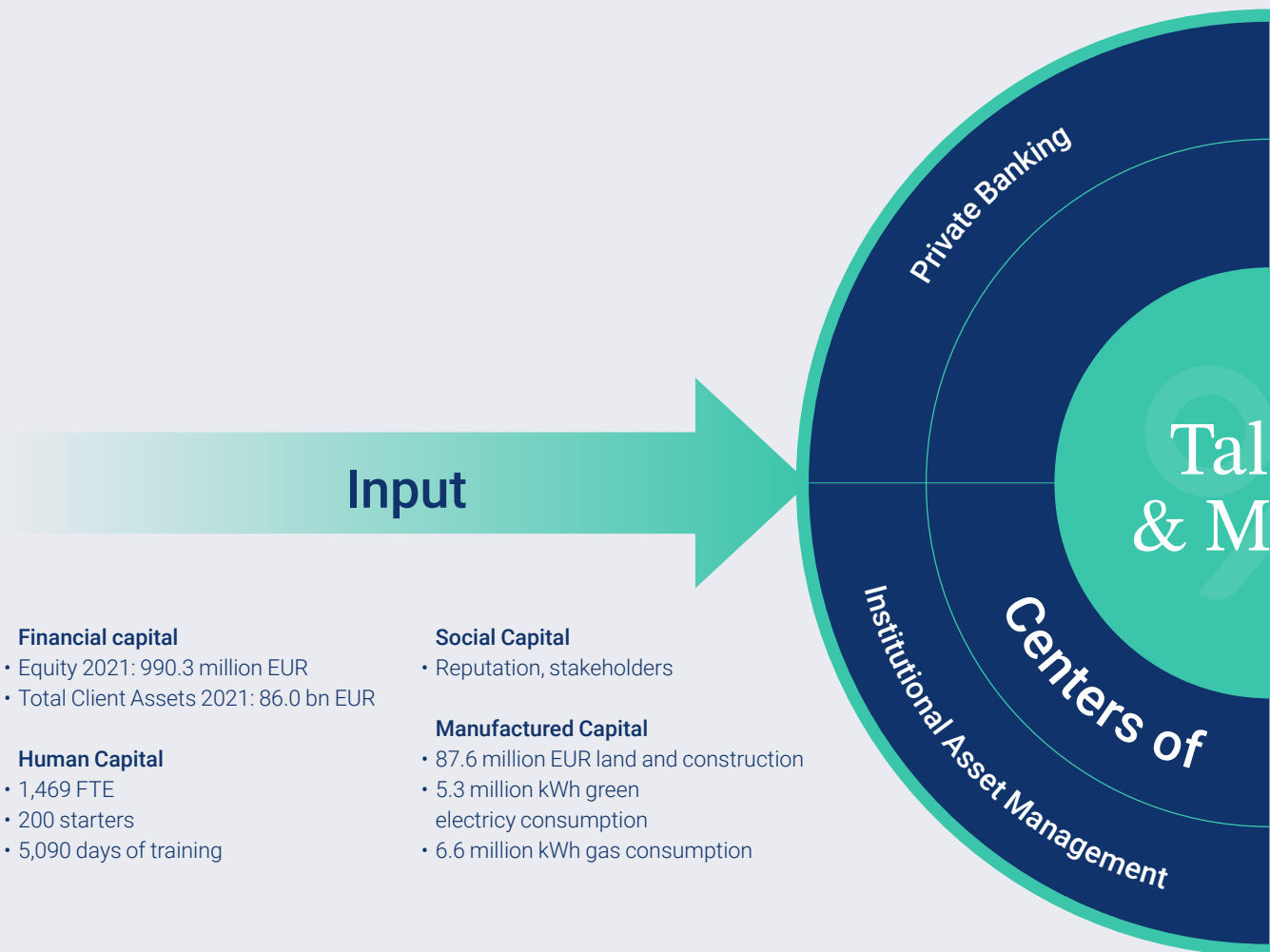
The largest impact we have on sustainability is via our client's assets. With over 71 billion euros in total client assets, we clearly are a relevant financial player. Year after year, we continue to broaden our sustainable offerings according to SFDR and further develop our impact investments. This goes hand in hand with the Net Zero Commitment that DPAM endorses and that the entire group aims to pursue over time. Our philanthropic advice service also underlines our sustainable ambition.

1.4 Sustainable value creation

All our teams, regardless of their jobs and locations, are driven by the same purpose: “We create responsible prosperity for all by opening doors to opportunities and accompanying our clients with expertise.”

Our distinctive business model and in-house process of building expertise and putting it to good use is driven by our ETHIC values, which stand for Excelling, Teaming up, Humane, Intrapreneurial and Client-centric. These values enable us to steadily increase our annual sustainable output.

“We create responsible prosperity for all, by opening doors to



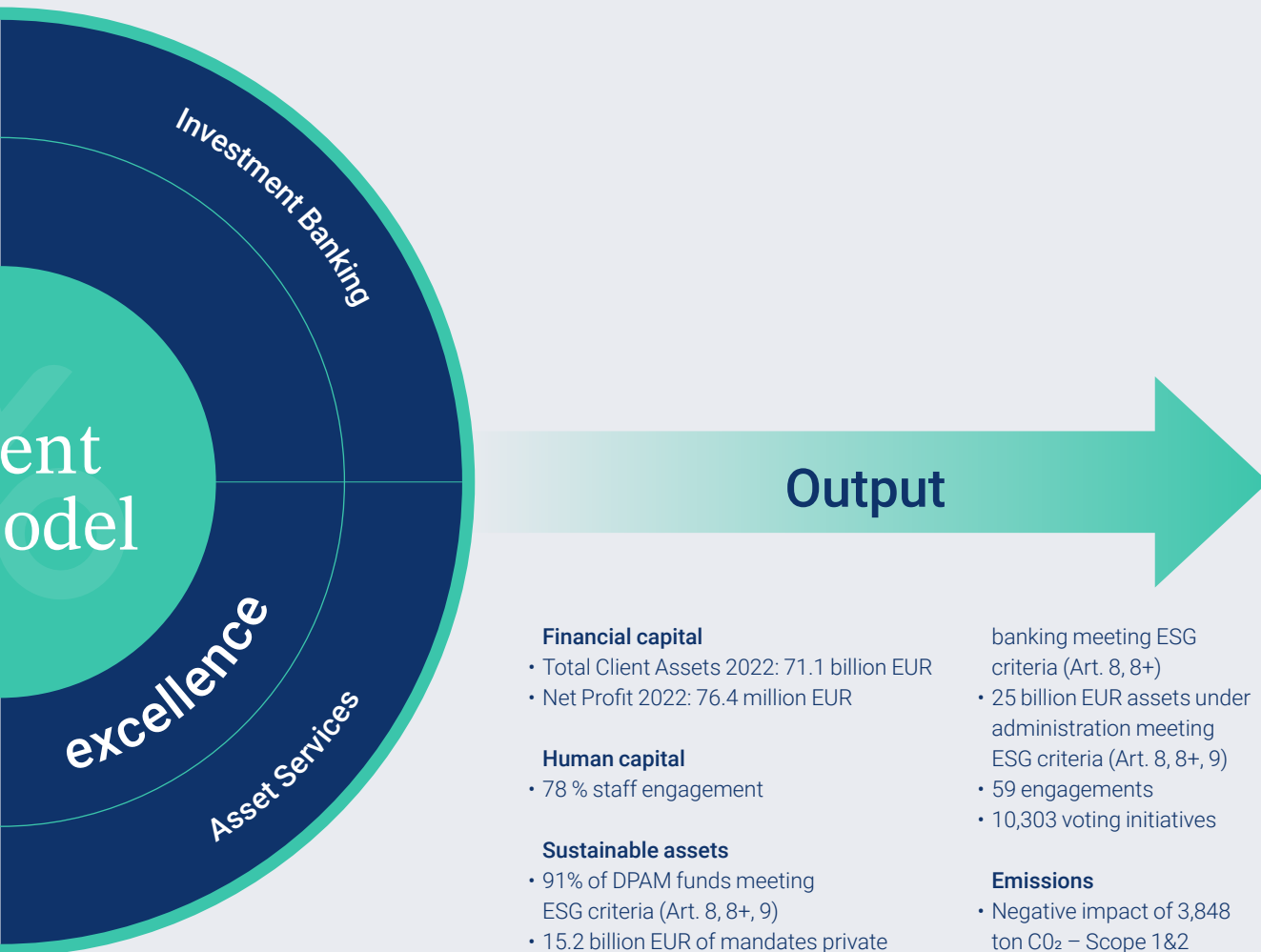
Based on our values



Excelling

Teaming up

opportunities and accompanying our clients with expertise.”



Humane

Intrapreneurial

Client-centric

2 | How we organize our sustainability governance

By the end of 2022, we had further professionalized our group's corporate governance structure to firmly embed our commitment to sustainability, as well as leverage on our proven ESG track record in our governance bodies.

The new governance structure was officially launched in the first quarter of 2022 and is organized around **four central steering groups**. Each steering group is in charge of a different aspect of sustainability:

-
- 1 **The Strategy and governance steering group** meets twice a month and focuses on the strategic sustainability position, policy development and follow-up, data management and reporting. It consists of senior profiles across business and support lines.

 - 2 **The Operational governance steering group** focuses on the implementation of sustainable finance in the group's business activities: client assets, investment funds, UN commitments and climate. The group is composed of two steering groups:
 - *The Responsible Investment Steering Group* (RISG) reflects on ESG challenges and ensures that our approach, methodology, processes, products and services remain transparent and consistent, and in line with the UN's Principles for Responsible Investment (UN PRI). The RISG meets every month and is chaired by the CEO of Degroof Petercam Asset Management (DPAM). Non-DPAM staff members are invited to join the RISG to extend its scope to all the group's Responsible Investment aspects. Consequently, the RISG positions itself as the group's key expertise center for Responsible Investments across business lines
 - *The Responsible Banking Steering Group* (RBSG) was set up in March 2022 to oversee the sustainability of the banking activities. This includes steering the bank's Private Banking value proposition and service offering, balance sheet components, climate-related risk (credit, market, liquidity, operational and business model risk), control and the follow-up of the UN's Principles for Responsible Banking (UNPRB) agenda. This steering group convenes on a monthly basis and is chaired by the Group head of regulatory coordination.

 - 3 **The Corporate sustainability steering group** meets on a monthly basis and focuses on sustainability aspects at group level, including HR (Health, Training and Development, Equal Opportunities), facilities (mobility, energy and waste management, carbon emissions), and the implementation of the group's overall sustainability position.

 - 4 **The Diversity and Inclusion steering group** steers the group's D&I agenda and is sponsored by three members of the Executive Committee (ComEx).

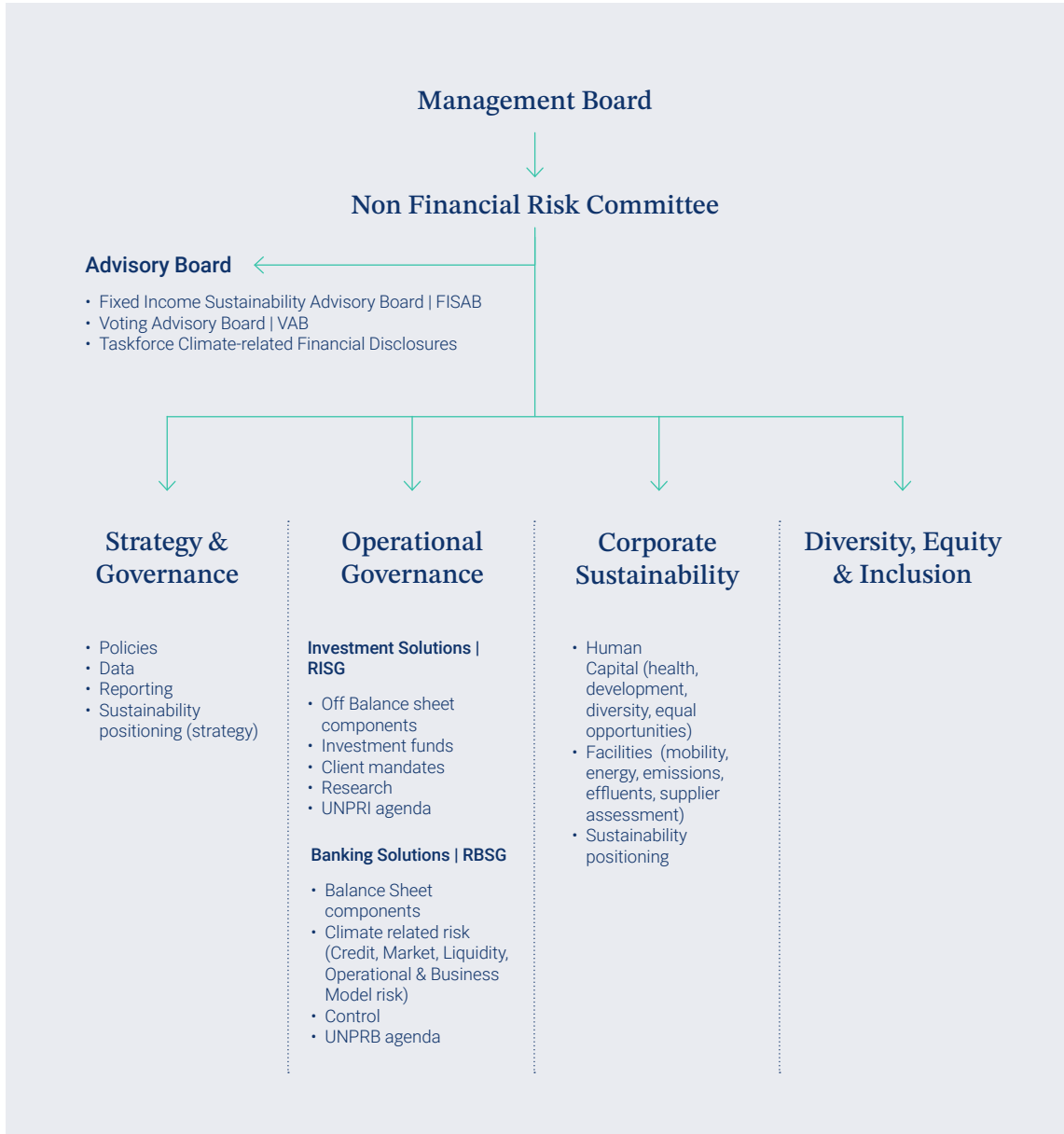
The governance is completed by a full time Group Sustainability Manager. His role is to coordinate, facilitate and promote sustainability initiatives and to animate the different steering groups, as well as to report to the ComEx, which occurred three times in the second half of 2022.

