



<u>I</u>	Letter to shareholders	2
<u>II</u>	Key Figures	12
<u>III</u>	Key Highlights	18
<u>IV</u>	Management Report	40
<u>V</u>	Non-financial Report	66
<u>VI</u>	Consolidated financial statements	126
<u>VII</u>	Statutory financial statements	128
<u>VIII</u>	Contact	130

I. Letter to shareholders



Hugo Lasat, CEO
Gilles Samyn, Chairman of the board of directors

These unusual times have brought us closer to our colleagues and our clients and have confirmed how much of a people driven organization we are.

2021: a year of contrasts

There is no denying: COVID-19 continued to alter our lives and to put extra pressure on each and every individual and organization in 2021.

Since the start of the pandemic, we went to great lengths to prioritize health and safety of our staff and clients. Although we are well organized to accompany our clients digitally, we were grateful to have met with many clients in person as soon as it was possible and safe. There is no substitute for face-to-face interactions. These unusual times have brought us closer to our colleagues and our clients and have confirmed how much of a people driven organization we are, fueled by talents, expertise, and our purpose to create responsible prosperity for all.

2021 was a favorable year for financial markets, leading to solid financial returns for our clients, both private and institutional, and good performances for our company as demonstrated by the growth in private banking assets as well as continued expansion of DPAM.

This year has also been marked by the transformation of our activities in France where we evolved from bank to wealth manager.

Ongoing replacement of our core banking system and IT-framework has continued to mobilize means and resources. It's an essential building

block of our IT-strategy which consists to help build a new future-proof IT-landscape to support our business strategy, facilitate adoption of technological innovations, and support our growth ambitions.

Strong business performances and positive operational leverage

For Degroof Petercam, 2021 was a good year. We ended the year with total client assets amounting to 86 billion euros (excluding double counting), a 15% increase compared to 2020, driven by positive market performance and new inflows.

During fiscal year 2021, our gross operating result showed a 53% increase to 126.6 million euros. Revenues at 545.7 million euros were up 16% thanks to positive market performance, profitability improvement in Private Banking and Asset Management as well as solid activity in Investment Banking, through Global Markets and Corporate Finance. Operating revenues have been growing faster than operating expenses creating positive operating leverage.

Unfortunately, non-recurring exceptional items have affected profitability, including costs related to the introduction of our core banking system, the restructuring of our activities in France as well as the sale of our Private Banking activities in Switzerland. Consequently, after taxes and exceptional items, consolidated net profit reached 47.6 million euros, a 19% increase compared to a year earlier.

Solid solvency and liquidity positions

Degroof Petercam is a financially solid group with solvency and liquidity ratios well above prudential



Investing sustainably and creating responsible prosperity is at the core of Degroof Petercam's activities and is engraved in our purpose. In a complex world where we face crucial challenges, we want to continue creating responsible prosperity for all, by opening doors to opportunities and accompanying our clients with expertise.

Gilles Samyn, Chairman of the board of directors

Our fundamentals and corporate values



requirements. On December 31, 2021, our consolidated solvency rate posted 19.7%⁽¹⁾. Our balance sheet total stands at 10.0 billion euros, of which more than 5.3 billion are highly liquid assets.

Our excellent level of capitalization which results from a prudent management of our group financial resources and activities, provides us with the possibility to continue to invest to the benefit of the growth of our business lines and client value proposition.

ESG and sustainability embedded in our purpose

As a responsible group, we have the ambition to make a mark and have an impact when it comes to contributing to a sustainable future for society. We are convinced that we can combine financial and sustainable goals, taking into account Environmental, Social and Governance (ESG) themes, to create value for all our stakeholders.

We are leveraging on a changing environment to pursue our ESG and sustainable trajectory to bring sustainable finance in our value proposition for our clients, in our operations but also to intensify sustainable dialogue engagement with our coworkers, service providers, regulators, and society at large.

In 2021 we took a new step forward by signing the United Nations Principles for Responsible Banking. We are keen to play an active role in these collective efforts to deliver on the United Nations' Global Agenda.

We are proud to have registered at the end of 2021 a new increase of 29% of assets in our sustainable funds compared to 2020.

To support our commitment to more intensive

integration of ESG and sustainability, we are implementing a new group-wide steering and governance sustainability committee and reinforcing our network of ESG-experts in all parts of the group.

Integrated business model

Private Banking, Investment Banking (Corporate Finance and Global Markets), institutional Asset Management (DPAM) and Asset Services (DPAS): four core activities build over the years offering significant growth potential. What's more, these four métiers are integrated under one roof at Degroof Petercam. They complement and reinforce each other collaboratively, benefiting our unique value proposition. Few players in the sector can claim to offer such a fine combination of activity and expertise at the service of their clients. Not surprisingly, these métiers are gaining traction in the financial landscape and many of our competitors are also recognizing their growth potential.

Starting from this position, our collective mission consists in managing and developing this integrated model that sets us apart in a category of our own.

(1) The CET1 ratio as of 31/12/2021 takes into account the immediate incorporation of the dividend distribution in 2022. However, the result of the financial year 2021 will only be incorporated into the ratio on June 30, 2022, after its expected approval by the general assembly. If both components could have been taken into account simultaneously, as of December 31, 2021, the ratio would have been 21.4%.



As from my appointment in October, my priority was to personally meet with clients, coworkers and other stakeholders. Our current position in the financial services industry is very enviable, we are operating in the sweet spot of finance.

Hugo Lasat, CEO

Outlook and strategic priorities: ready for a new cycle of growth

To remain a leading independent investment house in our relevant markets and geographies, we will leverage on our business activities in a collaborative model.

Our model is client-centric, investment-led, powered by talents and supported by technology.

After the modernization of our data centers, we are now preparing the transition to a new banking and portfolio management platform, a fundamental change that requires significant resources and investments. We continue to recruit new talents and experts, a sign of our attractiveness in what remains a competitive job market. Our diversified portfolio of revenues bodes well for the future. Our strong foundations are key assets which allow us to envision a new cycle of growth.

The historical events we are currently experiencing with the latest geopolitical turmoil that has seen Russia invading Ukraine does not only affect financial markets, it also shakes the entire world, Europe in particular and the democratic values we live by. As it affects risks and liquidity management in our industry, we are closely monitoring the situation and are following the effects the current crisis may have on all our activities, including our client portfolio and fund management, liquidity of portfolios, client interaction

and information, and overall IT and operating environment.

It's in such uncertain times that our expertise demonstrates its added value to our clients to whom we express our gratitude for their continued trust.

Our sincere thanks also go to our people for their commitment to living our purpose. Our continued success and our results reflect the dedication and hard work of our 1,500 talented colleagues.

Finally, we are also extending our thanks to our shareholders, fellow board members, partners, and communities for their unwavering support.

As Private Bank and Investment House, we look forward to continuing working with all our stakeholders in 2022 and beyond to execute our long-term strategy and to ensure future development.

II. Key Figures

Net income
in million EUR

545.7

↗ +16%
2020 : 469.2

Gross operating profit
in million EUR

126.6

↗ +53%
2020 : 83.0

Net operating profit after taxes
in million EUR

94.9

↗ +53%
2020 : 62.2

Consolidated net profit
in million EUR

47.6

↗ +19%
2020 : 40.1

Breakdown of operating income*



- Private Banking (including Credits and Private Equity)
- Asset Management
- Asset Services
- Investment Banking (Corporate Finance and Global Markets)

* Revenues by business include analytical revenues as well as the allocation of treasury revenues to the business activities. The 2020 percentages have been adjusted accordingly.

Total client assets
in billion EUR

	2021		2020	
	Gross	Net ¹	Gross	Net ¹
Assets under management ²	69.8	69.8	60.8	60.8
Assets under administration ³	59.6	9.7	51.7	8.4
Assets under custody ⁴	112.3	6.5	98.4	5.8
Total client assets	86.0		75.0	

- 1 Excluding double counting.
- 2 Management and credit services.
- 3 Administrative services, including investment fund administration, fund accounting, fund domiciliation, registration and set up new funds, transfer agent, etc.
- 4 Custody services, including recording, holding and custody through securities and cash accounts.

Capital structura at 31.12.2021



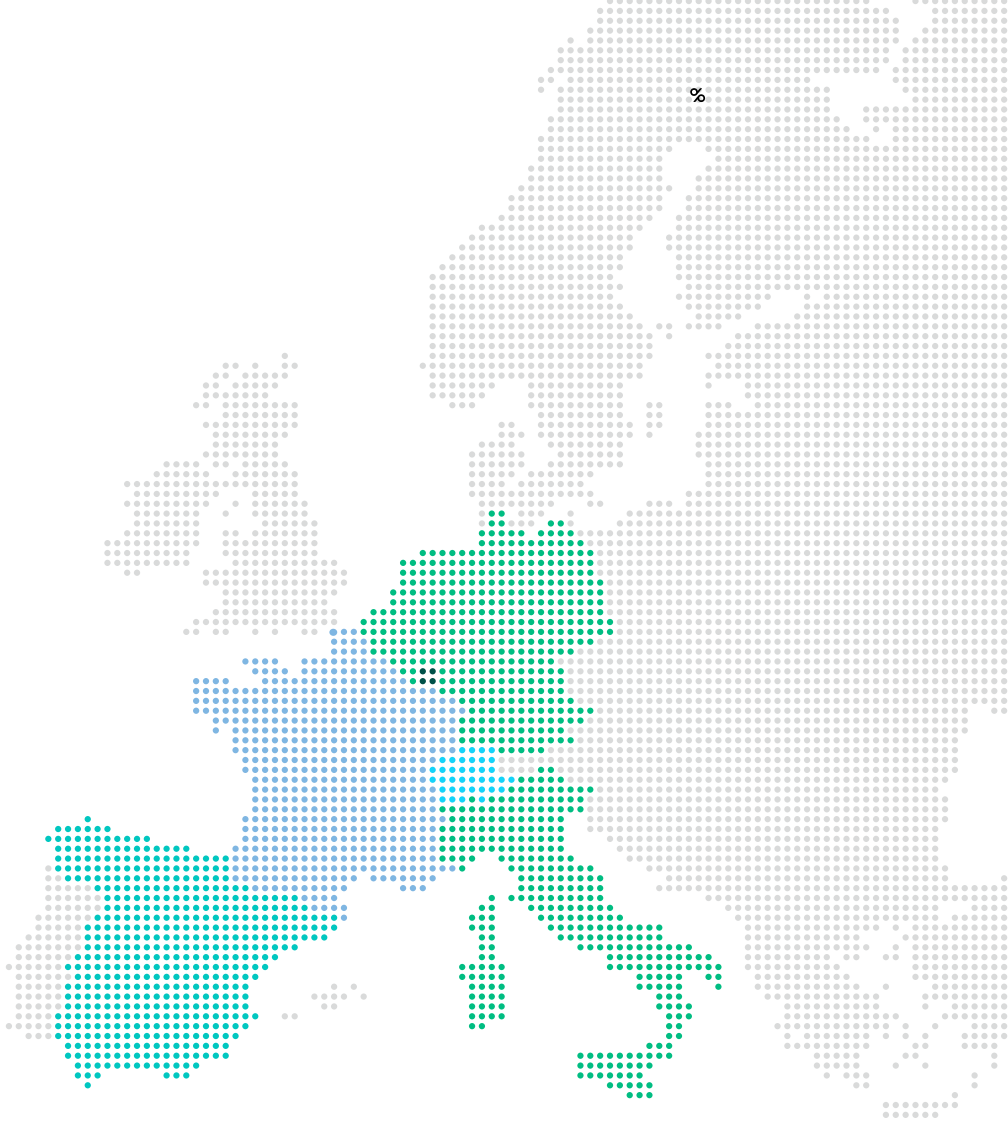
- DSDC*
 - Petercam Invest*
 - Financial partners
 - Management and staff
 - Own shares
- Total number of shares: 10,842,209

* Family and reference shareholders.
DSDC : families Philippson, Haegelsteen, Schockert and Siaens, CLdN Finance and Cobepa.
Petercam Invest: Peterbroeck and Van Campenhout families.

Staff count
in FTE

1,468

2020 : 1,404



Breakdown by country of staff count
in FTE

	31.12.2021	31.12.2020
● Belgium*	984	911
● Luxembourg	372	368
● France	87	101
● Switzerland	25	24

* Including branches in Germany, Italy, the Netherlands and Spain. Note that the sale of the Private Banking branch in Spain has been closed in 2021.