The four steering groups report to the **Non-Financial Risk Committee** (NFRC), a delegated committee of the management board that meets on a monthly basis and is chaired by the Chief Risk Officer. The committee follows up on non-financial risks to which the group is exposed. Its objective is to monitor the potential impact of significant changes on the group's risk profile and to ensure that all activities related to first and second-line operational risks (including compliance aspects) or ESG risks are executed with due regard to risk appetite, policies and procedures,

laws and regulations.

The **CEO** reports to the **Board of Directors** on both the assessment and management of the Sustainable Finance agenda, including climate-related risks and opportunities. A dedicated session on sustainable finance was held in October 2022.

The governance model is complemented by two **advisory boards**, composed of both internal professionals and external specialists, which feed DPAM's investment approach.



Solid governance provides a strong foundation for the future.

Jo Wuytack, Group Sustainability Manager

3 | How we translate our sustainable strategy into effective policies

ESG commitment is deeply rooted in our organization. It is reflected in many policies put in place in recent years. These policies constitute the framework in which we address sustainability at the level of our organization, people, and solutions.

The figure below provides an overview of the various policies in place.



Policy	Application field	QR code
Mobility policy	Group	Internal
Travel policy	Group	Internal
Supplier policy	Group	Internal
Outsourcing policy	Group	Internal
Tax policy	Group	Internal
Telework policy	Group	Internal
NIPAP	Group	Internal
AML/KYC policy	Group	Internal
Controversial activities policy 	Group	
Engagement policy 	DPAM, PB	
Voting policy 	DPAM	
Global Sustainable Investment policy 	PB, DPAS	
Remuneration policy 	Group	



Controversial Activities Policy

The Controversial Activities Policy (CAP) describes our view on business activities that stir debate among various parties and tend to be contentious. The CAP defines which activities are to be excluded from our investment universe and/or defines the thresholds that need to be met before a certain activity can be included.

As such, the CAP details the investment policy that we apply for our own investments, as well as for our products (funds) and our clients, both private and institutional, including advisory and portfolio management. In addition to its application to on and off-balance sheet investments, the CAP also offers guidance in deciding whether to enter in a relationship with certain clients or suppliers.

4 | How we manage our ESG risk

ESG risk, be it transitional or physical, has become a key transversal risk in the group's landscape as investment house. As befits a responsible investment institution, we integrated ESG risk management into our Sustainable Finance Journey.

A multi-year action plan will gradually implement the ESG risks into Degroof Petercam's risk management framework, in line with the European Central Bank's Guide on climate-related and environmental risks. The following issues have already been addressed:

- detailed risk assessment, leveraging on the ECB climate risk stress tests methodology
- ESG risk disclosure as part of the Pillar 3 report
- identification of priorities in incorporating ESG risk in our business processes, through a combination of risk, impact and opportunity assessments
- ESG risk monitoring

Full information about our risk management approach is available in our dedicated Risk Report integrating our annual liquidity and capital adequacy assessment process (ICAAP, ILAAP).

5 | How we report on sustainability

The European Union is in the process of building a common non-financial reporting framework. The objective is to ensure companies disclose reliable and comparable extra-financial information enabling investors to evaluate a company's extra-financial performance. Important to notice is that the regulatory reporting roadmap is still under construction although direction is clear. A main challenge for the industry going forward is capturing market data necessary to report on sustainable strategies. In this respect, Degroof Petercam launched an ambitious program to simplify the group's data architecture and governance. When reporting, Degroof Petercam currently opts for a pragmatic approach: on the one hand complying with a variety of reporting guidelines, directives, and standards, on the other ensuring that the reported information is comparable over time.

Impact of sustainable finance on the traditional economy

The European Union has set up an action plan to motivate various types of stakeholders to redirect their capital flows towards investments that allow for more sustainable growth. This plan has ignited a wave of new regulatory texts in recent years.

In this regard, companies are held to provide more detailed information regarding extra-financial data such as their carbon footprint or their water use (Corporate Sustainability Reporting Directive, CSRD), and how they contribute to achieving Europe's environmental goals (Taxonomy).

Similar to companies, asset managers, and investment companies such as Degroof Petercam need to clarify which of their activities contribute to the achievement of Europe's environmental goals (Taxonomy). In addition, they also need to publish the most important impact figures

of their investment decisions (PAI) by June 2023 and have to provide information on how they address sustainability in the financial products they offer to clients (Sustainable Finance Disclosure Regulation, SFDR).

Europe has updated the MiFID II Regulation to oblige them to ask their clients about their sustainability preferences, so that investors are able to engage in the appropriate sustainable investments.



5.1 Non-financial Reporting Directive and Corporate Sustainability Reporting Directive

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 is Belgium’s translation of the European **Non-Financial Reporting Directive (NFRD)** and 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 and social matters, respect for human rights, and the fight against corruption and bribery.

In November 2022, the **Corporate Sustainability Reporting Directive (CSRD)** was adopted by the European Parliament and approved by the European Council. The CSRD sets out new reporting requirements for companies regarding non-financial information (e.g., carbon footprint, water usage, etc.). As of January 2024, the CSRD will replace the above-mentioned Non-financial Reporting Directive.

On 15 November 2022, the **European Financial Reporting Advisory Group (EFRAG)** approved the first set of European Sustainability Reporting Standards (ESRS) consisting of twelve intersectoral standards and submitted them to the European Commission for validation or revision. Since these standards under the ESRS will be mandatory for all companies in the scope of CSRD as from 2024, Degroof Petercam opted to start integrating these standards in this non-financial report. See Appendix 1: CSRD (page 179).

5.2 EU taxonomy

As part of its European Green Deal aiming to finance sustainable growth and to prevent greenwashing, the European Parliament and Council have developed a unified classification system

for sustainable economic activities called the Taxonomy.

The Taxonomy regulation (EU 2020/852) sets out the high-level technical criteria enabling to determine whether an economic activity substantially contributes to or does not significantly harm the objectives. So far, six environmental objectives have been identified.

1	Climate Change Mitigation
2	Climate Change Adaptation
3	Sustainable Use and Protection of Water and Marine Resources
4	Transition to a Circular Economy
5	Pollution Prevention and Control
6	Protection and Restoration of Biodiversity

Taxonomy rules are further developed and technical criteria have been defined for climate change mitigation and climate change adaptation in Commissioned Delegated Regulation 2021/2139. The four remaining objectives will be determined within the next years, as a recommendation was already published in March 2022 by the Platform Sustainable Finance. Furthermore, the EU Parliament and Council are also expected to determine social objectives. The technical rules defining the reporting setup under Article 8 Taxonomy are further defined in the Taxonomy Disclosure Delegated Act (Commission Delegated Regulation (EU) 2021/2178, adopted on 6 July 2021).

For Degroof Petercam, as for the rest of the sector, the ability to communicate accurate information also depends on the ability of our service providers and the industry as a whole.¹ This first 2022 Taxonomy report therefore faced a number of limitations:

1. It is difficult to collect information on counterparties such as third-party fund managers.
2. Counterparties' Taxonomy-eligibility ratios are only based on turnover and not on their CapEx.
3. Exposures to companies that are not required to disclose non-financial information could not be identified and could therefore not be excluded.

This year's reporting should be evaluated as a best effort based on available data under the above-mentioned evolving landscape.

Furthermore, the reporting will evolve according to future publications regarding the four remaining environmental objectives and the social objectives. And finally, the reporting will also be impacted by the CSRD which will be applicable as from January 2024, for reporting in 2025.

The calculation of the EU Taxonomy-eligible assets is described in "Banking book" on page 116.

(1) The 2022 Taxonomy reporting was developed using data from S&P Global Trucost (S&P Global's ESG solution providing climate analytics, TCFD-related data, taxonomy-related data etc.). For green bonds, funded activities were analyzed using data provided by issuers in their Green bond Framework, Allocation and Impact Reports, Final Terms and other publications.

5.3 Sustainable Finance Disclosure Regulation and Principal Adverse Impacts

On 27 November 2019, Europe adopted the Sustainable Finance Disclosure Regulation (SFDR), which requires investment companies to account for the positive and negative impact of their investment decisions or recommendations on sustainability.

The negative impact assessment is based on the Principal Adverse Impact Indicators (PAIs), which need to be reported using a defined framework.

The publication of the PAI is governed by Commission Delegated Regulation 2022/1288 published in July 2022 describing the format and mandatory elements of this reporting. Conform the delay foreseen, Degroof Petercam entities will publish the PAI report by 30 June 2023 on the corporate website.

5.4 UN Principles for Responsible Banking and UN Principles for Responsible Investment

In December 2021, Degroof Petercam signed the United Nations Principles for Responsible Banking (UN PRB). The UN PRB provides a common framework for sustainable banking and has been developed through a partnership between banks worldwide and the United Nations Environment Programme Finance Initiative (UNEP FI). By doing so, Degroof Petercam followed the course set by DPAM, which became signatory of the United Nations Principles for Responsible Investment (UN PRI), in 2011.

As one of the UN PRB signatories, we commit to measuring the environmental and social impact of our business activities, defining and implementing sustainability targets in those areas where we have the most significant impact, and reporting publicly on our progress on a regular basis.

The reporting and Self-Assessment template as requested by UN PRB can be found on our corporate website. The latest UN PRI report can be found on DPAM's website.

5.5 UN Sustainable Development Goals

Degroof Petercam embraced the Sustainable Development Goals (SDGs), which were launched by the United Nations in 2015 to help end poverty, protect the planet and ensure global prosperity as part of a new sustainable development agenda. These SDGs offer crucial guidelines and parameters, allowing companies to shape their strategy and contribute to a more sustainable future.

In general, all 17 SDGs are relevant to the financial sector. Degroof Petercam aims to concentrate its efforts on those areas where we can make the most difference. In this respect, we organized an internal survey in 2022 to identify those areas. This resulted in the following selection of SDGs:



These six SDGs shape and feed our reflections on sustainability and guide us in taking the appropriate decisions to build a sustainable future.



A woman in a light blue business suit is shown in profile, talking on a black mobile phone. She is standing in a modern office with large windows in the background. The lighting is soft and professional. The text "Buy. Time." is overlaid in the center of the image.

Buy. Time.

Degroof Petercam will make a significant contribution to a more sustainable society. And in this endeavor, we aim to lead by example. How? By walking the talk, in every possible way. By reducing the environmental impact of our activities, by adhering to the highest standards of business ethics and corporate governance, and by demonstrating our social engagement.

Part III

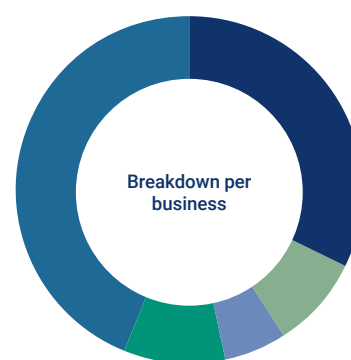
Walking the talk

1		Environment	107
2		Societal engagement	120
3		Governance	129

1 | Environment

In 2022 we expressed our ambition to reach carbon neutrality as soon as possible, both for Scope 1 (direct greenhouse gas emissions) and Scope 2 (energy-related emissions). To achieve this objective, we have mapped the carbon footprint of the entire group for the first time, enabling us to launch a phased plan of targeted reduction measures. The exercise was conducted with the support of Futureproofed, a Belgium-based specialized consultant. We have also translated our CO₂ emissions to the four different commercial segments. That way, we also embed this KPI in the existing commercial dashboards.

CO ₂ ton	2021	2022
Scope 1	3,678	3,848
Company facilities	1,262	1,174
Company vehicles	2,416	2,674
Scope 2	0	0
Purchased electricity, steam, heating & cooling	0	0
Scope 3	17,860	16,142
Business travel	13	61
Capital goods	547	273
Employee commuting	695	1,167
Energy-related activities	971	1,005
Purchased goods and services	15,619	13,611
Waste generated in operations	15	26
Total	21,538	19,990



Support Services	9,680
Private Banking	7,147
Institutional Asset Management	2,066
Asset Services	1,910
Investment Banking	1,253



Starting to
measure our
CO₂ footprint
full scope
demonstrates that

we are taking things seriously
and have embarked on an
ambitious journey at group level.
This journey will be completed
in 2023 by also adding Scope 3
emissions related to financed
emissions.

”

Frédéric Adam,
Head of Investment Management, DPAS

1.1 Fleet

Within Degroof Petercam, the fleet of company cars remains our main source of direct emissions. We have taken a number of initiatives to reduce the carbon footprint of our travels, and we will also set concrete targets to further reduce our fleet's emissions.

At the end of 2022, our total fleet consisted of 934 company vehicles, of which 80% are based in Belgium.

In 2021, a new and improved Mobility Plan was launched in Belgium. Throughout 2022, staff members continued to opt for emission-friendly options. As part of these options, employees can exchange their car for an electric vehicle if the car's emissions exceed 145 g/km. A higher budget was also granted for more sustainable mobility choices. Moreover, the Mobility Plan offers a range of mobility options such as public transportation passes, (electric) bicycles, electric scooters, etc. An increased number of employees opted for an (electric) bicycle or scooter in the past year. More specifically, bike orders at Degroof Petercam Belgium increased by 24% to 104 in 2022.

The limited action range of electric vehicles presents an additional challenge for the further rollout of electric mobility alternatives, also in Luxembourg where employees often travel long distances from neighboring countries. However, Degroof Petercam took a strong stance by installing 60 charging stations in the parking lot in 2022.

# cars	2021	2022
Electric	47	78
Hybrid	196	380
Fossil Fuel	639	476
Total	882	934

The number of electric and hybrid vehicles almost doubled in 2022, practically matching the number of fossil fuel cars.

In 2023, Degroof Petercam will take the next step by no longer ordering of fossil fuel only cars. In addition, based on an internal mobility survey conducted in Belgium, the mobility policy will also be reviewed and will move to electric cars only.

The public transportation options from my hometown are limited. Therefore, I am happy to have an employer who encourages me to choose an all-electric vehicle. Not only by seeking the 'best deals', but also by installing the necessary charging infrastructure at my home at the company's expense.

Carlo Bosmans, Service Line Manager

1.2 Buildings

Our buildings are the second source of direct emissions. We are starting to take initiatives to further reduce the environmental impact of our offices by focusing on energy efficiency, green energy, and circularity, among other things. Energy efficiency measures will be implemented in our six proprietary buildings (out of the total 18 buildings we occupy).

Energy consumption has become one of the main assessment factors, both in the selection of new sites and in the upgrading of our existing buildings.

First of all, we are committed to energy efficiency, as the best energy is the energy we do not consume. With this in mind, we have decided to perform an energy audit with the support of an external firm, to start planning for improving energy efficiency and reducing the use of fossil fuel. A first initiative in this regard is the insulation of our Antwerp office combined with the installation of solar panels, planned for the first semester of 2023. This will be our second solar park, next to the one at our Liège offices. Our Hasselt office will undergo an upgrade in 2023, including other energy efficiency investments.

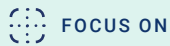
In addition, our objective is to convert our entire energy consumption to fully green energy. In Belgium and France, and Luxembourg our electricity already comes from 100% green and renewable energy sources, as certified by our suppliers.

Besides energy consumption, we also focus on **material consumption**. Where possible, we pursue circularity. As an example, we prefer to upgrade our existing offices, rather than to tear them down and rebuild them. During the renovation works, we also consider the reusability of the building materials.

In 2022, we started collecting data on our energy consumption so that we can start managing our consumption. The result is shown in the table below. Despite people returning to the office post COVID, we noticed a small decrease in consumption of natural gas at group level.

Currently, the validated heat pump scenario (ice-air-water) for our building in Luxembourg is undergoing further investigation to identify the most optimal technical settings and organize a call for tender.

kWh	2021	2022
Gas	7,073,710	6,577,977
Electricity (100% green)	5,423,555	5,283,376
% Green	48%	44%



Reducing the carbon footprint of our Luxembourg offices

When the Luxembourg office building was constructed, the local power grid turned out to be insufficient to match the building's energy demand. The solution: co-generation with gas. The co-generation installation turns gas into electricity and recovers heat from the generator to heat and cool the building. Part of the generated electricity is sold to the grid (contract until 2024). To reduce the building's gas consumption, we have decided to replace the co-generation installation with heat pumps.

1.3 Capital goods and purchased goods and services

In addition to our direct emissions (Scope 1 and 2), we also look at our indirect emissions (Scope 3), except for category 15 of GHG-protocol (financed emissions). Our carbon footprint analysis revealed that our capital goods, as well as our purchased goods and services, are our main source of indirect emissions. We aim to reduce these indirect emissions, by adhering to the principles of sustainable procurement, assessing, and selecting suppliers based on a range of sustainability criteria.

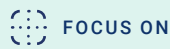
Our current procurement policy dates from 2019 and sets out a strong set of responsible practices that need to be followed. We use our influence and our buying power to encourage our suppliers to carry out socially responsible practices and use energy and resources efficiently. We aim to incrementally introduce sustainable procurement practices throughout our procurement operations. The group will avoid partnering with companies that exploit child or sweated labor, that disregard basic health and safety provision, that 'pirate' the intellectual property of others, or that willfully and avoidably damage the environment or otherwise act in contravention of applicable laws. Suppliers shall not engage in or support the use of child labor and shall conform to the provisions of:

- UN Supplier Code of Conduct
- SA8000 (a standard relating to the social accountability developed by Social Accountability International)
- International Labour Organisation Convention 138
- United Nation's Convention on the Rights of the Child

Degroof Petercam wishes to work with suppliers that share a commitment to preserving the world's natural resources. As far as is reasonably practicable, the group's procurement choices will favor products showing clear environmental advantages and will seek to use suppliers having similar policies and practices.

In 2023, Degroof Petercam intends to upgrade its policy and to adapt it to more advanced sustainable best practices, amongst others by requesting SBTi¹ alignment of its main suppliers.

(1) Science Based Target initiative. SBTi defines and promotes best practices in science-based target setting.



Carbon-neutral data center

At the end of 2020, we completed the migration of our Belgian and Luxembourg data centers to a single location. The new data center is now located in Luxembourg and is managed by an external partner, LuxConnect, one of the few data center operators to offer truly carbon-neutral facilities. Consolidating our IT infrastructure not only helped us reduce our energy footprint, it also enabled us to decrease the number of servers by 20% through efficient infrastructure management.

Carbon-neutral core IT provider

In 2020, Degroof Petercam and Avaloq signed an agreement to implement Avaloq's Software as a Service (SaaS) solution as Degroof Petercam's new core banking system. This new solution will transform Degroof Petercam's IT platform and better position the organization for growth and new opportunities. Moreover, it will also link Degroof Petercam's core IT system with a certified carbon neutral company

Source: [Corporate social responsibility at Avaloq](#)

Sustainable catering

We have taken several initiatives to reduce the ecological impact of our catering services. For instance, we avoid the use of plastic bottles and cups (single-use plastics). We have installed water coolers and drinking fountains and provided employees with a water bottle and porcelain coffee mugs which they can refill with water and coffee at any time. In the meeting rooms, we invariably serve water in glass bottles. We also want to ensure the social sustainability of our catering. For example, the company restaurant works with local and seasonal products.

1.4 Waste management

The amount of waste we generate is another indication of our environmental impact. While this may be less of a material topic for financial institutions, as the amounts of waste produced are very low, we continue to take specific actions to promote efficient and sustainable waste management throughout the group.

In the first place, we focus on avoiding waste. We do this by avoiding the use of plastic bottles and cups or by opting for new coffee machines using coffee beans rather than coffee cartridges. After our Brussels offices, our Luxembourg office also took that measure this year.

Next, we focus on sorting. The better we sort our waste, the more it can be recycled and reused.



Pauline Orban, Senior Legal Counsel and François Vanzeveren, Business Data Architect

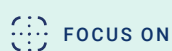
By biking to work, I avoid the traffic jams and the stress that comes with them. It allows me to get in shape physically and in the meantime, I can clear my mind to start the workday with renewed energy. In the evening, it's the perfect way to wind down. The fact that I am also contributing to a world with fewer fossil fuels completes the picture.

”

François Vanzeveren, Business Data Architect

That is why we optimized our waste collection both in Belgium and Luxembourg. All waste in our regional offices is now collected on demand and confidential documents are collected on a weekly instead of a daily basis. This measure helps us limit the carbon footprint of our waste. For this purpose, we work with MCA recycling in Belgium and Netto-Recycling in Luxembourg, both recognized leaders in their field.

kg	2021	2022
Paper	28,440	32,980
Other	42,008	63,252



Recycling our IT equipment

Since 2020, we have been supporting the international organization Close the Gap, which collects high-quality used IT equipment from European companies and donates it to educational, medical and social projects in developing and emerging countries. Laptops, mobile devices, screens and other IT equipment are recycled and turned into real development tools to accelerate the fight against poverty.

Find out more on close-the-gap.org

1.5 Business travel

As expected, business travel at Degroof Petercam has picked up again significantly after the end of the travel limitations related to the COVID-19 pandemic.

The widespread use of video-conferencing equipment in our regional offices and abroad, as well as an effective and reinforced system of additional remote working measures will further contribute to reducing overall business travel compared to pre-Covid. Moreover, our travel policy encourages our staff to avoid business travel as much as possible and a new travel booking platform raises travelers' awareness and will indicate the CO₂ cost of each trip.

km	2021	2022
Air	92,363	539,129
Train	46,110	234,606

1.6 Own investments: loan book and banking book

Our commitment to sustainability also persists in the way we manage our own assets. Whether it concerns our own investments (banking book) or client loans, we will always put our ESG ambition first.

1.6.1 Loans

As we are not a universal bank, our credit portfolio is limited. Moreover, our credit activity is not materially exposed to climate and environmental risks. Nevertheless, we assess these risks in every stage of the lending processes, when deemed relevant.

In one of our latest internal guidelines, it is stipulated that we request an energy certificate in case of a new private client real estate loan. In 2022, the Building Energy Performance (BEP, scale from A to G) score of each property has been collected for new credits or estimated (according to an internal methodology) to assess the sensitivity of the collateral to the transition risk. More information is available in our Risk Report.

As for our **corporate clients**, our Group Credit Policy explicitly excludes companies operating in carbon-intensive industries or in activities that are detrimental to the environment (e.g., coal mining, oil and gas production, and deforestation).

1.6.2 Banking book

For its own banking book, Degroof Petercam refrains from investing in financial instruments issued by certain companies in controversial sectors. Degroof Petercam does not hold positions linked to fossil fuel industry. Moreover, the investments in its banking book do fit in the Article 8 set-up as defined by the EU. In addition, we have decided to step up our investments in green bonds. At the end of 2022, we have already 183 million euros invested in green bonds. By 2025, we aim to bring this amount to 250 million.

Focus on Taxonomy-eligible assets

In order to compute our Taxonomy-eligibility ratio, we followed the first step of the Green Asset Ratio (GAR) computation methodology laid out in Annex V of (EU) 2021/2178. The scope of the covered assets is as follows.

1. The loan book: any type of loans granted to (non-)financial institutions, loans to households collateralized by residential immovable property, and loans granted to households for the renovation of a building or a house.
2. The banking book resulting from Degroof Petercam's Financial Assets and Liability Management
3. As indicated in section II - 5.2, exposures to companies that are not required to disclose non-financial information are included.

The identified Taxonomy-eligible assets are measured against the total on-balance assets excluding exposures to central governments, central banks, and supranational issuers. In doing so, we arrive at a Taxonomy eligibility ratio of 9.8%.



The focus on sustainability and the clear stance as far as energy efficiency is concerned was a clear trigger for me to join Degroof Petercam in 2021. I am looking forward to further participate in this journey and contribute to the improvement of the group's carbon footprint.

”

Peter Van Cauwenbergh, Technical Facility Manager

	Gross Carrying Amount (€) ¹	Proportion of Total On-Balance Assets	Eligible Assets (€)	Eligible Assets (in %)
Analysed Assets ²	3,550,039,213.72	36.7	615,581,233.72	17.3
of which Loan Book	1,078,790,127.02	11.2	-	0.0
of which Banking Book	2,471,249,086.70	25.6	615,581,233.72	24.9
Other assets only included in the denominator				
Trading Portfolio	341,130,256.04	3.5		
of which Derivatives	300,364,782.82	3.1		
Derivatives Used for Hedging	392,904,905.80	4.1		
On-Demand Interbank Loans	259,003,178.73	2.7		
Total Assets Included in the Denominator³	6,299,160,258.43	65.2	615,581,233.72	9.8
Exposures to Central Governments, Central Banks and Supranational Issuers	3,361,423,278.62	34.8		
Total On-Balance Assets	9,660,583,537.05	100.0		

The evolution in the reporting linked to Taxonomy is currently ongoing and bears some limitations. Only two environmental goals are fully defined by the European Parliament and Council. Eligibility towards the other four environmental goals still needs to be defined by the regulators.