Board of directors

Chairman of the board of directors
Gilles Samyn¹

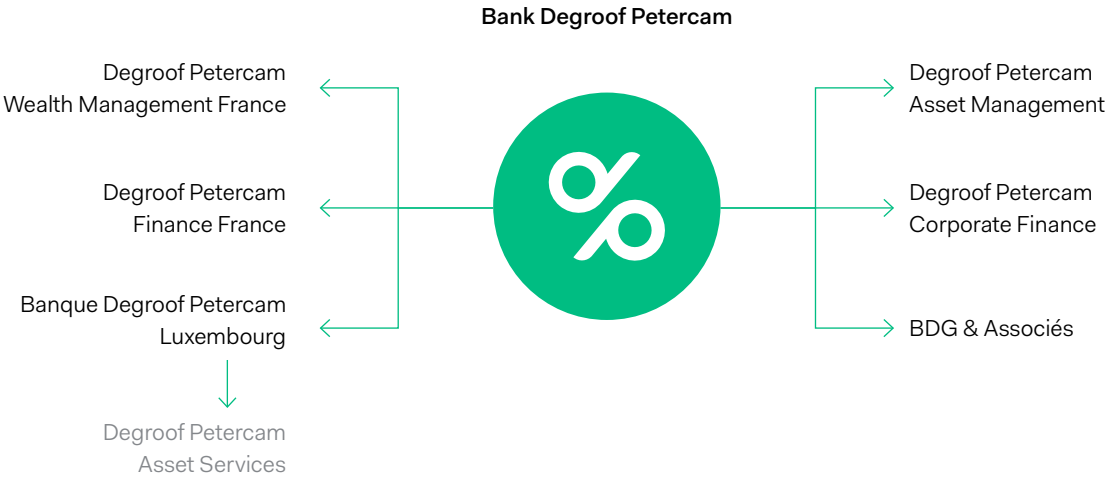
Managing director / Chairman of the management board
Hugo Lasat

Directors / members of the management board
Bruno Colmant
Nathalie Basyn
Gautier Bataille de Longprey
Gilles Firmin
François Wohrer

Directors
Yvan De Cock¹
Miguel del Marmol
Jean-Baptiste Douville de Franssu
Jean-Marie Laurent Josi
Jacques-Martin Philippson
Kathleen Ramsey¹
Frank van Bellingen
Thomas Demeure
Guido Vanherpe¹

¹ Independent director

Simplified structure Bank Degroof Petercam



III. Key Highlights

Our four business lines

Within Private Banking we act as a steward of all assets, for families, corporate executives and business owners. Our service model combines the experience of seasoned professionals with constantly evolving technology to meet six major challenges: making our clients' private or professional assets grow, protecting them from unforeseen events, financing their projects, diversifying their investments, giving them a societal and philanthropic dimension, and finally, when the time comes, ensuring optimal transfer.

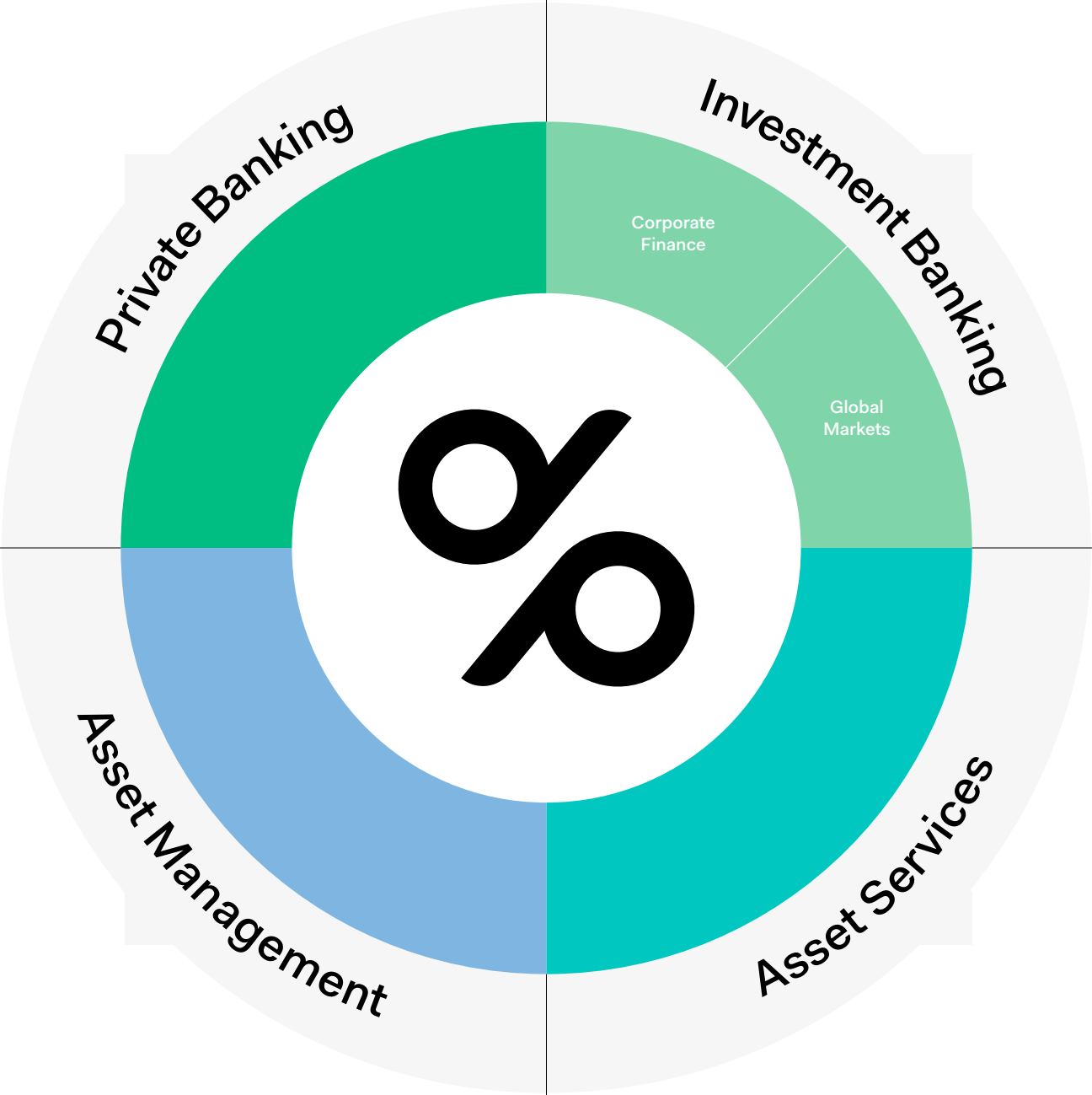
Services
Portfolio Management and Investment Advice · Estate Planning · Private Equity · Credits · Family Office · International Wealth Structuring · Life Insurance · Art Advisory

Countries
Belgium, France and Luxembourg with its hub for international clients

Our Asset Management (DPAM) business has been committed to offering active, sustainable and research-based investment solutions for more than two decades. DPAM's institutional clients include pension funds, foundations, insurance companies and non-profit organizations. With 20 years of sustained dedication to responsible investments, DPAM integrates ESG factors across all asset classes and themes. In-house research is at the heart of DPAM's management, relying on several teams of fundamental and quantitative research analysts.

Services
Investment Funds (Multi-Asset, Equity and Fixed Income) · Institutional Mandates (Global Balanced, Equity and Fixed Income)

Countries
Belgium, France, Luxembourg, the Netherlands, Germany, Switzerland, Spain, Italy and Hong Kong



Investment Banking (DPIB) focuses on mergers and acquisitions, and financial engineering with the issuance of equity and debt securities for both private and listed companies. In terms of capital markets activity and intermediation, we have one of the largest internal research teams in the Benelux. Thanks to our dealing room and our own trading room, we are a key player in the field of specialized execution services for all listed and unlisted financial products, such as bonds, structured products, derivatives, customized risk hedging solutions, etc. We also offer corporate services such as stock option plans, market making for listed companies, treasury or foreign exchange.

Services
1. Corporate Finance → Mergers & Acquisitions · Equity & Debt Capital Markets · Financial Advisory
2. Global Markets → Equity Research & Liquidity Providing · Equity & Fixed Income Sales and Trading · Foreign Exchange Derivatives & Structured Products

Countries
Belgium, Luxembourg, France and the Netherlands

Based in Luxembourg, Degroof Petercam Asset Services (DPAS) offers a comprehensive, integrated and scalable range of services for both Luxembourg and Belgian investment funds. These services are aimed at all types of initiators and investment funds. DPAS provides structuration, domiciliation, central administration, custodian bank (via Banque Degroof Petercam Luxembourg and its branch in Belgium) as well as custody services, registration support, risk management, distribution network supervision, currency hedging and asset management for clients acting as investment advisors.

Services
Fund Management Company · Depositary Bank and Custody Services · Transfer Agency · Fund Administration · Fund Legal Services

Countries
Belgium and Luxembourg

Private Banking

Our private banking services include a broad offering from portfolio management to dedicated investment approaches and credits, supported by our investment banking expertise and fueled by our in-house asset manager.

- 40.5 billion euros managed for private clients (gross) with positive net inflows in 2021¹
- Solid returns of investment portfolios with over 30 years of track record
- Client service at heart with:
 - Reinforcement of our team with more than 30 new experts and private bankers
 - Streamlining of our offering to the needs of our clients per segment
 - Celebration of the 150 years of Degroof Petercam through various exclusive events
 - Modernization of our IT infrastructure including the improvement of our mobile application, My Degroof Petercam

- Continued consolidation of our risk awareness culture through an improved internal control framework
- Innovative business development initiatives:
 - Set-up of the Small Cap Transaction Advisory desk for advisory services to FBO (Family Business Owners)
 - Strengthening of our international hub in Luxembourg for (U)HNWI ((Ultra) High-net-worth individual) clients with the development of key markets such as Portugal, the Netherlands and Canada
 - Further development of our Family Office service dedicated to large families with complex assets

- Sustainable and ESG integrated investments with more than two billion euros of assets under management

(1) Excluding clients of the Swiss branch in the process of being acquired.

Credits

The Credit activity, allows us to accompany our clients in their projects, whether it be in real estate (in domestic country or abroad), investments in securities (such as private equity), or the financing of a donation, etc. These loans are generally of the Lombard type. In this case the main guarantee is constituted by a pledge on the client's securities portfolio managed by the Bank or combined with a real estate component.

- 2.4 billion euros of approved credit lines, a 9% increase compared to 2020¹
- Average credit margin stable compared to last year, despite competitive credit environment

(1) Taking into account the selling of the 75 million euros credit portfolio in Spain.

- No loss nor provisions booked on credit portfolio
- Transfer of the credit portfolio held in France to our group expertise center in Belgium, following the transformation of our banking entity in France into a management company
- Continued development of the Lombard loans granted to clients in Belgium, Luxembourg and France as an alternative to standard mortgage loans



Private Equity

Our private equity expertise consists of offering to certain clients investments in non-listed assets on the financial markets. Most often, investments of this type take the form of a participation in a fund or a multi-investor structure whose objective is to invest capital according to a predefined strategy.

- Outstanding year with strong performances across strategies (buy-out, co-invest, secondaries, etc.), in a general market context characterized by unprecedented levels of fundraising, as well as of investment and exit activity
- Launch of four new feeder funds, including two new partnerships with renowned international managers in the buy-out space
- Milestone transaction for Green Fund IV, in the field of renewable energy sector, involving significant co-investment by several investors of the fund
- Swift deployment of capital by the recent funds, as well as favourable developments and successful exits for the more mature funds, leading to a rapid increase of the number of distributive projects, and contributing strongly towards concrete, delivered track record

“Our clients value our unique and personalized approach. With 150 years of experience and in-house specialists in each field, we offer complementary, tailor-made asset management services.”

Bruno Colmant, Head of Private Banking



Investment Banking

Our Investment Banking activities offer a unique combination of corporate finance and global markets expertise across the entire value chain, from M&A to capital markets (ECM/DCM), equities, fixed income, derivatives and foreign exchange, in full synergy with our other three business lines. We also provide strong sell-side research in support of our corporate niches.

- **More than 70 mandates in mergers & acquisitions, capital markets transactions and advisory, confirming Degroof Petercam's leading position in investment banking services for mid-size companies**

- **52 M&A and advisory mandates of which 27 in Belgium and 25 in France, for a total of 3.2 billion euros:**

- 24 M&A transactions, including the sale of Waterland's stake in the Sarens group, the acquisition of Meridiam by Suez Environnement, 13 laboratory acquisitions for Biogroup, the acquisition of Olinn by Crédit Agricole Leasing and Factoring
- Several fairness opinions or advisory assignments in the context of takeover bids or mergers (Emakina, Leasinvest, Orange Belgium, PSB Industries, Sioen, Zenitel)

- **Six equity capital market transactions, mainly in the healthcare sector, with the IPO of Onward Medical on Euronext Brussels and Euronext Amsterdam, the IPO of Nyxoah on Nasdaq, and the Accelerated Bookbuilding of existing (Pharmagest, Deceuninck) or new (Acacia Pharma and Avantium) shares**

- **13 debt capital market transactions, confirming our number two position in EMEA for private placements according to Dealogic:**

- Private placements for Retail Estates and Wereldhave Belgium in Belgium
- Financing operations for Biogroup, Focus Home, Vilmorin, Group Gorgé, Bridge Invest and GLH in France

- **25% increase in the number of clients for stock options & incentive plans and expansion of these services to listed companies**

- **Continued development of Derivatives services, attracting new clients and extending the area of activity**

- **Growth of trading activities, in particular Forex activity**

- **Organization of seven thematic conferences and 154 roadshows including more than 2,700 investor meetings**

- **Launch of the new Commissioned Research service with four new companies covered in France, Belgium and the Netherlands**

- **Top five in the Benelux Equity Research category of the Extel survey conducted by Reuters**

- **Strengthening of the technical and human resources of the dealing room to cope with a more complex environment and an increasing order volume**

“Our strength lies not only in the advice we provide to our clients, but also in our ability to successfully execute the advised transactions.”