(1) The total gross carrying amount of on-balance assets adds up to € 9,660,583,537.05 while the total carrying amount of the latter equals € 9,331,493,984.66 as stated in the financial report.

(2) Including exposures to Non-NFRD undertakings as they couldn't be identified.

(3) Excluding exposures to central governments, central banks and supranational issuers.

2 | Societal engagement

As a sustainable group, we not only want to reduce the environmental impact of our activities or ensure good corporate governance, we also want to take on an exemplary social role, in particular by supporting social innovations in employment solutions. We actively assume this commitment through our Degroof Petercam Foundation.

The Degroof Petercam Foundation

The Degroof Petercam Foundation was founded in 2008 as a Public Interest Foundation. It receives an annual donation from Degroof Petercam worth 0.3% of the group's net results, with a minimum of 250,000 euros per year.

Our Foundation focuses on innovative solutions in the employment sector, with a particular emphasis on Belgium, France, and Luxembourg. Because we believe employment is the seed of prosperity and we can have a systemic impact in this field. The innovative solutions that the Foundation supports are centered on developing skills for the future, creating future jobs by making entrepreneurship more attractive, and helping people who are struggling to find a job.

In the long run, the Degroof Petercam Foundation aims to enable social innovation, in line with UN Sustainable Development Goal 8: *"Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all"*.

Vision

We believe in a sustainable, inclusive society in which all people have a chance to thrive through a job.

Mission

We support social entrepreneurs and innovators scaling their employment solutions.

Making sure the Foundation has an impact

To ensure its portfolio impact, the Degroof Petercam Foundation has created an Impact Investment Committee. Its purpose is to select and manage the Foundation's investments in social finance and impact investing projects (fewer liquid investments).

The Degroof Petercam Foundation is recognized for its innovative approach. By choosing to finance social entrepreneurs over the long term with significant non-earmarked funds, the Foundation is in line with its desire to develop a philanthropy of system change.

”

Marie Melikov, Board member,
Degroof Petercam Foundation





Millennials want to get involved, and we are delighted to give them the right tools. I am passionate about building a community of donors united around the renewed pleasure of contributing to a fairer, greener, and more open society and associations that receive the means to achieve their ambitions.

”

2.1 Employee social engagement program

In addition to its primary mission of promoting employment, the Degroof Petercam 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.

The Employee Social Engagement program proposes different ways for our employees to show their social engagement:

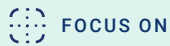
-
- 1 In 2022, 160 colleagues from Belgium, France and Luxembourg participated in the Degroof Petercam Foundation's **micro-donations program** and collected 15,501 euros, an amount which was then doubled by our group. The participants chose to donate it to **Restos du Coeur Belgium, Restos du Coeur France** and **Stëmm von der Strooss in Luxembourg**. These three organizations run social restaurants and food trucks where underprivileged people can go for a balanced meal, which is prepared with organic quality products, all at a low price. The social restaurants also aim to be a safe haven where people can get information regarding their re-integration into society. They do everything in their power to support these people, and in doing so they depend largely on the solidarity of others.

 - 2 In September 2022, a number of Degroof Petercam colleagues took up a sporting challenge by participating in the **DP Cycling Tour**. In doing so, they collected a total amount of 10,290 euros, an amount which was entirely donated to the **Stichting tegen Kanker-Fondation contre le Cancer**. On to the tenth edition in 2023!

 - 3 During the 2022 **Solidarity Days**, almost 200 colleagues from Belgium and Luxembourg participated in one of the 19 activities, ranging from hockey lessons for inner-city youth to preparing and distributing hot meals to people in need.

 - 4 Through the Skills-Based Sponsorship program, the Foundation offers employees within the Group the opportunity to dedicate up to three days per year of their working time to a charitable cause by sharing their competencies, expertise, and experience. Our colleagues experienced rich social and human adventures thanks to coaching missions at **Toolbox** and mentoring missions at **Team4Job, Singa, Fondation Portray**, or **Bibliothèques Sans Frontières**.

 - 5 The Employee Social Engagement program is managed through the platform '**Vendredi**' which allows people to have a positive impact on society through their work. Our colleagues have the possibility to devote a few hours to several days of work to the general interest.



Better, a solidarity-based digital subscription that promotes philanthropy for all

In 2015, three Degroof Petercam employees launched gingo.community, a digital platform that intends to make philanthropy accessible to everyone through collaborative financing, the so-called crowdfunding. In 2020, it was decided to take Gingo a step further and transform the digital start-up into a 'Tech 4 good' but always at the service of philanthropy. With that in mind, the Foundation hired a new team, bet on advanced technology based on artificial intelligence, and tinkered with the concept. This resulted in the launch of Better in 2022, a solidarity-based digital subscription that promotes philanthropy for all.

2.2 The Degroof Petercam Foundation lateral programs

The Degroof Petercam Foundation provides temporary funding to innovative projects that lack funding or revenues at the early start. As part of these so-called lateral programs, the Foundation has provided [The Ex'Tax Project](#) with a financial support of 75,000 euros to their Research & Study case The Taxshift, an EU fiscal strategy to support the inclusive circular economy. This study fits within the European Green Deal framework which was launched early 2020. It foresees investments in new types of jobs needed for a green and sustainable economy.

2.3 The Foundation Award

The main objective of the Degroof Petercam Foundation is to advance employment and sustainable prosperity. The foundation is determined to play an active role in this matter. This is why it created the DPF Award, to give social entrepreneurs with an innovative employment solution a boost, both financially and in the form of guidance.

Strategic evolution

After 5 years of DPF award, based on the many learnings, the Foundation's Board of Directors has decided that the **DPF Award goes European**: from 2023, we go beyond Belgium, France and Luxembourg candidates can be nominated from all over EU. This EU strategy goes along with **new ambitions for Belgium** as we will open a "**Degroof Petercam Foundation Do Tank**" where we will invest in knowledge building and sharing. We want it to become a lab, a platform for initiating innovations for addressing Belgium-specific employment issues. We ambition to make this Do Tank a sector backbone for social innovation around employment in Belgium, tying sectors together.



We are extremely honored and excited by this recognition which underscores

the need for our current and future employment initiatives. This award from the Degroof Petercam Foundation helps us achieve our goal of systemic change more quickly.

”

Emilie Schmitt
co-founder and director Activ'Action
2022 laureate Degroof Petercam Foundation



Top: Cycling-for-hope, a bike ride organized by White & Case, in favor of the Demoucelle Foundation, raising money for research on Parkinson (© Jean-Michel Clajot). Bottom: River Cleanup Luik, cleanup of the area affected by the floods.



Top: Our DP cycling team took on the challenge and rode their bike together, raising the nice sum of 10,290 euros for the Foundation against cancer. Bottom: Colleagues participating in the Brussels 20 km in favor of the Ligue Braille – Brailleliga

Each year, the DPF Award rewards several social entrepreneurs who are making a difference. One laureate is granted 1 million euros spread over five years of support. In addition, two runners-up receive a one-shot grant of 50,000 euros and three other finalists receive a one-shot grant of 20,000 euros.

The Degroof Petercam Foundation follows a venture philanthropy strategy throughout the five-year program by keeping a very close relationship with its laureates, offering them tailor-made non-financial support, access to the network of Degroof Petercam and that of the Degroof Petercam Foundation, and access to various domains of expertise ranging from finance, legal, and communication to HR and digital.

The Foundation bi-annually organizes monitoring meetings to review the objectives and achievements of both the laureates and DPF. These meetings enable a clear view of the laureates' evolution regarding their goals and scale-up strategy. It also allows the Foundation to define and improve the non-financial support that the laureates receive. In this way, the Foundation can directly impact the supported organizations and indirectly impact the beneficiaries targeted by those organizations.

3 | Governance

As a major financial institution, it is essential for Degroof Petercam to adopt a strong governance that relies on the skills, commitment and dedication of its directors, members of management and all employees. To ensure good governance at all levels of our organization, we have set out the rules of play for all our staff members from board to floor in our Code of Ethics and our General Anti-Money Laundering and Anti-Terrorist Financing Policy.

3.1 Code of Ethics

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. In this context, we have established our own Code of Ethics.

Our Code of Ethics defines the rules of ethics and professionalism that all our directors, members of management, and employees must observe in the conduct of their work and their activities. More specifically, 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

Risks which could negatively impact our reputation have increased considerably during the last years. A key risk of our reputation consists in being used as a vehicle for money laundering, terrorism financing and criminal activities as such. More specifically, the Regulator particularly considers the activity of Private Banking as subject to a potential increased risk of money laundering. To cope with this risk, we have issued a General policy on Anti-Money Laundering and Combatting Terrorism Financing.

Our General policy on Anti-Money Laundering and Combatting Terrorism Financing describes the framework regarding anti-money laundering and counter terrorist financing. It applies to all

group entities. Each entity/business line must ensure that it complies with the provisions of this policy and must incorporate them into its own policies, procedures and structures.

As a result, we take every reasonable effort to prevent the misuse of the banking system and to refuse entering into a business relationship if we know or suspect that the money, financial instruments or securities presented to one of our group entities are the proceeds of crime, or that the activities, products and/or services of our group entity will be used for criminal purpose.

3.2 ESG integrated product approval and risk assessment

In May 2022, Degroof Petercam updated both the PAP (Product Approval Process) and the NIRAP (New Initiative Risk Assessment Policy) to also account for environmental, social and governance (ESG) criteria. As a result, ESG risks and opportunities are included in our newly established NIPAP (New Initiatives and Product Approval Process), replacing and combining both the PAP and the NIRAP.

3.3 Risk Awareness and Control Excellence program (RACE)

In parallel with our new Code of Ethics, we continued the rollout of our Risk Awareness and Control Excellence (RACE) program in 2022, combining informational and awareness campaigns, as well as dedicated training and e-learnings. This mandatory training program has also been added as a key performance element in the evaluation process of every employee.

The 2022 RACE program consisted of five modules on the following topics.

- GDPR
- MAR (Market Abuse Regulation)
- Personal Account Dealing (PAD)
- Signature Code of ethics
- Incident Management
- IT security - refresh
- Sustainable Finance

3.4 Group Tax Policy

At Degroof Petercam, we see compliance with our tax obligations as a basic element of our economic, social and environmental responsibility. Hence, we commit to being a responsible taxpayer in the broadest sense. A commitment that we have formalized in our Group Tax Policy beginning 2023.

The international tax environment has changed significantly in recent years with a multitude of initiatives resulting in new legislation on transfer pricing, base erosion and profit shifting, economic substance, and international transparency. Tax compliance of the operations of each group entity established in Belgium or abroad is thus a major objective of the group's governance in a context of managing significant reputational, strategic, and financial risks within the group.

In the context of an ever-changing international tax environment, Degroof Petercam adheres to a Group Tax Policy that sets out common rules to be followed by each of the Group's constituent entities to ensure that the Group acts as a responsible taxpayer. This includes the payment of all taxes, contributions and duties due, taking into account the interests of all our stakeholders (i.e. employees, clients, shareholders, public authorities and society). In doing so, we aim to protect ourselves against reputational and financial risks. Consequently, our Group Tax Policy is part of our group's Risk Management Process. More information is available in our Risk Report.





Expand. Horizons.

Part IV

Accompanying people in the transition

1		Staff	135
2		Clients	145
3		Investee companies and third-party funds	148
4		Society at large	157

1 | Staff

We definitely consider staff-related topics to be of material importance to Degroof Petercam, according to the CSRD double materiality requirements.

Degroof Petercam is built on people. We are successful when the talents we employ are both inspired and inspiring. Talents with a mind of their own who understand the needs and interests of our clients. But who also understand where society is going and what may be important tomorrow.

To attract and retain experts, we believe in fostering them to grow and thrive. In offering them a stimulating environment and the opportunity to have a real impact.

The context: a challenging financial talent market

Today, attracting and retaining talent is increasingly challenging. The unemployment rate in the EU is at a historic low (6.1%, December 2022 – Eurostat). The entire financial sector is looking for talent, making recruitment extremely competitive. The requirements of the next generation of talents are evolving, both in terms of working conditions such as personal development, trainings, or flexibility and in terms of expectations regarding the non-financial performance of employers and their impact on the environment, society at large, and people management. As in all industries, employers must consider the impact of new ways of working in the post-COVID era on the organization, team cohesion, and corporate culture.

Be an Employer of Choice

In 2022, Degroof Petercam developed a strategic roadmap with the objective of becoming an Employer of Choice.

As a first exercise, we assessed where we are today using a McKinsey model that defines the following five key ingredients to become an employer of choice: company, culture, leaders, benefits, and job.



Motivational speaker Jim Rohn says that we are the average of the five people we spend the most time with. So, working with talented people around you can only help you grow and thrive to achieve great things. For me, a company is an employer of choice if I can develop my talent and make a mark.

”

Adel Nabhan,
Chief Marketing Officer Luxembourg



Great Company	Great Culture	Great Leaders	Great Benefits	Great Job
Purpose, Vision	Living Values	Inspirational	Work Life Balance	Efficient & effective organization
Clear & coherent strategic path	Respect & Fairness	Supportive	Compensation & Benefits	Meaningful & impactful job
Reputation	Recognition	Empowering	Job Security	Access to information
Business results	Performance Culture	Focused on development	Commitment to Engagement & Retention	Involvement
Contribution to society	Positive relationships & Fun		Opportunity for Growth	Working environment

Source: McKinsey & Company

Through nine sessions, in which about 50 colleagues participated, including staff members, managers, and senior leaders, we identified our strengths and areas for improvement. This resulted in a track of 18 initiatives spread across the five building blocks mentioned above.