François Wohrer, Head of Investment Banking



Asset Management (DPAM)

DPAM thrives on the conviction that actively managed, sustainable and research-based client solutions or portfolios offer the best opportunities for superior long-term investment results. As an active manager, DPAM combines financial objectives with a pioneering role as sustainable actor.

- Record growth with assets under management (gross) rising 17.1% to reach 50.7 billion euros with net capital inflows of 1.3 billion euros

- 88% of the growth stemming from outside of Belgium confirming the continued international expansion

- Significant inflows in equity, especially in the global and European equity strategies

- 28.8% increase of sustainable assets under management (gross) from 15.3 billion euros to 19.7 billion euros

- Creation of Syncicap Asset Management in Hong Kong, a joint venture resulting of the strategic partnership between DPAM and OFI Asset Management (OFI AM)

- Numerous international awards rewarding quality of the management and investment performances, including:

- Quantalys in France: 'Best regional Asset Manager: All assets'

- GFSI / ZFSI in Switzerland: 'Swiss Sustainable Funds Awards 2021: Best Asset Management company'

- Scope Analysis AG in Germany, Austria, Switzerland: Scope Awards 2022: 'Best Asset Manager ESG' (Universal provider ESG category)

- Appointment of Peter De Coensel as CEO and chairman of DPAM's management board, following Hugo Lasat's nomination as CEO of Degroof Petercam and chairman of DPAM's board of directors

“With two decades of sustained dedication, we have evolved from an ESG solutions provider to a sustainable actor, investor, and partner.”

Peter De Coensel, CEO Degroof Petercam Asset Management



Asset Services

Asset Services integrates the entire value chain of investment fund services in a one-stop shop approach. This offer is aimed at the group's investment funds as well as third-party funds.

- 59.6 billion euros of assets under administration, a record high representing a 15% increase compared to 2020

- 954 million euros in net inflows from the group as well as from existing and new third-party clients

- Launch of MyDPi, a digital platform enabling institutional clients to view and manage their assets

- Launch of four new private equity investment vehicles bringing total private equity fund commitments under administration to nearly 900 million euros

“Our support of the entire value chain of services to Luxembourg and Belgian investment funds allows our clients to focus on the management of their assets.”

Sylvie Huret, Head of Asset Services



Sustainable development

A selection of key highlights related to sustainability are detailed below. For more information on our governance and sustainability actions, both at group level and in our business lines, the full non-financial report is available in the full version of the annual report.

Responsible investment

Sustainable and responsible investment has been one of our guiding principle in our investment process for more than 20 years already. As a responsible group, we aim to contribute to a sustainable future for society. We are convinced that we can combine financial and sustainable objectives to create value for all our stakeholders. Investing sustainably and creating responsible prosperity is at the heart of Degroof Petercam's activities and is embedded in our purpose.

- 20 years anniversary since the launch of the first sustainable investment strategy
- Focus on the EU's sustainable finance action plan and European Union's Sustainable Finance Disclosure Regulation (SFDR) alignment at DPAM level¹ :
 - 84% of assets under management are article 8 and 9 products, compared to 67% nine months earlier
 - 42% of assets under management are article 8+ and 9 products, which we consider to be sustainable investments
- Significant progress on controversial activities policy, including a clear distinction between the exclusion criteria for article 8+ and 9 DPAM products and article 8 and others products

- Active shareholder responsibility through:
 - DPAM attending 683 general meetings of shareholders and voting on 9,697 resolutions
 - Voting in favor of management's recommendations in 86% of cases and against in 12.3% of cases. These votes included resolutions related to climate, gender diversity and executive remuneration, as reported in DPAM's 2021 [voting](#) and [engagement](#) activities reports
 - Sending shareholder engagement letters to 10% of the external fund managers in Private Banking. This systematic verification exercise started in 2021 will be finalized in 2022
- International recognition of DPAM, including:
 - GFSI / ZFSI in Switzerland: 'Swiss Sustainable Funds Awards 2021: Best Asset Management company'
 - Scope Analysis AG in Germany, Austria, Switzerland: Scope Awards 2022: 'Best Asset Manager ESG' (Universal provider ESG category)

(1) The SFDR regulation provides for the classification of financial products into separate categories (article 6, article 8, article 8+ and article 9), the definitions of which are available in the non-financial report of the annual report.

Social engagement

Through the Degroof Petercam Foundation, we support social innovations for employment by focusing primarily on three areas: skills, entrepreneurship and accessibility to employment. The foundation supports one project each year with a grant of one million euros spread over five years. In addition to its main mission in favor of employment, the foundation is also committed to promoting philanthropy among our coworkers through participative social engagement programs such as volunteering, mentoring, skills-based sponsorship and micro-donations to charity organizations.

- Social engagement of coworkers:
 - 170 coworkers collectively participated in the micro-donation program raising more than 32,000 euros for River Cleanup, an association that collects plastic waste in rivers and streams
 - 195 colleagues dedicated one day of their working time to support one out of 11 social or environmental initiatives as part of our annual Solidarity Days
 - 3,500 trees planted by our colleagues in partnership with Natuurpunt and ReforestAction
 - 11,000 euros raised in favor of the Foundation against Cancer through a cycling trip sponsored by the Degroof Petercam cycling team
 - 16,000 euros collected by colleagues and donated to the King Baudouin Foundation to help people affected by the floods in Belgium
- 300,000 euros of support spread until 2029 for the Story-me project stimulating entrepreneurial skills in Brussels professional schools
- One million euros awarded together with complementary support spread over five years to 'Ticket for Change', a French organization aiming at positive social and environmental change through employment. This support will enable them to replicate their model in Belgium and Luxembourg
- Publication of the first [Impact Report](#) of the Degroof Petercam Foundation
- Organization of an event dedicated to social entrepreneurship in the presence of Paul Duan (founder of Bayes Impact and winner of the Degroof Petercam Foundation Award 2020), Jimmy Wales (co-founder of Wikipedia) and Cal Fussman (influential American journalist)
- Commissioning and publication of a [study](#) conducted by the Esade Entrepreneurship Institute in Barcelona on employment, identifying the most vulnerable groups and the existing solutions covered by public and private initiatives



“Our social engagement program is deeply rooted in Degroof Petercam's DNA and is highly valued by our coworkers. These initiatives are the genuine foundations for an even stronger commitment of our colleagues to our institution.”

Jean-Marc Verbist, Group Chief Human Resources

After an exceptional year in 2020, **Investment Banking** overall matched last year's level of revenues, but with a decrease in operating revenues in Global Markets compared to the previous year due to a decline in Fixed Income and Forex activities. However, this decrease was fully offset by a 32% increase in Corporate Finance revenues, driven by growth in M&A and capital markets mandates (ECM and DCM). Investment Banking contributed 16% of the Group's total revenues.

Degroof Petercam's commercial success was also recognized by numerous industry awards. Investment Banking ranked second in the Dealogic EMEA Private Placement 2021 ranking. DPAM's expertise was rewarded externally with the Cristal Fund award (De Standaard / L'Echo) for government bonds and via five Fund awards by Echo / De Tijd. DPAM also won awards abroad such as Quantalys in France, GFSI / ZFSI in Switzerland and Scope Analysis AG in Germany.

2 | Comments on the consolidated accounts

At the end of the financial year 2021, the consolidated net profit (group share) was 47,552,166 euros, compared to 40,043,700 euros for the previous financial year. The overall increase is mainly due to the significant increase in net fees from asset management activities. This growth in revenue is partially offset by an increase in personnel costs, general and administrative costs and tax expenses.

Consolidated comprehensive income (group share) was 56,320,447 euros as at 31 December 2021 compared with 41,399,834 euros a year earlier. Income is calculated by adding to consolidated net profit the unrealized income directly recognized in equity (revaluation reserves). The increase in other comprehensive income is mainly due to the positive effect of revaluations of market conditions of post-employment benefit plans (predominantly pension plans).

Net commission income increased due to two main elements. Firstly, asset management fees increased significantly as a result of sustained market growth, as well as the inflow of new capital (mainly from the distribution of in-house funds and the collection of new institutional management mandates at DPAM). Total client assets thus increased by 15% in 2021 to reach an overall level of 86 billion euros at the end of the year. Secondly, fees from Corporate Finance activities increased compared to 2020, which was significantly impacted by the transactional uncertainty related to the health crisis.

The net interest margin including all revaluations of interest rate conditions on financial instruments was at a higher level compared to the previous year's results. This is mainly due to the positive revaluation of interest rate swaps used to hedge loans granted by the bank.

Cash management showed an increase in net interest income due to value-generating initiatives for the group such as participation in the TLTRO III¹ program but also through proactive management of deposit pricing.

Other net operating income showed a negative change compared to 2020 due to higher expenses this year. This variance is mainly due to the conclusion of a settlement with the Belgian Public Prosecutor's Office in a former case related to clients of the private bank.

(1) On 7 March 2019, the ECB announced a series of Targeted Longer-Term Refinancing Operations (TLTROs). TLTROs are designed to improve the functioning of European monetary policy by supporting bank lending to the real economy.

1 | Comments on business activity

After strengthening its regulatory, operational and technological framework, Degroof Petercam strengthened its commercial organisation by focusing on delivering a sustainable value proposition through our integrated operating model.

Despite the continuing uncertainties linked to the COVID-19 health crisis, 2021 was a good year for Degroof Petercam in all its sectors of activity. Thanks to the confidence of our clients and favourable market conditions, Degroof Petercam reached a record level of total client assets of 86 billion euros, an increase of 11 billion euros compared to the end of 2020. This growth is mainly due to strong commercial activity in Asset Management and Private Banking.

Degroof Petercam's integrated model made it possible to achieve a net banking income of 545.7 million euros in 2021, i.e. a growth of 16% compared to the end of 2020. All business lines contributed, with particularly strong performances from the asset-based revenue-generating activities of Private Banking, Asset Management and Asset Services and solid results from Investment Banking.

Private Banking was a key contributor to Degroof Petercam's net banking income, with operating revenues up 13% on the previous year, contributing 44% of the group's total revenues. This performance was driven by an increase in asset-based income, reflecting positive market conditions and increased income margins, as well as an increase in net interest income due to higher loan origination and strong margins. Operating expenses increased due to the hiring of private bankers to support commercial activities and the strengthening of front-line controls.

Asset Management generated a record level of operating revenues, with an increase of 29% over the previous year, contributing 26% of total group revenues. This was achieved thanks to continued strong inflows, improved margins and investor confidence. Operating expenses increased moderately due to cost discipline and contained headcount growth.

Asset Services continues to be a strong contributor to net banking income and an important part of the group's integrated model. Operating revenues of the Asset Services business increased by 9% year-on-year, contributing 14% of total group revenues. Strong growth in in-house funds and stable volumes of third-party funds contributed to this result, offsetting the lower margin, while operating expenses were closely monitored and managed.

Banque Degroof Petercam Luxembourg S.A. and its parent company, Banque Degroof Petercam S.A., decided to conclude this transaction without admission of guilt with the intention of definitively closing this file and putting an end to the procedural uncertainties, mainly in terms of length, which were associated with it.

Staff expenses increased materially compared to the previous year due to salary growth, partly explained by the increase in staff to support the business development of Private Banking and Asset Management, as well as the strengthening of the control functions (especially in Risk Management). The increase in staff expenses can also be explained by higher provisions for variable remuneration than at the previous year-end.

Other general expenses increased mainly due to external services in connection with the technological transformation and renewal of the central banking system (Kairos project).

Asset impairments were also up. In the context of the application of IFRS 5 relating to the planned disposal of the banking subsidiary in Switzerland, the group recorded in its consolidated accounts an estimated capital loss at the balance sheet date, in the form of an impairment on intangible assets (representing goodwill isolated and allocated specifically to the banking subsidiary in Switzerland in the context of the application of IFRS 5).

The tax expenses at the end of the reporting period were 17 million euros higher than in the previous year, reflecting an overall level of 30 million euros. The increase is explained firstly by a higher tax base for some group entities, mainly DPAM and to a lesser extent the French entities (whose overall tax base is positive for the first time as a result of the full utilization of the stock of tax losses thanks to the improved profitability of the Corporate Finance activity), and secondly by the decreased use of the Belgian tax consolidation in 2021 given the significant improvement in the statutory result.

The increase in other components of overall income is mainly due to the increase in actuarial gains on pension plans in 2021. This positive impact is mainly due to the increase in the discount rate used in the calculation of liabilities but also to a better return on assets than last year.

2.1 Appropriation of statutory profit/(loss)

At 31 December 2021, the statutory net profit of Banque Degroof Petercam SA totalled 3,304,292 euros. Taking into account the profit carried forward from the previous financial year of 185,950,497 euros, the profit base to be allocated amounts to 189,254,789 euros.

The board of directors proposes to the general meeting to allocate the profit for the financial year as follows:

	(in EUR)
Profit for the year	3,304,292
+ Carried forward	185,950,497
= Profit to be appropriated	189,254,789
- Allocation to other reserves	0
- Directors' fees	1,416,417
- Dividends	65,053,254
- Profit bonuses	6,758,147
= Profit to be carried forward	116,026,971

Consolidated shareholders' equity, including minority interests, amounted to 990.3 million euros at the end of the financial year, an increase of 51.2 million euros compared to the previous year.