1.1 Great company

Being an Employer of Choice implies having a strong purpose and solid values embedded in the company, as well as having a clear strategy.

We will continue to clarify and reinforce our fundamentals to make sure that everyone inside and outside Degroof Petercam knows what we stand for, what we excel in, and how we contribute to society. This includes our commitment in terms of sustainability and diversity, equity, and inclusion.

We are also further cascading our engaging Route 26 strategy into a clear roadmap to support Degroof Petercam's growth over the next three years. Our objective is that everyone in the

 FOCUS ON

Employee referral program

Talent attracts talent. That is why we count on our colleagues to refer our group as an employer of choice to their own networks. If our staff members have a friend, family member, or acquaintance matching the professional profile we are looking for, they are incentivized to have them apply for the job.

The success of the employee referral program we launched in 2022 is a very strong indicator of employee engagement. It reinforces the sense of belonging and creates a virtuous circle where current employees refer new job openings to their own network. The program earned us 20 new recruitments in two months after its launch.



Scan the QR-code to learn more about our employee referral program.

Kurt De Winne – Head of HR Business Partners, HR Legal and Strategic HR Business Projects

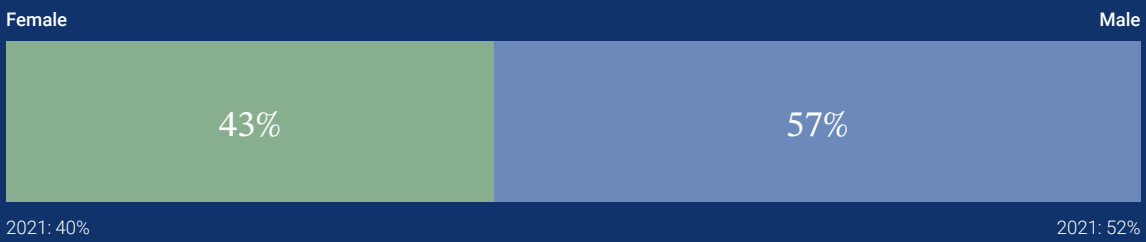




Group



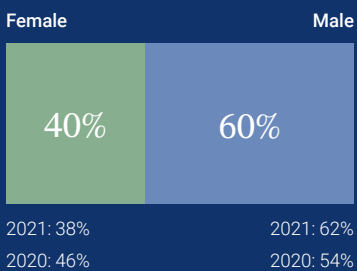
Employees



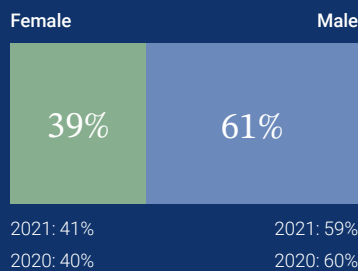
Top management



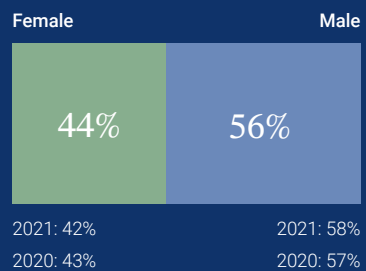
< 30



30 – 49



> 50



company understands where we are going in terms of ambitions and goals, that our colleagues have the right tools and skills to develop the strategic roadmap, and that they know how to contribute to the overall ambition to be the reference investment house, driven by people.

1.2 Great culture

Post-COVID, our corporate culture is changing. We work remotely more often, which means fewer opportunities for interaction between colleagues, both formal and informal. With this evolution in mind, we want to build and foster a culture where all our staff members have a sense of belonging and feel motivated and committed.

The culture we want to continue to develop is one in which our people feel proud to work for Degroof Petercam, where they have self-confidence, and where they easily collaborate with colleagues across business lines. This is not a given, we want to nurture these strengths and reinforce a sense of belonging where needed, based on a strong and inspiring corporate culture. Moreover, by favorizing 'reconnecting' initiatives, our people get to know each other better and see how they can lift each other up.

Measuring our employee engagement

Degroof Petercam monitors the corporate culture through its annual Tell Us survey. With this survey, we gauge employee engagement and well-being across all departments and countries of the group, as well as the level of satisfaction regarding our new ways of working, among other things. The survey's 2022 edition reached an impressive participation rate of 82%.

1.2.1 Employee engagement

The overall employee engagement score gives a reliable indication of how colleagues feel:

- Engaged (their rational, emotional, and behavioral commitment to Degroof Petercam)
- Enabled (does their working environment support their productivity and performance)
- Energized (their physical, interpersonal, and emotional well-being at work)

We measure these three dimensions through a variety of questions such as the pride of being part of our group, the evaluation of the equipment, tools and resources, and the feeling of personal accomplishment when going to work.

For 2022, our overall sustainable engagement score amounted to 78%, an increase of 5% compared to 2017. Looking deeper, the next statements score higher than average compared to the Europe Headquarters Financial Services Norm.

- Opportunities for training and skills improvement within the workplace
- Awareness on reporting unethical behavior and sanctions for non-compliance
- Better understanding on how our own objectives fit the business objectives
- Fair evaluation of performance
- Proximity of our team managers

However, some other categories, such as operational excellence and exchange of information on matters affecting coworkers and linked to the work environment, are not in line with our ambitions. Degroof Petercam has developed an action plan to address these items with the intention to increase employee engagement up to 80% by 2026.

1.2.2 New ways of working

After three years of remote working since the COVID-19 pandemic, our Tell Us survey also probed our people's satisfaction with our new ways of working:

- Overall, staff members in Belgium are more in favor of the new ways of working compared to colleagues in France and Luxembourg.
- The physical working environment with open spaces, bubbles, booths, etc. poses a challenge with regards to noise, privacy/confidentiality, practicality, etc.
- Team managers trust their team members but would like additional training in how they can manage a hybrid team and ensure team cohesion more efficiently.
- Overall, respondents are in favor of working two (36%) or three days (35%) a week from the office.

1.2.3 Diversity, Equity and inclusion

The 2022 Tell Us survey revealed that while women are generally more positive than men on the entire questionnaire, they are more critical when it comes to dedicated diversity and inclusion questions. More specifically, they put lower scores on, amongst others, equal opportunities and discrimination. They feel less safe to speak up compared to their male colleagues.

At Degroof Petercam, 41% of our employees are women. Among senior management, the proportion of women is 23%. These figures have been stable for several years now, although our recruitment policy is committed to attract female talent and increase the number of female candidates for vacancies. The appointment at board level of three new female directors has contributed to the increased representation of women at the highest level of our group.

The appeal of certain specialized functions in the high finance sector remains low for women. This encourages us to put our weight behind various initiatives that are aimed at making the financial sector more attractive to women. In this respect, we support the initiatives of Women in Finance, a Belgian organization that focuses its efforts on raising awareness around diversity and inclusion and on promoting gender balance at all levels within the financial sector.

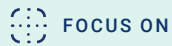
We also advocate gender-neutral remuneration. A first internal analysis in 2021 revealed no gender pay gaps within Degroof Petercam in Belgium. It also confirmed that the promotion/salary increase is well-balanced between genders. In 2022, the scope of the analysis has been extended to France and Luxembourg, which also revealed no gender pay gaps.

Diversity and inclusion remains a topic that requires continuous attention supported by a dedicated steering group.

1.3 Great leaders

A great company needs great leaders who make strong decisions and inspire others to follow their lead. The company must define a clear leadership profile serving as a basis for assessment, selection, and development of its own leaders.

A dedicated program to support and further build this leadership will be started during the first half of 2023. The objective of the program is to reinforce (new) people managers in their role: to develop their leadership potential by providing them with ad hoc individual and peers coaching sessions, as well as specific leadership sessions on how to lead in a hybrid working environment.



The Nine, Belgium's first female-focused member's club



Sabine Caudron, Head of Private Banking, participates in a panel discussion at The Nine on the occasion of International Women's Day on March 8.


Degroof Petercam is a partner of The Nine, Belgium's first female-focused members' club. The club is a community that aims to be a source of change and inspiration regarding gender equality.

The Nine organizes cultural, professional, and social events throughout the year. The ambition is to inspire and empower its members by putting women at the center of the gender equality conversation.

In addition, The Nine has its own non-profit organization that promotes gender and social equality and diversity at all levels of society: the Equality Initiative. Members of The Nine are automatically part of the initiative and a percentage of the cost of membership is directly allocated to the Equality Initiative.

In 2022, Degroef Petercam hosted two client events 'Women and wealth: the story of a financial (r)evolution', focusing on the evolution of the financial world, of family wealth management, and how women contribute to it.

On 8 March 2022, International Women's Day, Degroef Petercam participated in a panel discussion of a McKinsey event on the theme 'Overcome your own unconscious bias'.

Find out more on thenine.be 

1.4 Great benefits

Expertise is the essence of our DNA and it is embodied in the talented entrepreneurial professionals within our organization. To ensure our continued expertise, we offer our people training programs and opportunities to develop their personal and professional talents. Working at Degroof Petercam is demanding, but it is also rewarding and uplifting thanks to a competitive compensation and benefits package.

1.4.1 Learning

Our training policy offers our employees the possibility to follow trainings on hard and soft skills, both internally and externally. Capitalizing on the appetite for online training during the COVID-19 pandemic, we have compiled an extensive catalog of online training courses under the banner of **DP Academy**. All our employees can access it at any time on a self-service basis. The catalog consists of 67 modules that cover various training topics, ranging from soft skills to leadership, such as change management, well-being and resilience, team management, etc.

In 2022, new trainings focused on soft skills, regulations, sustainable finance, management of remote teams, and new IT tools.

Training, informing, and raising awareness on new regulations around sustainability is of paramount importance. All employees are going through a mandatory training to grasp the basics of the Sustainable Finance Regulation and gain the right level of understanding. Presentations and keynotes on Sustainable Finance were high on the agenda in 2022.

Arnaud Dosogne, Senior Project Program Manager

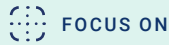
Degroof Petercam Asset Management (DPAM) has developed the **Sustainability Awareness Index** learning program to give all DPAM employees a basic understanding of the various sustainability challenges and how to integrate them into an investment process. The objective is to ensure that the vision and concept of sustainability is embedded in everything DPAM does. The program consists of several modules, most of which are mandatory for all DPAM employees. Topics range from ESG policy and governance to more in-depth modules on sustainable investments. Tests are included to ensure a correct understanding of the sustainability topics.

1.4.2 Well-being

While the 2021 absenteeism percentage of 2.24% is relatively low compared to the sector (4.3%), the 2022 Tell Us survey revealed that well-being is a specific point of attention with room for improvement.

To address this, we have expanded the DP Academy program's offering with several sessions

that focus on mental health and stress management, with a range of dedicated workshops such as develop optimism to drive change, mindfulness, the power of breathing, etc.



Labor Deal

In 2022, the Belgian government signed a new Labor Deal to integrate more people into the labor market and ensure a better work-life balance. This is how Degroof Petercam addresses some of the key points of this Labor Deal:

- **Right to disconnect.** This will be periodically assessed in collaboration with the employees' representatives, based on the Collective Labour Agreement that was concluded within the Financial Sector. Focus will be on training and raising awareness.
- **Lifelong learning.** Expertise is the essence of our DNA. We offer our colleagues numerous tools and opportunities to continuously develop their talents, both on a personal and a professional level, throughout their career. We will continue to increase our learning offering on personal development, business knowledge, and regulatory matters.
- **Flexibility.** The Labor Deal hands employers the opportunity to install a four-day work week or a week-to-week arrangement, without reducing working hours. We have decided not to introduce these regimes (yet), but we follow up with market practice.

1.4.3 Equal and modern rewards

Rewarding our people with flexible, equal, and modern compensation and benefits is a matter we take seriously. We offer market-competitive packages, a flexible mobility plan that maximizes green mobility choices, and a best-in-class retirement plan coupled with a host of individual insurances. We conduct a thorough annual review, so that we can properly monitor and maintain our alignment with the benchmark.

For 2023, we aim to better align our variable remuneration to integrate not only financial but also risk parameters, in line with shareholders' expectations. We will also continue to develop ESG elements and link them to our variable remuneration. As of 2023, a part of the variable remuneration will already be linked to ESG. As a starting point, the idea of decreasing Scope 1 and 2 CO₂ emissions has been validated as a group KPI.

1.5 Great job

Having a great job also implies working in an efficient and effective organization, where everyone has a meaningful and impactful job. We must make sure that we have a transversal view with excellent processes, better tools, and a better support system for all these tools. We strive to be a robust organization where operational excellence drives the way we work and where new ways of working are adapted to the new generation, company culture, and industry requirements.

In 2022, we took major steps with the successful deployment of a new centralized core banking and portfolio management platform in Belgium, of which rollout in Luxembourg is scheduled for

early 2024. The digital project roadmap, which focuses on delivering operational efficiencies for clients and staff (cash transfer, order confirmation, etc.), will continue with the support of a new CRM and Investment platform. This implementation is supported by a well-organized transformation office, following the group's key project roadmap. A dedicated centralized data project was also launched. These major steps should lead to a substantial increase in operational excellence to the benefit of our clients and will also contribute to the quality of our work environment.

2 | Clients

Satisfied customers are vital to a company's sustainable future. That is why we consider client satisfaction as one of the essential yardsticks for business success and a Key Performance Indicator in our business scorecards.

To measure our clients' satisfaction, we have launched a survey among our Private Banking clients in Belgium in 2021. A total of 1,981 clients participated in the survey, leading to a 15% response rate. The survey revealed high levels of overall satisfaction (8 out of 10 clients are generally satisfied) and showed that the relationship manager is our main asset. The results of the survey have also helped us identify open issues resulting in remediation actions.

Our Route 26 envisions organizing new client satisfaction surveys and extending them to all our business lines and countries, including Private Banking Luxembourg, Degroof Petercam Asset Services (DPAS), Degroof Petercam Asset Management (DPAM), and Investment Banking.

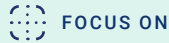
2.1 A sustainable impulse for investment management

At Degroof Petercam we believe that sustainable investment is the way forward to reduce risk, anticipate tomorrow's successes, and contribute to a better society. We actively inform our clients, both private and institutional, about the future impact of the sustainable transition on their investments.

Since August 2022, the MiFID II regulation imposes financial players to ask clients about their sustainability preferences. Here are some initiatives that we have taken in that respect:

- Dedicated info sessions for institutional clients in May 2022
- Proactive information of most of our private banking clients via letters providing explanations on sustainable investing, also supported by dedicated brochures, one-pagers, etc.
- Awareness campaign through participation in a panel discussion

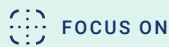
Next to this specific topic linked to regulation, we aim to inspire our clients through blogposts, videos, and dedicated seminars. For instance, every year DPAM hosts a well-visited Sustainable Seminar which brings together different panelists to discuss on relevant sustainability topics.



Annual Sustainability Seminar

On 12 October 2022, DPAM hosted the sixth edition of its Sustainability Seminar in Paris. The seminar focused on the relevance of active engagement and voting rights. A panel of experts concluded that ESG integration without active engagement and voting lacks credibility as both constitute essential components to achieve societal objectives across ESG challenges. Moreover, as investment managers are bound to measure and generate impact across meaningful and measurable sustainable development goals, they need to reorient the debate away from simplified exclusion frameworks in favor of active ownership engagement with clear escalation paths.

To conclude, engagement and active ownership are essential foundations upon which functional and effective ESG methodologies are built. Avoiding greenwashing risks requires strong, dynamic engagement and voting frameworks to support and enable transitioning companies and countries.



‘You are Tomorrow’, sharing our knowledge with the next generation

Degroof Petercam has joined forces with Solvay Brussels School of Economics and Management to develop an exclusive six-day masterclass program. The aim is to develop knowledge and understanding of the financial markets and key concepts of wealth management, as well as key developments in areas such as disruptive technologies.

The program is aimed exclusively at the next generations of our most valued clients – whether they have financial knowledge or not – who are about to assume investment responsibilities. The learning modules help them develop a good financial know-how and put it into practice.

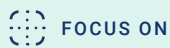
During the program, participants will learn from renowned academics and Degroof Petercam experts and have the opportunity to network with peers.

In anticipation of the rollout of the Sustainable Finance Disclosure Regulation and MiFID developments, we decided to proactively inform all our clients and train all private bankers. This approach demonstrates our true dedication to ESG.

Kris Organe, Partner Account Manager Family Offices, Private Banking

2.2 Sharing knowledge at Investment Banking

With 12 analysts covering over 140 listed companies, Degroof Petercam Investment Banking has one of the largest Benelux coverage and internal research teams. Beyond financial aspects, our research also gradually integrates ESG considerations with a quantitative and qualitative analysis to help institutional clients take better-informed investment decisions. We sit down and talk with the management of the companies that are covered by our research team to better understand their business and to engage on various ESG topics.



Degroof Petercam became the first Belgian member of Sustainable Trading

Sustainable Trading is the non-profit organization dedicated to transforming Environmental, Social, and Governance (ESG) practices in the financial markets trading industry.

Its members have collectively developed an initial set of Sustainable Trading Best Practices regarding trading technology infrastructure, environmental business practices, diversity, equity and inclusion, community engagement, employee well-being, and improved governance practices.

To enable its members to follow up on their progress in these practices and to ensure continuous ESG improvement, Sustainable Trading will establish and oversee a measurement framework.

2.3 Sustainability at Asset Services

Based in Luxembourg, DPAS offers a comprehensive, integrated and scalable range of administrative services associated with investments and asset management services for both Luxembourg and Belgian investment funds. Most investment decisions are however delegated to third-party managers who may apply different investment strategies as far as the integration of sustainability is concerned. DPAS aims to engage with clients to enhance their practices towards ESG integration.

3 | Investee companies and third-party funds

As a responsible investor, we not only accompany our employees and clients on their sustainable journey, we also actively engage with our investees, as well as the third-party funds in which we invest. We feel it is our fiduciary duty to defend and promote our ESG commitment by making our voice heard. We do so based on our individual engagement and voting policies, but also via collaborative engagement.

3.1 Engagement Policy

Through its Engagement Policy, DPAM makes a distinction between:

- Improving the quality of the **fundamental research** for better-informed investment decisions and sustainable long-term performances
- Engaging formally with the issuers to contribute to a better society
 - By reducing the negative impact of controversial investments, or
 - By defending **values and convictions** which are essential for the company and society

In 2022, DPAM initiated numerous company dialogues and launched 59 official engagement initiatives of which 45 defending fundamental values and 14 in the context of controversies. Additional figures, cases, and information about DPAM's engagement activities can be found in its [engagement report](#) [↗](#) and [engagement policy](#) [↗](#).

Improving the quality of the fundamental research

As an **active, sustainable, and research-driven** asset manager, DPAM strives to make better investment decisions by clarifying ESG concerns, strengthening convictions, etc. DPAM wants to have the highest level of quality information on a company in order to identify opportunities and avoid bad surprises which would force them to sell. Furthermore, it could be more efficient and effective to first discuss concerns and expectations with investees (for mutual learning) than to immediately divest. These engaged dialogues are carried out by portfolio managers, analysts, and responsible investment specialists. More than 20 buy-side equity and credit analysts continue their efforts to apply ESG factors upstream in the investment process, supported by the responsible investment specialists.

Throughout approximately 750 meetings with companies' management teams, our analysts encourage these companies to report on their efforts to incorporate the ESG challenges into their strategies and to adopt their industry's best practices.

The aimed outcome of the engaged dialogue in the framework of improving our fundamental research is to obtain answers to our questions. The outcome of the dialogue can be considered negative (no answer), ongoing (awareness but no result yet), or positive (willingness to change and adapt).

Reducing the negative impact of its investments: reviewing controversies

By reviewing the severe controversies companies are exposed to, DPAM can engage and/or divest to reduce its total negative impact. The RISG (Responsible Investment Steering Group) systematically reviews companies exposed to severe controversies, sector by sector, to **proactively defend sustainable and responsible investments**.

Beyond financial aspects, our research also gradually integrates ESG considerations with a quantitative and qualitative analysis to help institutional clients take better-informed investment decisions.

”

Laura Roba, Healthcare & ESG Equity Analyst



The sectoral review follows a strict process, guided by a standardized template and the involvement of all investment teams: portfolio managers, sectorial analysts, and responsible investments specialists. The whole process is described in DPAM's **Controversial Activities Policy**.

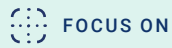
The number of companies that have been reviewed by the RISG in 2022 has slightly increased from 51 companies in 2021 to a total of 57 in 2022. The number of exclusions and engagements has also increased compared to 2021, slightly reducing the number of eligible issuers after having reviewed the controversies.

- 75% have been declared **eligible** following the review of ESG controversies.
- 9% resulted in a **formal engagement (i.e. letter)**.
- 16% resulted in **exclusion**.

Defend values and convictions which are essential for the company and society: active engagement

DPAM's values and convictions are derived from major global goals, mainly the Paris Agreement and the resulting global commitment to carbon neutrality, as well as the 17 Sustainable Development Goals, which have become a standard framework to assess and report on ESG impact. Lastly, the UN's guiding principles on business and human rights are the foundation for any engagement on human rights.

To be successful, an engagement should follow a strict monitoring and timeline.



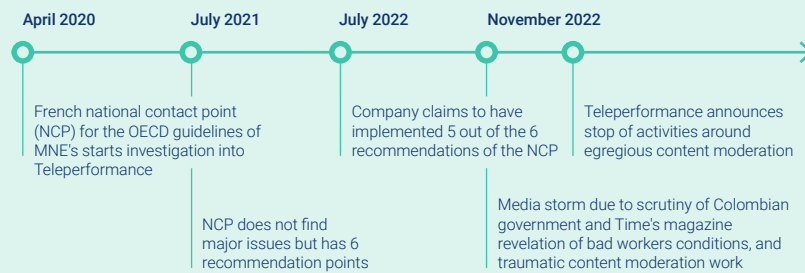
Teleperformance

The French company Teleperformance provides outsourced customer experience management services such as customer care solutions, technical support, customer acquisition services, digital solutions, analytics, etc.

In April 2020, the French National Contact Point (NCP) for the OECD guidelines of multinational enterprises started an investigation regarding issues of union hampering and working conditions.

In the first quarter of 2022, the company was put on watchlist regarding the 3rd principle of Global Standards: businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Timeline of DPAM's active engagement:



In 2022, DPAM's engagement activities to defend values and convictions were mainly articulated around topics such as climate, human rights, corporate and product governance.

3.2 Supporting collaborative engagement initiatives

Worldwide, multiple initiatives have been launched to advance the sustainable transition. At Degroof Petercam, we have joined several of these initiatives to strengthen our commitment in this area.

In 2022, 58% of DPAM's engagement was carried out through collaborative initiatives (FAIRR, Climate Action 100+, CDP, Facial Recognition, etc.) of which DPAM is a member. The individual engagement activities are launched on DPAM's proper initiative.

DPAM subscribed to the United Nations Principles for Responsible Investment (**UN PRI**) and the Net Zero Asset Managers initiative (**NZAM**). For example, since 2018, DPAM supports the Financial Stability Board's Task Force on Climate-Related Financial Disclosures (**TCFD**). These recommendations are primarily focused on environmental and climate change issues and are a pragmatic and recognized tool for implementing each investor's fiduciary duty to consider ESG factors in its management.

In 2022, DPAM continued its active participation in other collaborative initiatives like the Climate Action 100+, the CDP no-disclosure campaign, the Science-based Targets campaign, and the FAIRR initiative.

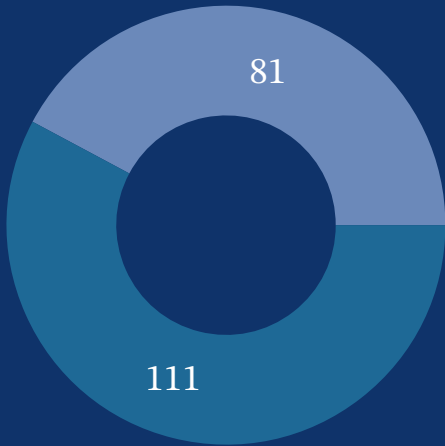
In 2022, DPAM joined an additional network that is active on the question, i.e. the Institutional Investors Group on Climate Change (IIGCC). This is the European membership body for investor collaboration on climate change.

Since June 2020, DPAM supports the **Investor Alliance for Human Rights**. Among the members are currently more than 160 institutional investors, including asset managers, union funds, public pension funds, foundations, endowments, religious organizations, and family funds. The members currently represent a total of more than 4 trillion dollars in assets under management in 18 countries. As an important investor in technologies and disruptive companies, we are convinced of our responsibility to ensure that this digital transition takes place with respect for human rights in the digital sphere. In this respect, DPAM joined the collaborative initiative Responsible use of Facial Recognition in 2021 to promote human rights' best practices in digitalization.

In December 2020, DPAM enrolled as a member of the **Finance for Biodiversity Pledge**. This Pledge aims to call on and commit world leaders to protect and restore biodiversity through their financial activities and investments ahead of the COP 15 of the Convention on Biological Diversity (CBD) in May 2021.