The increase in consolidated shareholders' equity is the result of the following effects during the year:

- distribution of the profit (47.6 million euros)
- the distribution (outside the group) relating to the previous financial year (-5.1 million euros)
- the revaluation of financial assets at fair value during the financial year (-1.7 million euros)
- the IAS 19 revaluation of the conditions of post-employment benefits (9.8 million euros)
- changes in translation differences (0.6 million euros)

Regulatory capital amounted to 577 million euros and largely exceeded the requirements set by prudential standards. The Tier 1 (core capital) and Tier 2 (supplementary capital) solvency ratios stood at 19.7%¹ at 31 December 2021. These ratios are well in excess of the regulatory SREP requirement (Supervisory Review and Evaluation Process - reviewed annually) and imposed by the ECB.

The return on equity ratio (ROE) increased to 5.1% at 31 December 2021. This represents the relative value of the consolidated net income for the year in relation to average consolidated shareholders' equity (after deduction of the dividend declared).

3 | Changes in capital

At 31 December 2021, share capital amounted to 34,211,634 euros. It is represented by 10,842,209 shares with no nominal value. All shares are fully subscribed and fully paid up. The accounting par value per share is 3.1554 euros.

4 | Treasury shares held by the Group (Art. 7:220 of the Companies and Associations Code)

Banque Degroof Petercam SA does not hold treasury shares.

As at 31 December 2021, the sub-subsi­dary of Banque Degroof Petercam SA, Orban Finance SA, held 368,206 Banque Degroof Petercam SA shares, representing 3.4% of the share capital.

(1) The CET1 ratio at 31/12/21 takes into account the immediate incorporation of the dividend distribution in 2022. However, the consolidated result for the financial year 2021 will only be incorporated into the ratio on 30 June 2022, after its expected approval by the general meeting. If both components could have been taken into account simultaneously as of 31/12/21, the CET1 ratio would have been 21.4%.

The consolidated carrying amount of all treasury shares held by the sub-subsidiary amounted to 49,626,736 euros as at 31 December 2021.

During the past financial year, the total number of treasury shares was unchanged.

5

Circumstances likely to have a significant influence on the group's development

The group continued its multi-year IT transformation program, aimed at modernizing its IT assets and providing the group's internal users and clients with modern and efficient IT tools.

Major advances were made in 2021, mainly in the Kairos program to replace the group's Core Banking System and Portfolio Management System. The solution has been successfully deployed for a first set of private banking clients in Belgium. In addition, the new group Customer Relationship Management (CRM) solution was also successfully deployed for DPAM. These two central programs of the group's digital/IT transformation will continue in 2022 at the level of the entities and clients in Belgium, as well as with the launch of the Kairos project for Luxembourg.

Finally, our digital platform has also undergone a complete technological overhaul – allowing our My Degroof Petercam Web and Mobile applications to evolve according to the best market standards.

All of these transformation programs are also systematically complemented by stringent cyber security and data protection measures.

6

Research and development activities

The group continued its research and development activities through the progressive implementation of its operational and support application transformation program.

Development costs related to the Finance Target Operating Model (FTOM) and Digital Acceleration projects were capitalized in 2018 and 2019. These two major projects became operational in the fourth quarter of 2019, which entails the end of the capitalization of new costs and results in the amortization of previously capitalized costs. Net fixed assets relating to FTOM and Digital Acceleration totaled 8.8 million euros at the end of the year.

There were no new projects for the capitalization of development costs in 2021 due to the fact that smaller projects do not meet the IFRS requirements for capitalization.

7

Remuneration policy

The remuneration policy is an integral part of the governance memorandum, which entered into force on 24 September 2014 and is reviewed at regular intervals. It was agreed upon by the management board in consultation with the board of directors, the nomination committee and the remuneration committee and the independent controlling functions.

This remuneration policy promotes sound and effective risk management. It does not encourage any risk-taking that exceeds the level of risk tolerated by the group, while promoting the group's long-term objectives and interests and avoiding conflicts of interest.

In accordance with current legislation, the remuneration policy is published on the group's website. Its general principles are as follows:

- the total volume of variable remuneration granted does not limit the group's ability to strengthen its equity capital
- variable remuneration is never guaranteed, except in the exceptional case of a newly recruited employee and for his/her first year of employment
- the management board appointed the Identified Staff in accordance with the selection methodology and criteria set by the board of directors based on the significant impact of these individuals on the group's risk profile. A specific remuneration policy applies to them
- the remuneration policy also provides for a maximum ratio between the amount of fixed remuneration and the amount of variable remuneration as well as schemes to carry forward variable remuneration in cash or, possibly, in financial instruments, in accordance with the procedures provided for by the regulator
- the remuneration of non-executive members of the board of directors consists solely of a fixed remuneration determined based on market benchmarks. These members do not receive any form of variable remuneration

8

Main risks to which the group is exposed

By the nature of its activities, in addition to strategic risk, Degroof Petercam is exposed to certain risks. The main risks are as follows:

- market risks, mainly related to investment activities in securities portfolios (equities, bonds) and to interest rate transformation activity (Asset and Liability Management)
- liquidity risk resulting from maturity differences between financing (generally short-term) and their reuse
- counterparty risk related to credit activity (which is severely limited by the use of collateral in the form of securities portfolios) and derivative intermediation transactions
- risks related to the asset management business (risk of legal action by clients whose mandates have not been complied with, commercial risk of loss of dissatisfied clients and related reputational risks)
- risks related to the fund management activity, mainly arising from non-compliance with investment policies and restrictions or poor performance
- the operational risk resulting from its activities, including banking (error in order execution, fraud, cybercrime, etc.), custodian bank (loss of assets) or wealth/fund manager (administrative error, non-compliance with constraints)

- reputational risk is essentially a derivative risk since it is generally related to one of the other risks mentioned above and could materialize at the same time as these risks, which could adversely affect, among other things, the group's ability to retain existing clients, establish new business relationships, etc.

Degroof Petercam continuously improves its existing procedures and controls, in particular regarding the prevention of money laundering. Some of these improvements are the result of the remediation plan implemented by Degroof Petercam following the NBB inspection carried out in 2019 on the internal control procedures relating to money laundering. As part of its obligations to prevent money laundering, Degroof Petercam updates the documentation of client files and therefore reviews a number of files of clients who have been granted credit. Although this exercise has not led to the establishment of provisions at this stage, Degroof Petercam cannot rule out the possibility that the review of certain files may have an impact on the acceptability of the funds used to repay the loans contracted by these clients and lead to a default in payment.

With regard to the general risk of litigation, it should be noted that investigations, proceedings or other claims could have an impact on Degroof Petercam in the future. Due to numerous uncertainties, it is not possible to make a reliable estimate of the consequences or the potential financial impact, if any, of such events.

Degroof Petercam believes that, on the basis of the information available to it, it has made the appropriate declarations and set aside sufficient provisions to cover the risks of current or potential litigation.

9

Policy on the use of derivative financial instruments

Within the group, derivatives are used for own account in the following activities:

As part of ALM (Asset and Liability Management), interest rate derivatives, mainly interest rate swaps, are used to hedge the group's long-term interest rate risk.

Derivatives of this type are used to hedge investments in bonds and loans granted to clients with a micro-hedge perspective. These transactions are recognized in the accounts as fair value hedges.

Interest rate swaps are also used for global hedging purposes from a macro-hedge perspective.

This use of derivatives is supervised by the Asset and Liability Management Committee (ALMAC).

Similarly, the group's treasury (interest rate risk < 2 years) uses interest rate derivatives and cash swaps to manage the group's interest rate risk and cash position.

The management of the group's foreign exchange position also involves the use of derivatives (forward foreign exchange contracts and currency swaps) to hedge commitments to clients and the financing of subsidiaries in the currency corresponding to their activities.

Degroof Petercam also has a derivatives intermediation activity for its clients, in particular in equity options, where the bank carries out OTC derivatives transactions with its clients and hedges the market risk via derivatives transactions on the listed market and to a lesser extent in OTC. The market risk of this activity is managed by the Internal Risk Committee (IRC).

10

Significant post-balance sheet events

In line with the policy of strategic refocusing on countries where Degroof Petercam has a leading position in its main business lines, Banque Degroof Petercam signed an agreement on 18 January 2022 to sell its subsidiary Banque Degroof Petercam Suisse S.A.¹, which has not been part of the group since 12 April 2022. After the sale of Degroof Petercam Spain and the legal transformation of the group's activities in France, this transaction is part of the efforts undertaken over the last two years to simplify the organizational structure of the Degroof Petercam group.

On 21 April 2022, the board of directors decided to propose to the general meeting of 24 May 2022 to distribute a gross dividend of 6 euros per share to the shareholders, and authorized the publication of the financial statements.

The dramatic situation we have been experiencing since the end of February with the geopolitical events that saw Russia invade Ukraine has had a profound effect on the world. Since the beginning of the hostilities in February, the international economy has been severely affected and the financial markets have been going through a period of instability as evidenced by the increase in risk aversion and the negative evolution of the equity markets, which have registered significant variations as a result of these exceptional circumstances.

This financial crisis has also been accompanied by a major energy shock. Although oil no longer has the same influence on the economy as it used to, companies and private consumers are seeing their bills rise and their purchasing power eroded by the increase in the price of food, transport and heating, where fossil sources have seen exponential price increases over the past year. It is therefore understandable that inflation has reached levels not seen for decades, and that central banks take a dim view of rising energy costs and are now prioritizing the fight against inflation.

Apart from the current lack of visibility and market variations that are currently impacting the value and performance of securities portfolios, the bank and its subsidiaries, through their main integrated business lines, have very little exposure (if any) to countries in conflict.

In practice, we have no direct own-account exposure to the warring countries. As regards asset management for clients, the overall exposure (securities and cash) is less than 0.01% of the total assets managed by Private Banking, and less than 0.03% of the total assets managed by DPAM. For the assets of the custodian bank, the overall exposure is less than 0.03% of the total assets on deposit.

The group remains very attentive to future developments and continues to monitor the situation closely in order to take appropriate action if necessary.

(1) Details on this are available in Appendix 7.20.

11 | Non-financial report

The non-financial declaration is the subject of a separate report attached to the annual report.

12 | Governance

At 31 December 2021, the governance bodies of Banque Degroof Petercam SA were comprised as follows:

	Board of directors	Management board	Audit committee	Risk committee	Remuneration committee	Nomination committee	IT committee	Deadline
Mr. Gilles Samyn ◇	★		●		★			2024
Ms. Nathalie Basyn	●	●						2024
Mr. Hugo Lasat	●	★						2022
Mr. Bruno Colmant	●	●						2024
Mr. Gautier Bataille de Longprey	●	●						2022
Mr. Gilles Firmin	●	●						2022
Mr. François Wohrer	●	●						2024
Mr. Jean-Baptiste Douville de Franssu	●			●			●	2025
Mr. Miguel del Marmol	●				●			2022
Mr. Jean-Marie Laurent Josi	●		●			●	●	2022
Mr. Frank van Bellingen	●			★				2022
Mr. Jacques-Martin Philippon	●			●		●		2022
Mr. Guido Vanherpe ◇	●				●	★		2024
Mr. Yvan De Cock ◇	●		★	●	●			2022
Ms. Kathleen Ramsey ◇	●		●	●		●	★	2022
Mr. Thomas Demeure	●		●					2025

- non-executive director
- executive director
- ★ chairman
- ◇ independent director

12.1 The board of directors

The board of directors of Degroof Petercam includes the members of the management board and the non-executive directors.

The board of directors is composed of at least eight members, who may or may not be shareholders and who are exclusively natural/legal persons. The general meeting of shareholders shall determine their number and the duration of their term of office, which may not exceed six years. Directors are eligible for re-election.

The composition of the board of directors is determined on the basis of the following rules:

- the composition of the board as a whole must enable it to function effectively, efficiently, and in the best interests of the company. It must show a diversity of expertise together with a range of complementary experience
- no individual member nor group of directors must be able to control the decision-making of the board
- the majority of directors must be non-executive
- at least two of the non-executive directors are independent, in order to meet the requirements of the Banking Act. As at 31 December 2021, however, the board includes four independent directors

The mission of the nomination committee is to make periodic recommendations to the board of directors concerning the size and composition of the board, particularly when terms of office are renewed. The members of the board all have the professional integrity and appropriate experience required by the legal provisions.

In its recommendations to the general meeting of shareholders for the appointment of directors, the nomination committee takes into account the balance of knowledge, expertise, diversity and experience on the board.

During the year, the following changes occurred in the composition of the board of directors and the management board.

On 21 January 2021, the board of directors acknowledged the resignation of **Ludwig Criel** as a non-executive director with immediate effect. On the same day, the board of directors decided to appoint with immediate effect after this day's meeting, **Gilles Samyn** as independent director and chairman of the board of directors in replacement of Ludwig Criel.

The general meeting of 25 May 2021 decided to renew:

- the mandates of **Bruno Colmant** and **Nathalie Basyn** as executive directors for a period of three years ending at the close of the 2024 general meeting
- the mandate of **Jean-Baptiste Douville de Franssu** as non-executive director for a period of four years ending at the close of the 2025 general meeting
- the mandate of **Miguel del Marmol** as non-executive director for a period of one year ending at the close of the 2022 general meeting

The general meeting also decided to appoint **Thomas Demeure** as a non-executive director for a new term of four years, which will end at the end of the general meeting in 2025. The general meeting proceeded with the definitive appointment of **Gilles Samyn** as an independent non-executive director for a term of three years ending at the end of the general meeting in 2024.