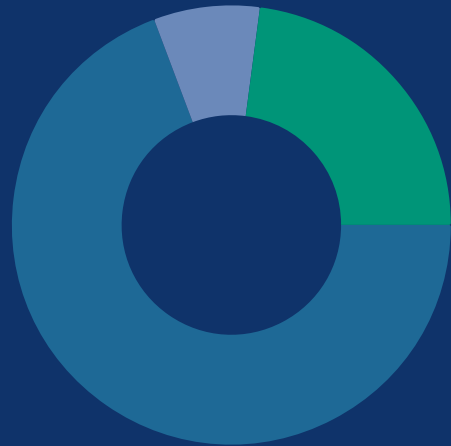


Engagement channels



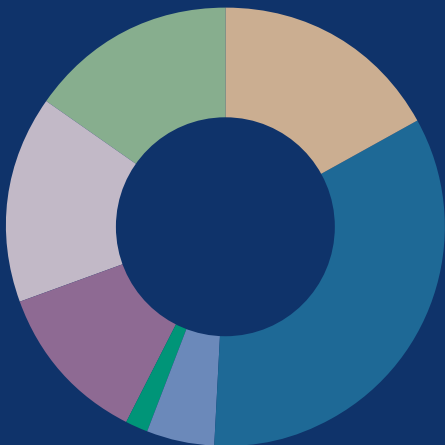
- Collaborative
- Individual

Engagement and dialogue



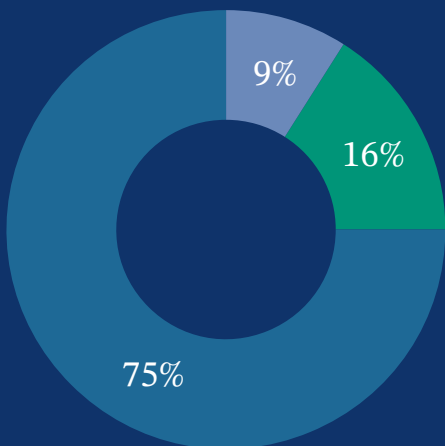
- Engagement for research
- Engagement for controversies
- Engagement for values and convictions

Engagement topics



- Climate change
- Business ethics
- Executive Remuneration
- Tax planning
- Corporate Governance / General ESG issues
- Product Governance
- Human rights / Labour practices & supply chain management

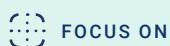
Controversies



- Eligible
- Formal engagement
- Excluded

There are various initiatives in which we engage to make our voice heard. For instance, via Climate Action 100+, an investor-led initiative to ensure that the world's largest corporate greenhouse gas emitters act on climate change. Or via Fairr, an investor network focusing on ESG risks in the global food sector.

Matthew Welch, Responsible Investment Specialist



Playing our part: sustainable transition in New Zealand

Since 2022, DPAM engages with sovereigns or governments for better policies. We do so by using the green bond framework, which has been issued to finance projects that contribute to the environmental transition. A relevant example is our collaboration with the New Zealand Treasury Department, where we have jointly reflected on a green bond framework.

Governments that lead the transition by adopting policies to mitigate and adapt climate change, combined with sustainable measures regarding social and governance factors, will likely benefit from a more sustainable development for the current and next generations, which could reduce funding costs and ease refinancing as a result.

Ophelie Mortier, Chief Sustainable Investment Officer at DPAM

3.3 Voting Policy

DPAM's Voting Policy was adopted in 2013 and is articulated around four pillars

- Protection of shareholders
- Sound corporate governance and composition of the board of directors
- Transparency and integrity of financial information
- ESG responsibility



In 2022, DPAM exercised its voting rights that come with the shares it holds in 54 institutional portfolios. DPAM took part in a total of 706 general and extraordinary meetings for a total of 10,303 resolutions. This is slightly above the activity of last year, and partially explained by the geographical extension of the scope. We made our voice heard in 651 companies, mainly in Europe and North-America, and to a lesser extent in Japan.

Proxy Voting Policy for patrimonial funds

Regarding investments in direct lines in our Private Banking offer, a contract has been put in place to exercise the voting policy for our direct line positions in our patrimonial fund included. The Proxy Voting Policy aims to uphold the values and principles of corporate governance that DPAM advocates and intends to defend.

3.4 Fund Engagement Policy

As a responsible investor, we want to make sure that the third-party funds we invest in on behalf of our clients are managed according to best practices.

Degroof Petercam's Fund Engagement Policy defines the framework and measures that have to be applied when engaging with external fund managers in the context of the group's commitment to the integration of ESG factors into its investment decisions. The policy spans our activities in Belgium, Luxembourg, and France.

Degroof Petercam has however no direct influence on the underlying investments made by the fund managers of the third-party funds it selects. If they would invest in instruments that are excluded by the group's Global Sustainable Investment Policy (instruments non-compliant with the controversial weapons, tobacco, gambling, adult entertainment, global compact, controversies, and governance checks), we will engage with the fund manager. In 2022, 27 external fund managers received a formal engagement letter.

A similar approach was applied to the limited third-party fund portion within our institutional asset management activities.

4 | Society at large

The biggest challenge for the sustainable transition is getting society on board. At Degroef Petercam, we contribute to this process by participating in numerous international initiatives which have been installed to promote a more sustainable economy and society.

4.1 Advocating sustainable investments through memberships

To reinforce our commitment to long-term sustainable financial management, we have joined several organizations that share our commitment to responsible investment. Through these memberships, we continually gain insight into the challenges and opportunities presented by responsible investing.

We actively participate in the following partnerships to promote sustainability efforts in the financial sector:



In 2022, Impact Finance Belgium (IFB) was created. IFB, is a membership association, with an overall goal to increase the share of impact capital in Belgium. IFB integrates all capital providers who genuinely strive for (measurable) impact for people and planet. Foundations, as well as impact investors and financial service firms with a clear footprint in impact were welcomed. Degroef Petercam was, through its institutional asset manager DPAM, keen on joining this association and taking up an active role as part of its IFBs' Advisory Board.

The kick-off of IFB took place during the first Belgian Impact Day on 30 November 2022 where DPAM CEO, Peter De Coensel, took part in an expert panel discussion 'Beyond ESG: any difference between ESG & impact'.

4.2 Strengthening our sustainability rating

Most of our sustainable funds are submitted to an annual internal and external audit conducted by the respective labelling authorities. 2022 audits confirmed that the sustainable funds adhered to the sustainable investment rules and that the policies are aligned with the sector's best practices.

In 2023, DPAM appeared in the Hirschel & Kramer Responsible Investment Brand Index (**RIBI™**), where it ranked second among more than 600 global asset managers. This recognition demonstrates our commitment to put sustainability at the forefront of the global agenda. DPAM has been in the top 10 for five years in a row and appears in the index 'Avant-Gardist' category.

Also in 2021, DPAM continued to receive international recognition in ESG matters with prestigious ratings and awards, including the **Luxflag** label and a **top A+ UN PRI** rating¹. As UN PRI is reconstructing its rating and assessment methodology, a following assessment will be available in due course in 2023.

In addition, the sustainable patrimonial funds of Bank Degroof Petercam obtained the Febelfin **Towards Sustainability label**, which, together with Luxflag, is considered among the most ambitious organizations on sustainability in Europe.



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 2021, DPAM obtained the top A+ rating once again.



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



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

(1) The label has an independent oversight by the Central Labeling Agency (CLA), is valid for one year, and is subject to annual reassessment. Furthermore, obtaining it by the sub-fund does not mean that it meets investors' sustainability objectives or that the label meets the requirements of future national or European rules.



Investment. Climate.



The last and most important part of our sustainable finance journey is about our client solutions. Taking care of our own behavior and the impact we generate ourselves is only logical. Trying to explain and promote the transition by infusing and sharing expertise in the debate is a step further. Profiling solutions we offer to our clients based on a credible, sustainable, and responsible policy is a daring but necessary last step. We are inherently convinced that sustainable and responsible investment is the way forward to reduce risk, anticipate tomorrow's opportunities, and contribute to a better society. We have taken on the responsibility to integrate non-financial factors in our investment policy to address environmental, societal, and governance (ESG) challenges that concern us all. Moreover, Degroof Petercam Asset Management (DPAM) joined the Net Zero Asset Managers (NZAM) Initiative in 2022. This sets the tone within our group.

Part V

Offering sustainable solutions

1		Bringing sustainability to financial instruments	163
2		Catering to our clients' sustainability preferences	164
3		Selecting sustainable assets based on a rigorous research process	164
4		Aiming for impact	170
5		Advising on philanthropy	173

1 | Bringing sustainability to financial instruments

With client assets totaling over 71 billion euros, it is clear that we are a relevant financial actor. We have built this status over the last 150 years with due care and expertise, providing our clients with the best possible financial services to help them grow their assets in a sustainable way. An important part of our solutions relies on the knowledge and experience that we have developed within DPAM and its active sustainable research.

DPAM is managing investment funds (Multi-Asset, Equity, and Fixed Income) and institutional mandates (Global Balanced, Equity, and Fixed Income). It also ensures the distribution of some of its investment funds through insurance companies, retail banks, and private banks such as Bank Degroof Petercam.

As for our Private Banking clients, we manage mandates or services in line with their respective investment profile. This includes access to discretionary portfolio management and investment advice. Our discretionary portfolio management reflects our convictions on future opportunities whereby patrimonial funds, DPAM funds, third-party funds, and direct lines mix into a full spectrum offer.

We have the most significant impact through the assets we manage on behalf of our clients, not via our own balance sheet. With over 71 billion euros worth of client assets, we continue to create responsible prosperity for all.

Hugo Lasat, CEO

2 | Catering to our clients' sustainability preferences

Degroof Petercam has the relevant expertise to guide investors in their sustainable investment choices. The regulatory environment for sustainable and ESG investments significantly evolved in recent years. As a result, investment products with a sustainable label must meet strict sustainability criteria.

Since August 2022, the MiFID II regulation requires financial actors to ask clients about their respective sustainability preferences and to enable them to engage in the suitable sustainable offering. In this respect, we worked out an additional setup to collect these preferences, as well as an adequate offer matching the preferences of our clients to our expertise.

For institutional customers, DPAM conscientiously focuses on the clients' requirements respecting their institutional mandate.

For Private Banking clients, Degroof Petercam decided to cater to all clients with a discretionary mandate, at least a **moderate sustainable offer** (so-called Article 8 mandate based on the Sustainable Finance Disclosure Regulation (SFDR) classification: integrating ESG criteria with a portion of sustainable underlying investments). This means that for Private Banking clients across the different countries (except France), the standard offering is an Article 8 mandate and not an Article 6 mandate, which does not necessarily include ESG factors. Consequently, clients with a 'neutral' answer to the MiFID sustainability preferences questionnaire will also in part engage in sustainable investments. Clients with a strong sustainability preference have access to a more impact-oriented sustainability offer.

3 | Selecting sustainable assets based on a rigorous research process

DPAM integrates ESG across asset classes and themes and is also an active owner. It has a strong focus on research with an in-house fundamental and quantitative analyst team. The selection of financial instruments is done through a rigorous research and screening process, based on thorough internal and external research, as well as a carefully considered selection procedure.

3.1 Expertise based on thorough research

3.1.1 Internal research

DPAM's in-house Responsible Investment Competence Center (RICC) consists of five responsible

investment specialists that cover various competences, such as fixed income fund management, credit research, equity management, and equity buy-side research. The RICC oversees all initiatives, methodologies, and projects related to the ESG aspects of the DPAM investment process. The RICC works closely with DPAM’s team of sustainable portfolio managers, as well as equity and credit analysts.

3.1.2 External sources

The research efforts of our internal teams are complemented with information provided by the world’s leading non-financial rating agencies and organizations such as Sustainalytics, MSCI, UTIL, and Trucost. These organizations generate high-quality, unbiased and specialized research, ratings and data on climate change, natural resource constraints, impact and governance information.

3.1.3 Expert insights

At DPAM, we also gain valuable insights from various independent experts through our voting advisory board, our TCFD steering committee, and our Fixed Income Sustainability Advisory Board, as well as through our membership of various international organizations.



3.2 Selecting sustainable investments for institutionals and distributors

Research fueled by ambition and commitment

DPAM has been a sustainable investor for over 20 years and a pioneer in sustainable investing. Showing consistent progress in its sustainable journey, DPAM joined the UN PRI back in 2011, adhered to TCFD in 2018, and joined the NZAM Initiative in 2022.

3.2.1 Net Zero Asset Management

The **NZAM Initiative** requires asset managers to support investments that are aligned with the ambition to reach net zero emissions by 2050 or sooner. This commitment has binding implications for all assets under DPAM's management and any investment decision of the portfolio managers.

To achieve this target by 2050 or earlier, DPAM adheres to the **Sciences Based Target (SBT)** protocol, a forward-looking approach in which the investees set a science-based Green-House Gas (GHG) reduction target or align their emissions with a 1.5°C scenario.

Moreover, DPAM makes a distinction between carbon-intensive sectors (TCFD sectors/transition) and other sectors:

- For carbon-intensive sectors, DPAM's ambition is to reach 75% of portfolio constituents with an SBT or emissions aligned with a 1.5°C scenario by 2030, and this applicable for funds categorized under Article 8 or 9. By 2040, DPAM aims to cover 100% of its portfolio.
- For the other sectors, the 2030 target is set at a minimum of 50% of portfolio constituents with an SBT or emissions aligned with a 1.5°C scenario for the funds categorized under SFDR Article 8 and 9. By 2040, DPAM aims to cover 100% of its portfolio.

Engaging with investee companies will be key to achieve the 2030 target. Collaborative initiatives such as the Carbon Disclosure Project (CDP), SBT campaigns, and individual engagements will be used in support of these targets.

Climate-related transition risks continue to increase. By integrating climate change risks and opportunities in its investment decision process, DPAM continuously assesses the impact of climate change on its investments and vice versa. Assessing our investees' readiness via Net Zero commitments has become key in the investment case. It was therefore only natural for us to commit to the NZAM Initiative.

Peter De Coensel, CEO DPAM

Read more about the [Net Zero Asset Managers Initiative](#) 

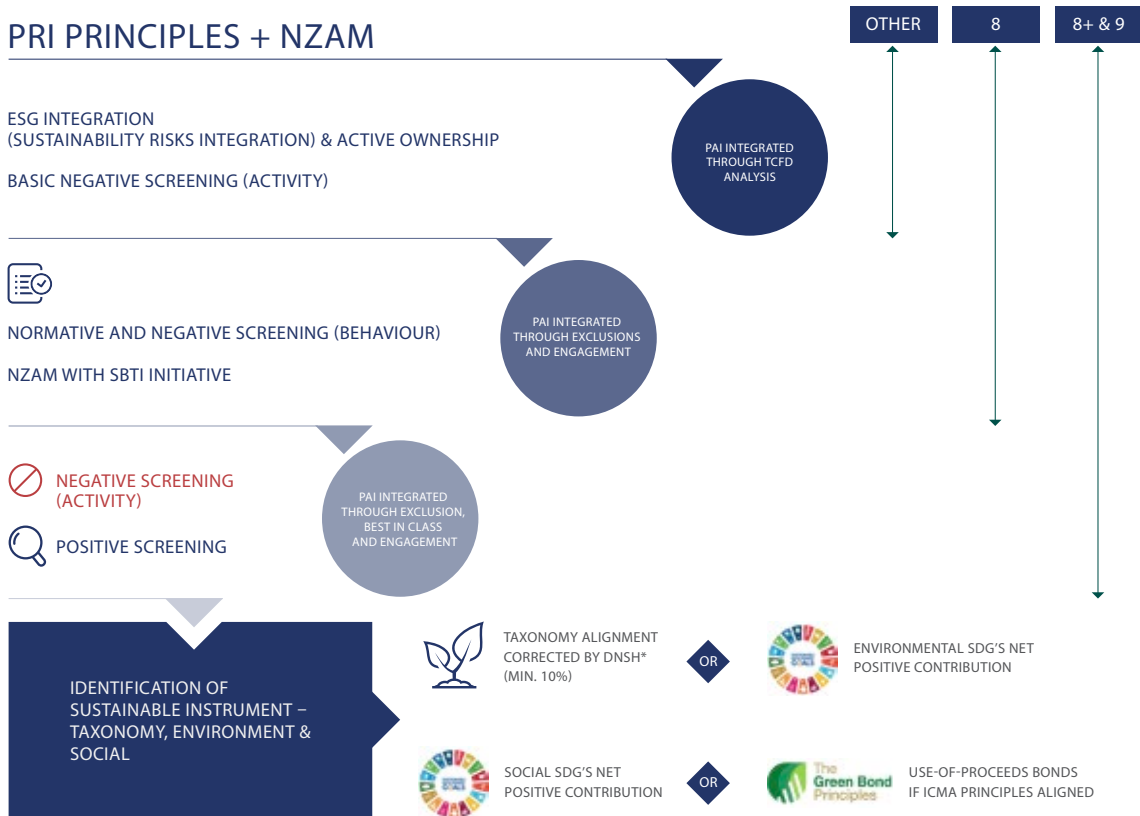
Read our [TCFD report](#) 

3.2.2 Gradually adding further ESG constraints

Throughout its investment screening process, DPAM applies a positive Do Not Significantly Harm (DNSH) approach, which promotes and encourages the best practices and best efforts regarding ESG sustainability.

1. We first mitigate the tail risks by excluding companies with the lowest ESG profiles based on their sector or activities (negative screening).
2. Next, we proceed to a positive screening by encouraging the ESG leaders and companies that are making significant progress in improving their ESG profiles, while excluding the worst performers per sector.

Based on this stepwise procedure, the selected sustainable investment funds take into account European Taxonomy, as well as environmental and social issues.



Last but not least, these building blocks are translated in client-specific institutional mandates matching our expertise and insights with customer preferences. Next to catering towards institutional clients, DPAM funds reflecting our unique expertise are also distributed through other banks and insurers.

3.3 Selecting sustainable investments for our private clients

The investment selection process for our individual clients is established in our **Global Sustainability Investment Policy (GSIP)**, which was updated by the end of 2022 to finetune our sustainable investments approach and adhere to the latest regulatory changes.

The first step in the selection process is a basic and extended normative screening, allowing us to identify securities that we can exclude from our investment strategies based on extra-financial reasons. This is the case if these securities are, for instance, involved in controversial activities such as weapons, tobacco, etc.

Next, the selected investments are submitted to an ESG integration due diligence. This screening is based on industry-based quarterlies or governance risk scores.

Finally, we conduct an impact due diligence, which constitutes a qualitative check where we look at the positive ESG impact of a company's activities.




DPAM's in-house knowledge which is translated to a broad offer of funds is used as a cornerstone of Degroof Petercam's Private Banking offer. However, the investment universe of Private Banking is vaster, as it includes direct lines and third-party funds. In that sense, the investment selection process is more focused on data-driven analysis, but it equally puts responsibility and sustainability at the core of its reflection.

FOCUS ON

ESG Integration in third-party funds

For diversification purposes, management teams may select investment funds managed by third parties, as approved by the specific selection committee. As with any investment, Private Banking pays attention to various sustainability criteria when making the selection. This includes the quality and track record of the third-party fund manager and its commitment to sustainable investments, notably its policies and rules regarding sustainability factors and risks, and compliance with the DNSH principle. Finally, at the product level, the SFDR classification and related methodology are also used as key information to assess the sustainability risks, both globally and at product level in particular.

3.4 Sustainable custody and administration with DPAS

Based on Degroof Petercam's sustainability methodologies, Degroof Petercam Asset Services (DPAS) has developed its own screening and classification process of financial products under its scope. DPAS considers that the higher the risk exposure and unmanaged part of the risk, the higher the potential reputational and financial impacts. Depending on the classification of the different funds under SFDR, DPAS manages the ESG risk following a [separate policy](#) 

DPAS supervises all portfolios that at least promote environmental or social characteristics based on quantitative reviews on a quarterly basis. For portfolios failing to comply with DPAS' requirements, an engagement procedure is performed with delegated managers who need to provide evidence of their results. Answers are collected in a qualitative review done by the Risk Management and the Investment Management teams of DPAS.

DPAS also accompanies its external clients to improve their approach towards ESG integration to help them reach higher standards while MIFID sets out new requirements.

3.5 Sustainability translated into figures

Funds DPAM		2021	2022
	Art. 6	27%	9%
	Art. 8	33%	38%
	Art. 8+/9	40%	53%

Mandates Private Banking	bn EUR	2021	2022
	Art. 8	14.9	13.1
	Art. 8+	2.3	2.1

DPAS's AuA where DPAS is member of Manco	bn EUR	2021	2022
	Home funds (Article 8)	12.68	13.66
	Home funds (Article 8+/9)	9.04	8.09
	Third party (Article 8)	1.93	3.25

There is a clear ambition to raise the bar by increasing the above percentages. This should be done by further creating awareness amongst our client base, as well as by reinforcing our value proposition in Article 8, Article 8+, and Article 9. We are currently working on setting these targets within the prevailing regulatory framework.

Next to these efforts another important KPI will be issued as from mid-2023: the Principle Adverse Impacts (cf. SFDR).

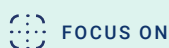
4 | Aiming for impact

Some investments aspire to go beyond being sustainable and responsible. They aim for a real, measurable impact next to a financial return. In Belgium, Degroof Petercam is one of the pioneers in impact investing with several impact Private Equity funds launched or distributed in two specific areas of interest. We have a clear ambition to further support these impact investments.

4.1 Renewable energy

In 2008 already, Degroof Petercam launched its first impact fund investing in renewable energy. This was followed by three more in 2011, 2015, and 2019.

These four impact funds represent an aggregate capital of more than 270 million euros. This amount of equity combined with the credits allowed the development and construction of units producing renewable energy with a total capacity of 497 MW and a total value of two billion euro.

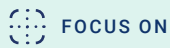


Funding renewable energy projects based on wind and biomass

In 2012, Degroof Petercam funded two entrepreneurs who wished to develop renewable energy based on 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, ten 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 2022, our participation in this venture represented the equivalent annual production of more than 23 million Kilowatt hours. This corresponds to the consumption of 600 electric cars (i.e. more than our current fleet of 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.

Through these initiatives, we have positioned ourselves as one of the leaders in wind funds offered to retail and institutional clients.



Investing in the repowering of eight onshore French wind farms

In 2021, Green Fund IV, which is jointly managed by TTR Energy and Degroof Petercam, realized the purchase of eight French onshore wind farms able to generate 240 GWh/year, which corresponds to the consumption of about 60,000 households.

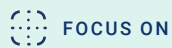
These eight wind farms were already operational and equipped with old technology. They will be upgraded to benefit from the latest innovations in design and infrastructure. This retrofit, also known as 'repowering', consists of replacing the turbines with newer, larger, and more efficient designs.

4.2 Regenerative economy

In 2018, we partnered with Quadia, a Swiss-based asset manager and a European leader in impact investing. Together, we launched a new impact fund focused on the regenerative economy: **Regenero Impact Fund** (Regenero).

Regenero invests in companies that address environmental and social challenges in the areas of energy transition, sustainable food, and the circular economy. Through their products and services, they move away from the conventional linear model (harvest, produce, throw away) and provide a new framework for an economy that restores and regenerates nature to promote innovation, self-reliance, resilience, and efficiency.

To date, 15 investments have already been made, for a total of approximately 25 million euros. These investments cover a wide range of companies that operate in sectors ranging from the cultivation of biodynamic and organic fruits to the repair and renovation 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 the target audience. The last closing of this fund took place in February 2021 and the commitments of the fund amount to 52.6 million euros, which guarantees a good diversification among the different selected projects.



Stimulating the market for bicycle leasing

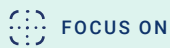
Through its Regenero Impact Fund, Degroof Petercam took a minority stake in the Belgian bicycle leasing company Cyclobility. Cyclobility offers complete solutions for the leasing and sale of electric bicycles for daily commuting. Its services also include maintenance and repair and are aimed at both professionals (employers and employees) and individuals. The annual mileage of Cyclobility users is estimated at 5 million kilometers.

Our full-service model is a differentiator that we intend to continue to develop throughout Belgium. Our ambition is to reach 10,000 leased bicycles by 2024 and to open new stores in Belgium. The combination of financial expertise and strong impact values makes Regenero Impact Fund the ideal partner to guide us through this next phase of our growth.

Andries Aumann, Founder and CEO Cyclobility



Andries Aumann (left) and Pieter Rutten (right) of Cyclobility



Giving the spare parts market in France a financial boost

Every year in France, 28 million household appliances break down and only 5 million of them are repaired. SOS Accessoire, the French leader in self-repair and online sales of spare parts for household appliances, aims to move the French home appliances market towards greater repairability, and Regenero wants to help them achieve this ambition.

In its first financing round, SOS Accessoire raised 10 million euros, which will allow the company to expand its marketing and digital presence, to further optimize its logistics, and to foster its growth in Europe, targeting Germany, Italy, and Spain.

SOS Accessoire has a huge opportunity to help reduce the volume of household appliances going to waste and, in doing so, to disrupt the perceived thinking that once something is broken, it must be replaced.

Olivier de Montlivault, Founder and CEO SOS Accessoire

5 | Advising on philanthropy

At Degroof Petercam, we also play a pioneering role in offering our clients philanthropic advice. Our Philanthropy service was established over fifteen years ago and provides sound and structural advice to our clients who wish to invest their capital and their time in philanthropic initiatives that help build a more sustainable world.

As a trusted advisor, we are connecting our clients that show an interest in impactful philanthropic projects with our estate planning experts. By also bringing the Degroof Petercam Foundation to the table, we are widening discussions considering the overall estate position and transition plans (to next gens). The main question is linked to 'make a mark'. Which mark does a client want to make through their wealth? Based on this question, a structure and project are created with defined plans, adequate governance, and relevant portfolio management.

As we run a well-known foundation, which ranks among the ten largest public interest foundations in Belgium, we have a large reputable network, enabling us to support our clients in their philanthropic desire. In 2022, 50 million euros of philanthropic projects were defined in Belgium, a strong increase compared to the 29 million euros in 2021.

Conclusion



Our sustainable finance journey started more than 20 years ago with the launch of the first sustainable fund. Much has happened since. This non-financial report provides a good overview of the ground we have covered and where we want to be. The course has been set.

In 2022, we continued to reinforce our governance around sustainability in all our businesses and our support services. With sustainable finance engrained in our strategic roadmap Route 26, the journey continues.

Further distinctive steps will be taken in 2023 and beyond.

After calculating and disclosing our CO₂ footprint for the first time in 2022, it will be completed in 2023 by including the calculation of emissions linked to clients' investments. DPAM made a Net Zero commitment, which will be further leveraged in 2023, as we will extend this commitment at group level. Not only CO₂ will be taken into consideration, but also the broader societal challenges impacting our company as well as the impact Degroof Petercam has on society.

This report brings tangible evidence of our commitments and the deep involvement of our teams.

It demonstrates our clear desire for greater sustainability and our accountability to deliver tangible results. We are in this for the long run and that is our commitment to you.