The term of office of **Véronique Peterbroeck** expired at the end of the ordinary general meeting of 25 May 2021 and was not renewed by the general meeting.

On 16 September 2021, the board of directors acknowledged the resignation of Gaëtan Waucquez as a non-executive director effective 14 September 2021.

On 21 October 2021, the board of directors decided, on the recommendation of the nomination committee, to appoint Hugo Lasat as managing director with immediate effect, replacing Gaëtan Waucquez, who resigned. Furthermore, the board of directors decided to appoint Hugo Lasat as chairman of the management board, replacing Bruno Colmant, who remains a managing director and member of the management board in charge of Private Banking.

The board of directors considers as independent directors those of its members who meet the criteria mentioned in Article 3, 83° of the Banking Act (previously included in Article 7:87 § 1 of the Companies and Associations Code). As at 31 December 2021, the following directors should be considered independent: Kathleen Ramsey and Yvan De Cock, Gilles Samyn and Guido Vanherpe.

12.1.1 Responsibilities and functions of the board of directors

The board of directors is responsible for defining strategy and general policy. It ensures the implementation of the strategy and general policy by the management board and determines, on the basis of the management board's proposals, the resources necessary for this purpose. It determines the responsibilities and composition of the Management Board and controls its actions. It ensures that adequate resources are implemented to guarantee the company's sustainability.

The board of directors deliberates on all subjects and matters within its competence, such as the approval of the annual accounts and management reports as well as the convening of general meetings. It receives adequate information on the development of the business and key figures, both for the company itself and for its main subsidiaries. It also approves the annual budget.

The board of directors meets at least four times a year and whenever the interests of the company so require. It met 14 times during the year.

The board of directors can only validly deliberate if at least half of its members are present or represented. No director may represent more than two of their fellow directors. Resolutions are passed by a simple majority of votes. In the event of a tied vote, the proposal is rejected.

The total remuneration allocated to the members of the board of directors is shown in the notes to the parent company financial statements. The full version of the parent company's financial statements is available at the company's headquarters.

12.2 Advisory committees created by the board of directors

Within the board of directors, Degroof Petercam has, in accordance with the legal provisions, set up four specialized committees (audit, risk, nomination and remuneration), composed exclusively of non-executive directors, at least one of whom (and the majority in the case of the audit committee) is an independent director within the meaning of Article 3, 83 of the Banking Act. Beyond the legal provisions, the board of directors has also set up an IT committee.

12.2.1 Audit committee

Members as at 31 December 2021	
Mr. Yvan De Cock	Chairman, independent director
Mr. Gilles Samyn	Independent director
Ms. Kathleen Ramsey	Independent director
Mr. Thomas Demeure	Director
Mr. Jean-Marie Laurent Josi	Director

The company's auditor takes part at a minimum in meetings that deal with the examination of the half-yearly and annual financial statements.

The audit committee meets at least five times a year. During the past financial year, it met on eight occasions. It reported systematically on its activities to the board of directors.

Each member of the audit committee has professional experience in financial management, reporting, accounting and auditing, each member of the audit committee has professional experience as a director exercising executive functions, and the members of the audit committee have complementary professional experience in different sectors of activity and have collective competence in the area of the group's activities.

The audit committee assists the board of directors in its supervisory function and more specifically in matters relating to:

- financial information for shareholders and third parties
- the audit process
- functioning of the internal control system
- monitoring the relationship with the auditor

The meetings mainly focused on the review of the half-yearly financial statements, the annual financial statements and activity reports, the follow-up of the implementation of the group's internal audit recommendations and the approval of the planning of the internal audit missions, the follow-up of financial reporting projects and the correspondence/reports of the regulators. The committee is also informed of the conclusions of the audit and risk committees of the subsidiaries. The committee has taken note of the list of disputes.

12.2.2 Risk committee

Members as at 31 December 2021	
Mr. Frank van Bellinghen	Chairman, director
Mr. Yvan De Cock	Independent director
Ms. Kathleen Ramsey	Independent director
Mr. Jean-Baptiste Douville de Franssu	Director
Mr. Jacques-Martin Philippson	Director

The risk committee meets at least five times a year. It met ten times during the year. It reported systematically on its activities to the board of directors.

Each member of the risk committee has professional experience as a director in executive positions, and has the necessary additional knowledge, expertise, experience and abilities to understand the group's strategy and risk tolerance level.

The risk committee assists the board of directors with strategy, risk tolerance assessment and proposes risk action plans. The committee assisted the board in defining the Risk Appetite Framework, Risk Appetite Statement and underlying policies.

The risk committee paid particular attention to the monitoring carried out by risk management and more specifically to the impact of certain decisions on the group's risk profile. The committee also monitored the implementation of the internal control framework within the organization.

The risk committee deals in particular with the group's main risk policies. It receives specific briefings from management and examines the procedures for controlling material risks, including market risks and structural interest rate risks as well as credit, operational and reputational risks. The risk committee reviews risk policies annually and monitors management's implementation of processes to ensure that the group adheres to the approved policies.

The committee also monitored the proper application of the remuneration policy and whether the remuneration incentives put in place take appropriate account of risk control. It recommended that the board approve the ICAAP (Internal Capital Adequacy Assessment Process) and ILAAP (Internal Liquidity Adequacy Assessment Process) reports, the update of the recovery plan, the stress tests, the periodic risk management and operational risk reports, as well as the Compliance Officer's reports (Quarterly and annual, Enterprise Wide Risk Assessment).

The meetings held also addressed issues such as anti-money laundering (AML)/client file review (CFR), the development and updating of various compliance policies, remediation plans, transfer pricing, ESG risks, information security and the follow-up of the implementation of the EU DAC6 directive.

The risk committee continued to address reputational, governance, legal and regulatory risks on an ad hoc basis.

12.2.3 Nomination committee

Members as at 31 December 2021	
Mr. Guido Vanherpe	Chairman, independent director
Ms. Kathleen Ramsey	Independent director
Mr. Jean-Marie Laurent Josi	Director
Mr. Jacques-Martin Philippson	Director

The members of the nomination committee have complementary professional experience in different sectors of activity and collectively have the necessary expertise to enable the committee to exercise a relevant and independent judgement on the composition and functioning of the group's management and administrative bodies.

The nomination committee is consulted in particular on matters relating to:

- the composition and size of the board of directors and management board
- the definition of the profile of board of directors and management board members and Identified Staff, and the selection process
- proposals for appointing and re-electing directors and members of the management board

The nomination committee ensures that it applies the recruitment, appointment and renewal policy applicable to the functions of directors, acting directors and managers of the independent control function.

In matters for which it is competent, the nomination committee makes proposals to the board of directors.

The directors are elected by the general meeting of shareholders, after approval by the supervisory authority, for a term not exceeding six years, and are eligible for re-election.

For the renewal of a director's mandate, the nomination committee must analyze the individual contribution of the director concerned before recommending the renewal of the mandate to the board of directors.

The members of the management board are appointed by the board of directors, based on the proposal from the nomination committee, and after approval by the supervisory authorities.

The chairman of the management board is appointed by the board of directors from among the members of this committee after recommendation of the nomination committee and approval by the supervisory authority. The dismissal or non-renewal of the chairman's mandate is subject to the same procedure.

The nomination committee meets at least twice a year. It met 12 times during the year. It reported systematically on its activities to the board of directors.

12.2.4 Remuneration committee

Members as at 31 December 2021	
Mr. Gilles Samyn	Chairman, independent director
Mr. Yvan De Cock	Independent director
Mr. Miguel del Marmol	Director
Mr. Guido Vanherpe	Independent director

Each member of the committee has professional experience as a director exercising executive functions and the members of the remuneration committee have the necessary expertise to exercise competent and independent judgement on remuneration and bonus policies, taking into account equity and liquidity.

The remuneration committee is consulted in particular on matters relating to:

- the general remuneration policy
- the total amount of variable remuneration
- the remuneration of directors who are members of the management board
- the remuneration of Identified Staff and the independent control functions
- profit-sharing plans for group employees

The remuneration committee meets at least twice a year. It met seven times during the year. It reported systematically on its activities to the board of directors.

12.2.5 IT committee

Members as at 31 December 2021	
Ms. Kathleen Ramsey	Chairman, independent director
Mr. Jean-Baptiste Douville de Franssu	Director
Mr. Jean-Marie Laurent Josi	Director

The IT committee meets at least five times a year. It met seven times during the year. It reported systematically on its activities to the board of directors.

The IT committee helps the board of directors to promote the IT vision and its development within the group and supervise the execution and implementation of the IT strategy approved by the management board, taking into account significant IT risks in order to guarantee a balance between regulatory impact, operational efficiency and commercial activity in a context of essential IT and operational transformation.

The IT committee supports the board of directors in order to facilitate the development, implementation, monitoring and periodic evaluation of the Bank's internal governance framework from an IT point of view and ensures that the IT strategy is aligned with the business objectives defined by the board of directors and takes into account the group's vision for innovation in the IT field.

The IT committee assists the risk committee in identifying, monitoring and evaluating operational IT risks inherent in all important products, activities, processes and systems in order to ensure that the risks and incentives inherent in IT are well understood and managed; all relevant extracts from reports, minutes and conclusions on IT risks are communicated to the risk committee.

12.2.6 Biographies of the members of the specialized committees

Yvan De Cock

- Chairman of the audit committee
- Member of the risk committee
- Member of the remuneration committee

Mr. **Yvan De Cock**, a graduate in law and financial management, has significant experience in accounting and auditing acquired through various executive positions he has held for over 30 years in the banking and financial sector, mainly within the BNP Paribas Fortis group. He also served as CEO of Fortis UK and Fortis Turkey.

In these roles, he chaired credit committees and was closely involved in the management of other risks such as operational, liquidity, market and compliance risks. He was also closely involved in the implementation of remuneration policies.

These different experiences have enabled him to acquire in-depth expertise in the areas covered by the committees of which he is a member.

Kathleen Ramsey

- Chairman of the IT committee
- Member of the audit committee
- Member of the risk committee
- Member of the nomination committee

Ms. **Kathleen Ramsey** holds a master's degree in business administration from the ESADE (École supérieure d'administration et de direction d'entreprises) and a master's degree in international management from the Thunderbird School of Global Management as well as a bachelor's degree from the University of Tulsa.

She specializes in technology (IT) and financial operations and has over 25 years of international management experience in large multinational companies including extensive experience at the highest executive level in major financial services companies such as Grupo Santander, American Express and Citigroup.

In relation to auditing, she has extensive experience in large financial services companies, where she has been involved in the implementation of internal control frameworks. She has also been a guest auditor for the US and international subsidiaries of Citigroup.

In these roles, she has developed expertise in risk management, including operational risk, the internal control framework and risks related to outsourcing, IT and cyber risk.

Throughout her career, she has led large teams of very diverse people, making her familiar with the human resources aspects of running a bank, including performance management and remuneration systems.

Gilles Samyn

- Chairman of the board of directors
- Chairman of the remuneration committee
- Member of the audit committee

Mr. **Gilles Samyn** has a business engineering degree from the Solvay Business School. He gained his professional experience as financial director and then managing director of the Frère-Bourgeois Group, a family-owned professional holding company (1983-2019), as well as a non-executive director in a wide range of sectors, having held directorships (and chairmanships) in some 100 companies, ranging from financial holding companies to large corporations such as Pernod Ricard, Petrofina, Bertelsmann, Eiffage or M6, as well as on the board of directors of Banca Leonardo.

He has had the opportunity to sit on and chair audit, strategy, control, nomination and remuneration committees on a number of occasions and has therefore acquired an excellent understanding of how such committees operate and the issues that fall within the remit of these committees.

In addition to the mandates linked to his professional activity, he has also been a member of the board of directors of several NGOs, companies and various groups. He taught at the Solvay Business School (accounting, management control and strategy) from 1969 to 2017.

Thomas Demeure

- Member of the audit committee

Mr. **Thomas Demeure** has a degree in applied economics and law (UCL) and an MBA (University of Chicago).

He pursued a career of almost 35 years in investment banking (M&A and capital markets) in New York and London. As vice-chairman Investment Banking at Barclays and previously chairman of Financial Institutions Europe, Middle East and Africa at Citi, he has accumulated extensive analytical and transactional experience in the European financial sector, which is particularly useful in strengthening the audit committee's collective competence in these matters.

Jean-Marie Laurent Josi

- Member of the audit committee
- Member of the nomination committee
- Member of the IT committee

Mr. **Jean-Marie Laurent Josi** is a graduate of the Ecole de Commerce Solvay. He has gained extensive professional experience in strategic, financial and corporate governance matters during his career, mainly through his role as CEO of Cobepa since 2004. He has also held various directorships in companies in various sectors in which Cobepa is a shareholder, including Carmeuse (member of the audit committee and the remuneration and nomination committee), van Oord (member of the audit committee) and Socotec (chairman of the board of directors and member of the remuneration and nomination committee).

These various mandates have enabled him to acquire an excellent understanding and mastery of the functioning of such committees as well as of the issues that fall within the competence of these committees, including issues relating to the development of computer technologies.

Frank van Bellingen

- Chairman of the risk committee

Mr. **Frank van Bellingen** has a master's degree in economics (UCL) and a master's degree in international relations (LES).

He has acquired professional experience and expertise in risk management through his role as a director and Chief Financial Officer of CLDN-Cobelfret, where he has been responsible for risk management since 1988. He has chaired the risk committee of Degroof Petercam since 2015.

Jacques-Martin Philippson

- Member of the risk committee
- Member of the nomination committee

Mr. **Jacques-Martin Philippson** has gained professional experience in risk management throughout his career as a director (executive and non-executive) of many companies since 1990 in the banking and financial sector as well as in other sectors, such as events, audiovisual, logistics and real estate development in Belgium and abroad.

In addition, he has been a member of the risk committee of Degroof Petercam in Belgium and Luxembourg since 2014 and a member of the nomination committee of Degroof Petercam in Belgium since 2016. These different experiences have enabled him to acquire in-depth expertise in the areas covered by the committees of which he is a member.

Jean-Baptiste Douville de Franssu

- Member of the risk committee
- Member of the IT committee

Mr. **Jean-Baptiste Douville de Franssu** is a graduate of the École Supérieure de Commerce de Reims Group and the University of Middlesex (London) in Business Administration. He has a diploma in actuarial studies from Pierre and Marie Curie University (Paris).

Until 2012 he was Managing Director and a member of the global executive committee of Invesco Ltd, one of the world's leading asset managers. He has also been a company director in the financial sector and notably chairman of the board of directors of L'Istituto per le Opere di Religione (IOR) and vice-chairman of the board of directors and chairman of the audit and risk committee of the La Française Group.

These different experiences have allowed him to acquire an in-depth knowledge of risk management and IT issues.

Guido Vanherpe

- Chairman of the nomination committee
- Member of the remuneration committee

Mr. **Guido Vanherpe** has a degree in applied economics and a special degree in applied marketing. He also completed an MBA in finance in the United States.

He has been Managing Director of the La Lorraine Bakery Group since 1995, where he has gained extensive experience in the professionalization and governance of his family group,

particularly in matters relating to appointments and remuneration. He is also chairman of the Family Business of Excellence Award, an initiative dedicated to recognizing family businesses that excel in governance and sustainability vision.

He was also an independent director at Resilux NV and Terbeke NV, where he gained experience in remuneration policies.

Miguel del Marmol

- Member of the remuneration committee

Mr. **Miguel del Marmol** has a degree in business engineering. He has acquired professional experience in team management throughout his career with the Total Group, particularly as General Manager.

Having had general managerial responsibilities for more than 15 years in Belgium and internationally at companies of approximately the same size as Degroof Petercam, Miguel del Marmol brings to the remuneration committee the benefit of his extensive experience in the field of team remuneration.

12.3 Management board and day-to-day management of the group

In accordance with Article 17 of its Articles of Association and Article 24 § 1 of the Banking Act, the board of directors has set up a management board from among its members. Within the framework of the general policy defined by the board of directors, the management board ensures the effective management of the company and the group. He exercises all the powers conferred on him by law.

Mr. Hugo Lasat	Chief Executive Officer (Audit, CEO office, Communication, Credits, Facilities, Human Resources, IT, Legal and Operations)
Mr. Bruno Colmant	Group Head of Private Banking (Private Banking, Marketing)
Ms. Nathalie Basyn	Chief Financial Officer (Finance)
Mr. Gautier Bataille de Longprey	Group Head of Business Development (Corporate Banking, Family Office, Fund Management and Private Equity)
Mr. Gilles Firmin	Chief Risk Officer (Risk, AML and Compliance)
Mr. François Wohrer	Group Head of Investment Banking (Corporate Finance and Global Markets)

The composition of the management board is determined on the basis of the following principles:

- the complementarity of expertise (in financial matters, risk management, operational know-how, etc.) required to ensure the implementation of strategy as defined by the board of directors
- changing requirements
- the moral, ethical and conduct criteria applicable within the group

Each of the current members of the management board has the title of managing director. In principle, the management board meets once a week. It met 60 times during the year.

Hugo Lasat

Mr. **Hugo Lasat** has been CEO since October 2021. He joined Petercam in 2011 as a partner and head of Petercam Institutional Asset Management. In 2016, following the merger between Banque Degroof and Petercam, he took over the management of DPAM as CEO. He started his career in 1986 with Arthur Andersen & Co and has over 30 years of experience in the financial sector (Bank Bacob, AG Asset Management, Paribas Asset Management, Banque Paribas Belgium, Cordius Asset Management, Amonis, Candriam and Dexia Group). He holds a master's degree in economics and a postgraduate master's degree in finance from the KU Leuven (Campus Brussel). Hugo Lasat is a visiting professor at the KU Leuven (Campus Brussel) and a director of Baloise Holding, Basler Leben AG and Basler Versicherung AG.



Bruno Colmant

Mr. **Bruno Colmant** has been Managing Director and Head of Private Banking since October 2021. He joined the Degroof Petercam group in 2015 as Head of Macro Research and became its CEO in 2019. Between 2011 and 2015 he was an academic advisor to AGEAS and a partner of the consulting firm Roland Berger. Bruno Colmant started his career with Arthur Andersen, Dewaay and Sofina. He was managing director at ING (1996-2006), chief of staff of the Belgian Ministry of Finance (2006-2007), CEO of the Brussels Stock Exchange, member of the executive committee of NYSE Euronext and chairman and CEO of Euronext Brussels (2007-2009) and Deputy CEO of AGEAS (2009-2011). He holds a doctorate in applied economics and a business engineering degree from the Solvay Business School Economics & Management (ULB), a Master of Science degree from Purdue University (USA) and a Master of Science in Taxation (ICHEC-ESSF). Bruno Colmant is a member of the Royal Academy of Belgium, a member of the Central Economic Council and a lecturer in finance at the Vlerick Management School, UCL and at the Solvay Business School Economics & Management (ULB).



Nathalie Basyn

Ms. **Nathalie Basyn** has held the position of Managing Director and Group CFO since 2015. She began her career at Procter & Gamble before joining Citibank in 1989, where she held various financial control positions, culminating in the position of CFO of the Europe, Middle East and Africa retail bank. Nathalie Basyn joined Fortis in 2005, where she held the positions of Head of Corporate Performance Management and Head of Management Control at BNP Paribas Fortis, respectively, before assuming the role of Deputy CFO of International Banking at BNP Paribas from 2013 to 2015. She holds a degree in applied economics from the Catholic University of Leuven and an MBA from the Booth School of Business at the University of Chicago.



Gautier Bataille de Longprey

Mr. **Gautier Bataille de Longprey** has held the position of Managing Director and Group Head of Business Development since 2018. He is also a director of various group subsidiaries and chairs the Almac Committee in charge of managing balance sheet assets and liabilities. He directly supervises the activities of wealth management, group cash management, Private Equity, Family Office and Corporate Banking Services. He joined Bank Degroef in 1986 to perform analytical and management functions in the area of asset management. In 1991 he joined the trading room to develop advisory services and sales to institutional clients. In 1998, he became head of the trading room and institutional sales, joined the management board in 2002 and took over the management of IT and organization in 2003. Gautier Bataille de Longprey is a civil engineering and applied mathematics graduate of UCL and pursued a General Management Programme at INSEAD.



Gilles Firmin

Mr. **Gilles Firmin** has been Managing Director and Chief Risk Officer since 2016. He joined Banque Degroef in 1999 as Risk Manager in charge of market risks, liquidity and ALM. He became Chief Risk Officer in 2005 and joined the Management Committee of Banque Degroef in 2013 to become managing director in charge of risk management and compliance in 2015. He started his professional career in 1996 at the Central Mortgage Office (OCCH) and spent a year abroad in 1998 as financial manager for Médecins sans Frontières. Gilles Firmin has a degree in economics from the Université Libre de Bruxelles and additional training in international public law from the Vrije Universiteit Brussel.



François Wohrer

Mr. **François Wohrer** has been Managing Director and Group Head of Investment Banking since 2018. His responsibilities include investment banking activities, including Corporate Finance and Global Markets. He joined the Degroef Petercam group in 2015 as CEO of Degroef Petercam France. Between 2011 and 2015, François Wohrer was CEO of BBVA-France, the French subsidiary of Spain's second largest bank. Prior to that, he worked as a managing partner in mergers and acquisitions at DC Advisory (formerly Close Brothers). Between 1997 and 2009, he was managing director of investment banking at UBS in London and Paris. François Wohrer started his career in 1991 in Washington DC with the World Bank Group. He is a graduate of the Institut d'Etudes Politiques in Paris and holds a master's degree in economics from the London School of Economics.



12.4 Profit allocation policy

The dividend is determined with reference to consolidated net profit and retained earnings, as well as the strategy of the group.

12.5 Governance memorandum

Degroof Petercam has developed a governance memorandum assessing the basic characteristics of its relative management structure:

- the personal integrity and financial soundness of major shareholders
- a transparent management structure with a focus on sound and prudent management
- the definition of the expertise and responsibilities of each segment of the organization
- the collegial nature of effective executive management
- the independent control functions
- the suitable profiles and qualities of its senior managers
- the remuneration policy for senior managers
- the determination of the strategic objectives and values that the group sets for itself
- the familiarity of senior management with the operating structure and activities of the group
- adequate communication regarding management and control with the various parties concerned

This information is transmitted to the National Bank of Belgium and is periodically updated.

13 | Conflicts of Interest

In 2021, the board of directors addressed the remuneration of the members of the management board in two meetings. In accordance with Article 7:96, § 1, para. 1 of the Companies and Associations Code, the relevant extracts from the minutes are set out below:

Extract from the board of directors meeting of 11.03.2021

As part of the conflict of interest policy, the executive directors leave the meeting to allow the non-executive directors to address issues relating to the remuneration of the members of the management board. (...)

The remuneration committee recommends validating the negotiated amount for the reduction of the management board's remuneration package, which will amount to 6.3% of the total remuneration package (fixed and variable) of the management board members.

The board of directors approves the reduction of the remuneration package for the members of the management board on the recommendation of the remuneration committee.

Extract from the board of directors meeting of 14.07.2021

The executive directors leave the meeting to allow the chairman of the committee to present the recommendations on the remuneration of the current executive directors to the non-executive directors. (...)

Following a request from the board of directors and on the proposal of the remuneration committee, the remuneration committee recommends a reduction in the overall remuneration package for executive directors of 12%, the breakdown of which was detailed at the meeting. The board of directors approves the recommendations of the remuneration committee.

Article 59/1 of the Banking Act provides for a procedure similar to that provided for in Article 7:96, § 1 of the Companies and Associations Code (applicable to the board of directors) in the event of a conflict of interest within the management board. In 2021, the management board did not face a conflict of interest situation within the meaning of Article 59/1 of the Banking Act.

14 | Discharge of the directors and auditor

In accordance with the law and the Articles of Association, the general meeting is requested to grant discharge to the directors and the auditor of Banque Degroof Petercam SA for the performance of their duties for the past financial year.

15 | List of mandates exercised by the directors in accordance with the Law of 25 April 2014 on the status and supervision of credit institutions and brokerage companies ('Banking Law')

The list of external mandates held by senior managers of Degroof Petercam and which are subject to publication, is available at www.degroofpetercam.com.

Brussels, 21 April 2022

1	Corporate sustainability rooted in our purpose	<u>58</u>
2	At a glance	<u>60</u>
2.1	2021 sustainability highlights	<u>60</u>
2.2	20-year history in sustainability	<u>62</u>
2.3	Context of the report	<u>64</u>
3	Strategy	<u>68</u>
3.1	Introduction	<u>68</u>
3.2	Commitments	<u>68</u>
3.2.1	DPAM	<u>69</u>
3.2.2	Bank Degroof Petercam	<u>70</u>
3.3	Governance and Policies	<u>71</u>
3.3.1	Governance at group level	<u>71</u>
3.3.2	Governance at DPAM	<u>73</u>
3.3.3	Governance at Bank Degroof Petercam	<u>75</u>
3.3.4	Policies at DPAM	<u>76</u>
3.3.5	Policies at Bank Degroof Petercam	<u>77</u>
3.4	Internal Research and External Expertise	<u>79</u>
4	Sustainability at client level	<u>84</u>
4.1	Fund and portfolio management	<u>84</u>
4.1.1	SFDR	<u>84</u>
4.1.2	DPAM sustainability model	<u>87</u>
4.1.3	Third-party recognition	<u>89</u>
4.2	Credits	<u>90</u>
4.3	Private equity	<u>90</u>
4.4	Philanthropic advice	<u>91</u>

5	Sustainability at group level	<u>94</u>
5.1	Environmental	<u>94</u>
5.1.1	Energy emissions/carbon footprint	<u>94</u>
5.1.2	Resource usage, effluents and waste	<u>97</u>
5.1.3	Green IT	<u>98</u>
5.2	Social	<u>98</u>
5.2.1	Health and safety at work	<u>98</u>
5.2.2	Training and education	<u>100</u>
5.2.3	Employment, diversity and equal opportunities	<u>101</u>
5.2.4	Social engagement programs	<u>102</u>
5.3	Governance	<u>104</u>
5.3.1	The Code of Ethics	<u>104</u>
5.3.2	The Risk Awareness and Control Excellence program (RACE)	<u>106</u>
6	Sustainability outside Degroof Petercam	<u>110</u>
6.1	Active shareholdership	<u>110</u>
6.1.1	DPAM	<u>110</u>
6.1.2	Private Banking Patrimonial Funds	<u>110</u>
6.1.3	External funds	<u>111</u>
6.2	Supplier assessment	<u>111</u>
6.2.1	Environmental assessment of suppliers	<u>111</u>
6.2.2	Social assessment of suppliers	<u>111</u>
6.3	Client satisfaction	<u>112</u>
6.4	Education and innovative employment	<u>112</u>

1

Corporate sustainability
rooted in our purpose

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

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

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

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

implementing and promoting these objectives.

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

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

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

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

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

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

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

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

2 | At a glance

2.1 2021 sustainability highlights

Client assets



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



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



91% of private banking discretionary mandates are Article 8 products

Responsible investing and banking



20-year anniversary of our first sustainable investment strategy



2021 signatory of the UN PRB



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

Engagement



× **9,697**

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



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

Environment



100% green and renewable electricity purchased at group level



Carbon neutrality of our data centers



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

People & Society



24 different nationalities in the group



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



1500+ employees trained and signed up to the Code of Ethics and Business Conduct



6 internal ESG experts



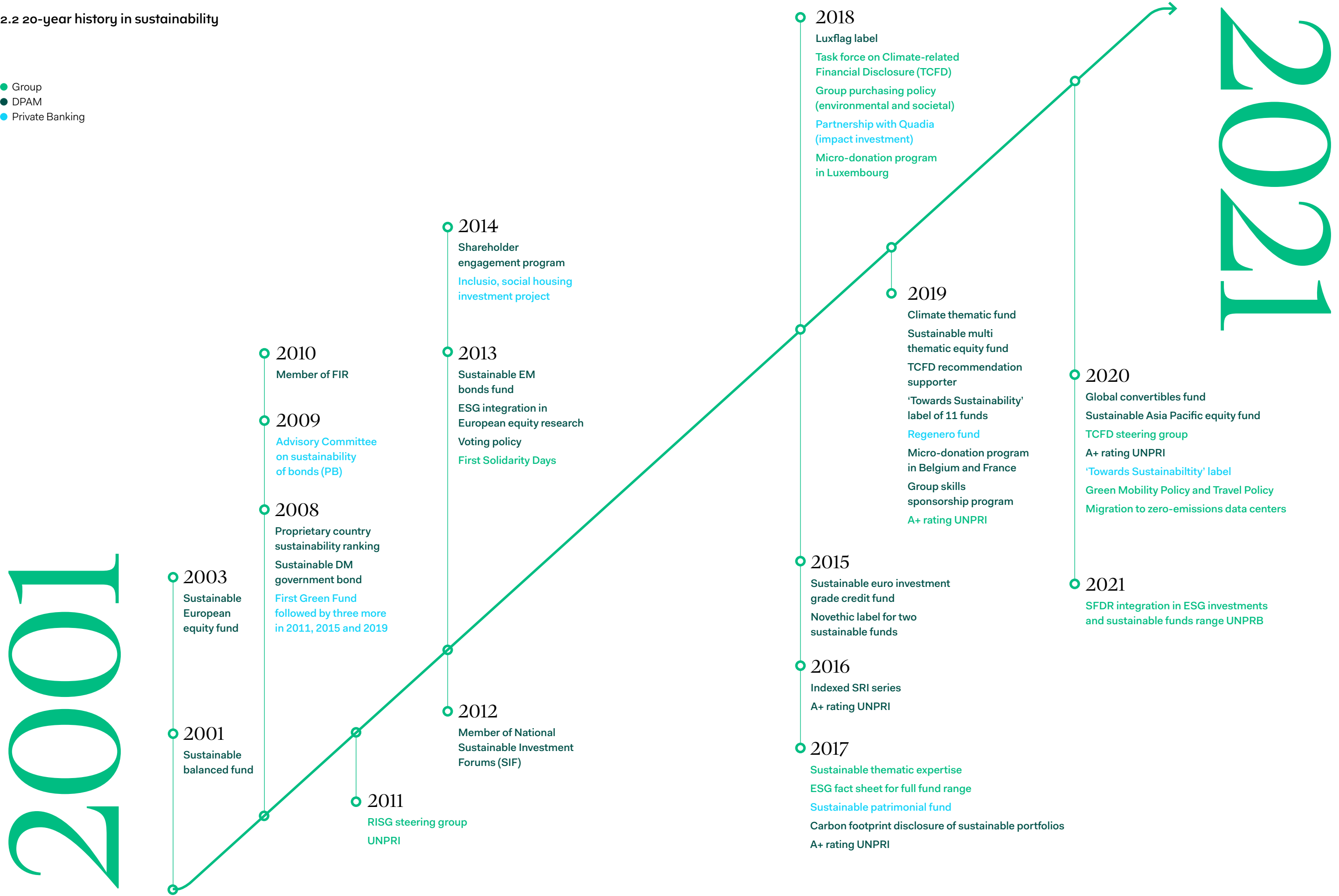
34 sustainable fund managers



2,200 days of corporate volunteering

2.2 20-year history in sustainability

- Group
- DPAM
- Private Banking



2.3 Context of the report

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

3.2.1 DPAM

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

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

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

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

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

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

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

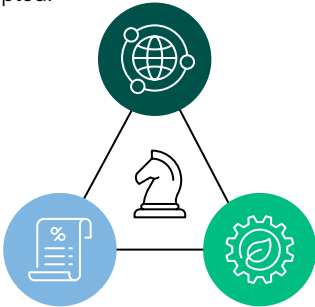
3 Strategy

3.1 Introduction

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

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

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



3.2 Commitments

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

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

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

3.2.2 Bank Degroof Petercam

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

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

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

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

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

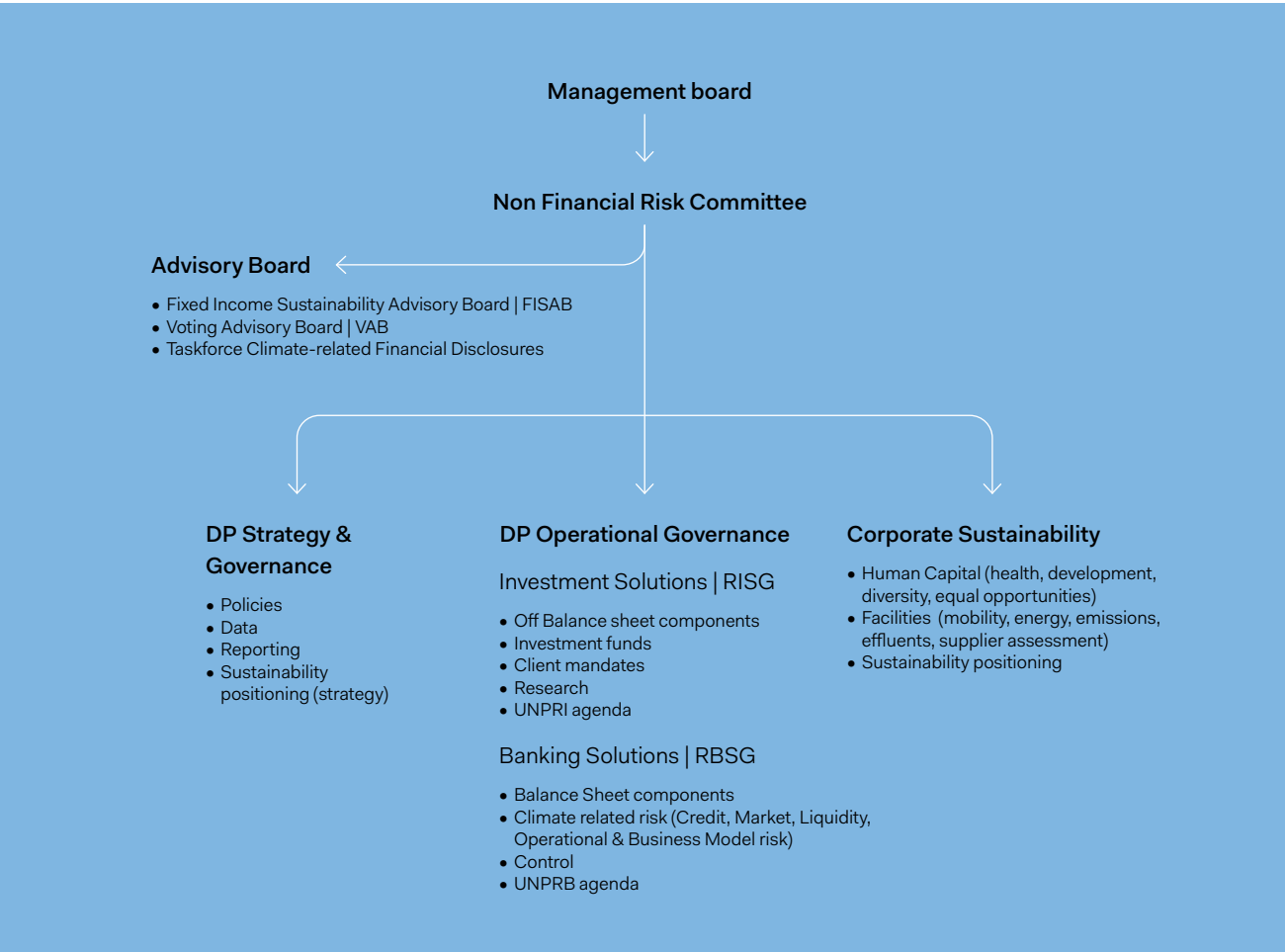
3.3 Governance and Policies

3.3.1 Governance at group level

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

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

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



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

I. Sustainability Strategy and Governance

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

II. Sustainability Operational Governance

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

Responsible Investment Steering Group

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

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

Responsible Banking Steering Group

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

III. Corporate Sustainability

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

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

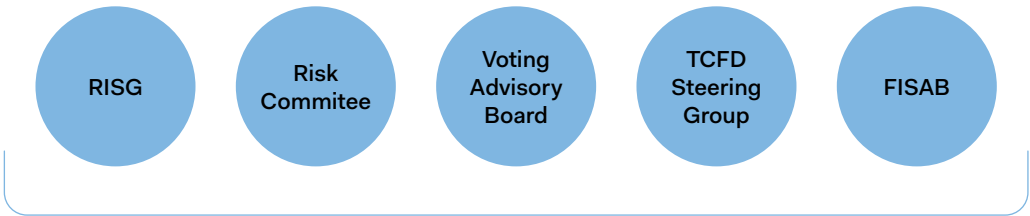
The CEO reports to the Board of Directors on both assessing and managing the Sustainable Finance agenda, including climate-related risks and opportunities.

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

3.3.2 Governance at DPAM

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

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



I. Responsible Investment Steering Group

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

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

II. Risk Committee

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

III. Voting Advisory Board

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

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

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

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

IV. TCFD Steering Group

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

V. Fixed Income Sustainability Advisory Board (FISAB)

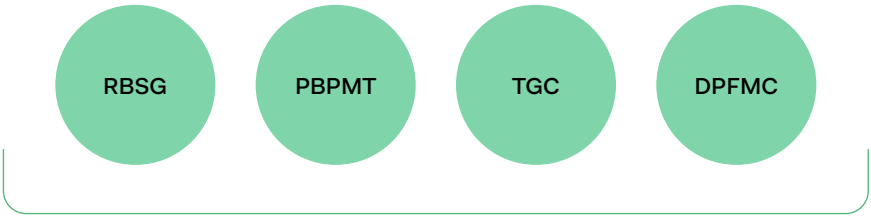
The Fixed Income Sustainability Advisory Board (FISAB) makes a key contribution in defining DPAM's proprietary country model assessing the sustainability of countries. The role of the FISAB is:

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

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

3.3.3 Governance at Bank Degroef Petercam

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



I. Responsible Banking Steering Group

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

II. Private Banking Portfolio Management Team

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

III. Third-Party Funds Group Committee

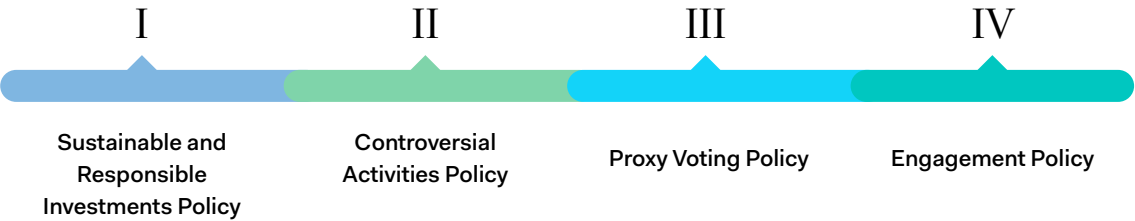
The Third-Party Funds Group Committee (TGC) oversees the engagement process with Third-Party (TP) Fund managers that appear on the Private Banking Conviction List. TGC decides on the fund engagement priorities and reviews the answers received from TP Fund managers to engagement letters sent to them.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

IV. DP Fund Management Committee

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

3.3.4 Policies at DPAM

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



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

I. Sustainable and Responsible Investments Policy

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

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

II. Controversial Activities Policy

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

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

III. Proxy Voting Policy

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

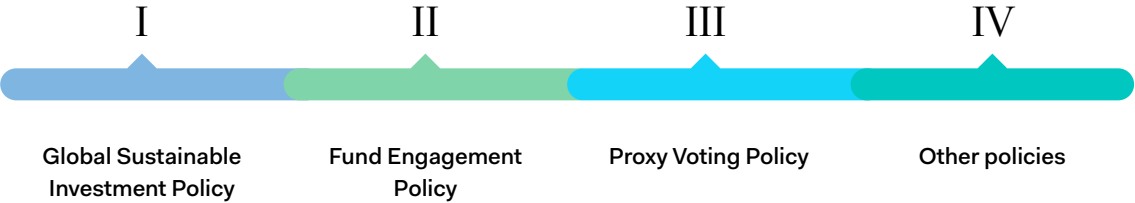
IV. Engagement Policy

The Engagement Policy of DPAM has a twofold objective:

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

3.3.5 Policies at Bank Degroof Petercam

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



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

I. Global Sustainable Investment Policy

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

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

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

II. Fund Engagement Policy

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

III. Proxy Voting Policy

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

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

IV. Other policies

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

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

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

3.4 Internal Research and External Expertise

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



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

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

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

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

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

Emmanuel Ndiaye, Head of IT Risk & Security



II. SFDR year-end data Bank Degroof Petercam

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

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

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

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

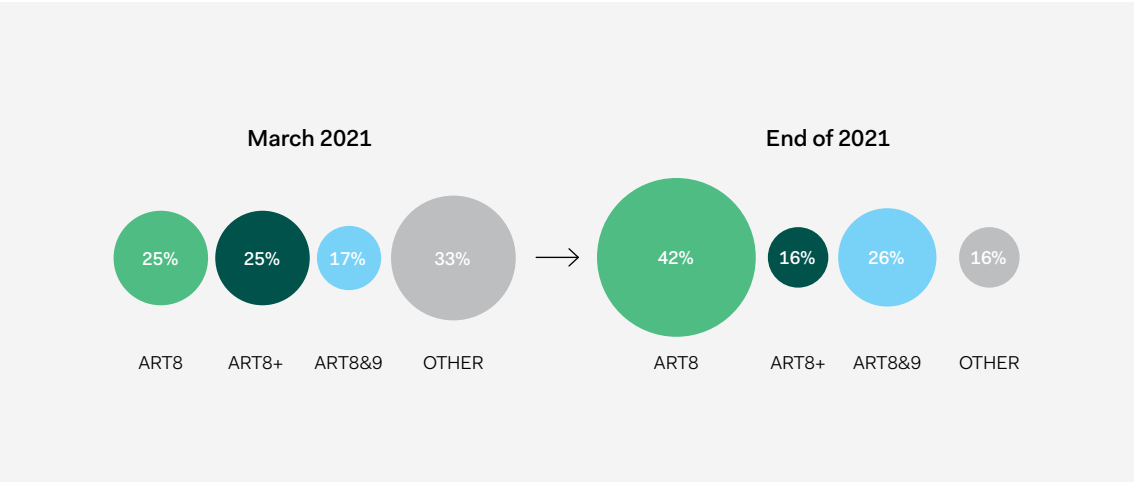
III. SFDR year-end data DPAM

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

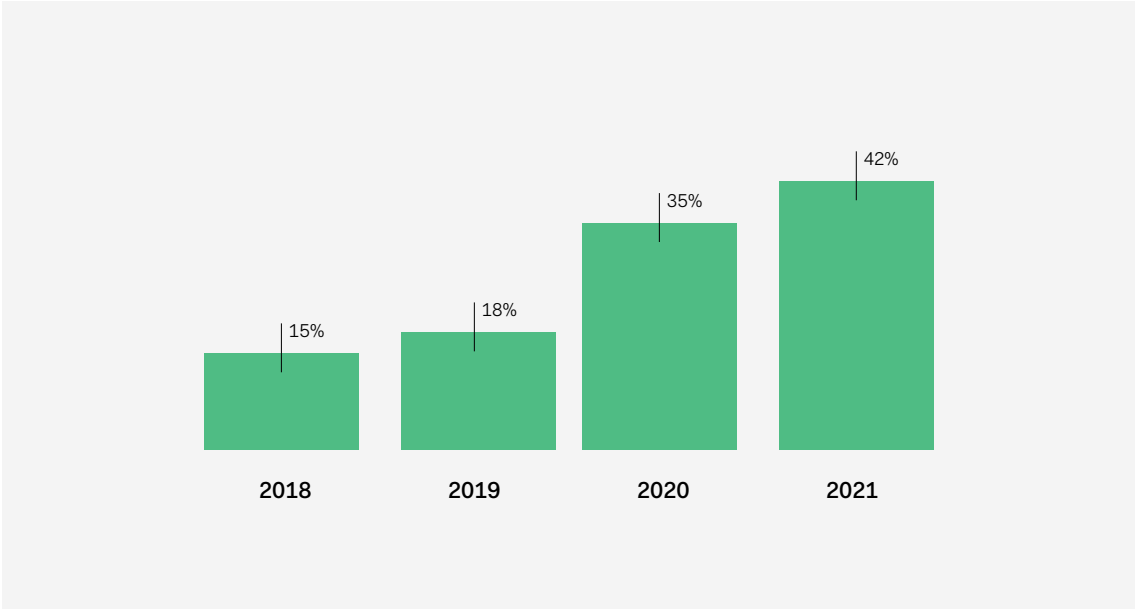
At the end of 2021, 100% of institutional **mandates** were labelled article 8.

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

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



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



IV. SFDR year-end data DPAS

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

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

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

4.1.2 DPAM sustainability model

I. Introduction

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

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

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

• Subpar

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

• Follower

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

• Explorer

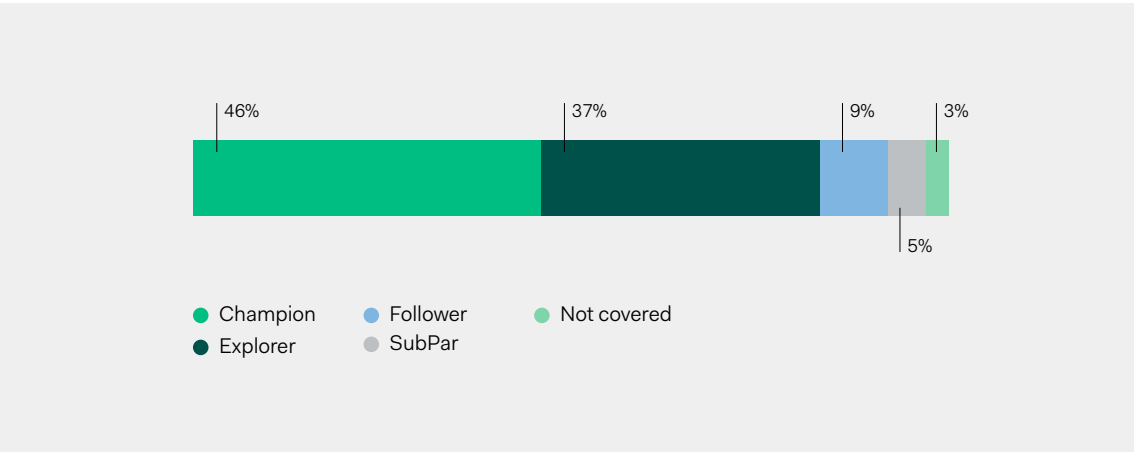
- Companies with a good ESG risk management score (between the 50th and 75th percentile in their category) that do not face any severe allegations of controversial behavior (level lower than 4 on a scale of 1 to 5).
- Companies with a superior ESG risk management score (between the 75th and 100th percentile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

• Champion

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

II. Year-end data DPAM

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



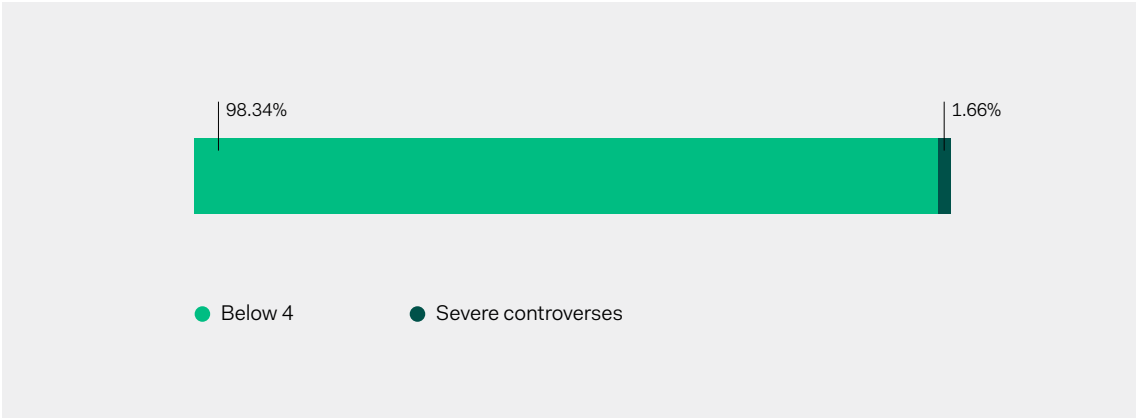
0.07% of DPAM's AUM are invested in 'Laggard' companies, limiting the risks linked to ESG factors of our investments. Moreover, nearly half of our investments are defined as 'Champions'. These companies fall into the top 25 percentile of their peer group according to

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

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

Focus on social dimension

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



Focus on governance dimension

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






4.1.3 Third-party recognition

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

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

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

	As a signatory of the UN-backed Principles of Responsible Investment (PRI), DPAM has to report every year on its progress to implement the six principles. In 2020, DPAM obtained the top A+ rating once again. The organization did not issue ratings in 2021.
	For all the relevant sustainable funds, DPAM obtained the Luxflag label, which highlights the quality of our sustainable strategies.
	For all the relevant funds, we obtained the label Towards Sustainability from Febelfin.

4.2 Credits

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

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

4.3 Private equity

I. Renewable energy

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

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

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

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

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

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

II. Real estate with a social aspect

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

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

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

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

III. Regenerative economy

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

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

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

4.4 Philanthropic advice

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

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



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

Arnaud Denis, Corporate Communication Manager

5 Sustainability at group level

5.1 Environmental

5.1.1 Energy emissions/carbon footprint

I. Building

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

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

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

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

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

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



II. Green electricity generation

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

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

III. Fleet

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

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



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

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

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

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

IV. Travel

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

5.1.2 Resource usage, effluents and waste

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

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

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

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

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

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

5.1.3 Green IT

I. Server migration

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

II. Recycling of IT devices

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

5.2 Social

5.2.1 Health and safety at work

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

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

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

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

II. Internal social advisors and confidants

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

and advisors.

III. All staff - engagement survey

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

IV. Remote and flexible working - Domus 2.0

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

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

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

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

V. Prevention of stress and burnout

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

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

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

(1) These figures are only representative for Belgium.

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

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

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

5.2.2 Training and education

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

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

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

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

new training methods.

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

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

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

5.2.3 Employment, diversity and equal opportunities

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

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

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

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

I. Satisfaction and commitment

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

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

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

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

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

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

II. Demographic statistics

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

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

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

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

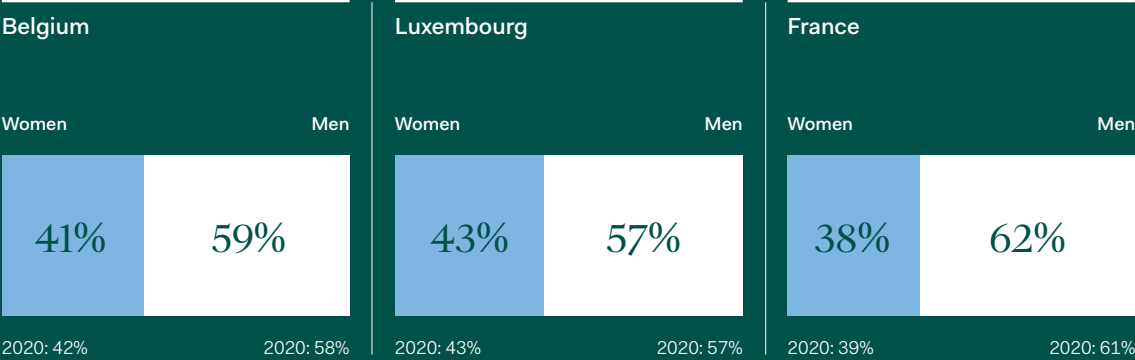
In Belgium, awaiting the interpretation circular letter of the NBB with detailed instructions on the methodology for transposing Europe's Capital Requirements Directive (CRD V) and EBA guidelines, Degroof Petercam carried out an internal analysis to get a first glance on the existing gender equity pay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

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

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

5.2.4 Social engagement programs

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



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

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

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

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

5.3 Governance

5.3.1 The Code of Ethics

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

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

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

It covers the following topics:

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

Foundation against Cancer sponsored by Degroef Petercam cycling team for the eight consecutive year.



5.3.2 The Risk Awareness and Control Excellence program (RACE)

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

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

I. Anti-bribery and corruption

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

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

II. Information security

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

III. Whistleblowing

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

IV. Conflict of interests

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

V. GDPR

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

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

Cathy De Doncker, HR Officer



6

Sustainability outside Degroof Petercam

6.1 Active shareholdership

6.1.1 DPAM

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

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

6.1.2 Private Banking Patrimonial Funds

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

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

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

6.1.3 External funds

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

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

6.2 Supplier assessment

6.2.1 Environmental assessment of suppliers

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

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

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

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

6.2.2 Social assessment of suppliers

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

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

6.3 Client satisfaction

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

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

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

6.4 Education and innovative employment

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

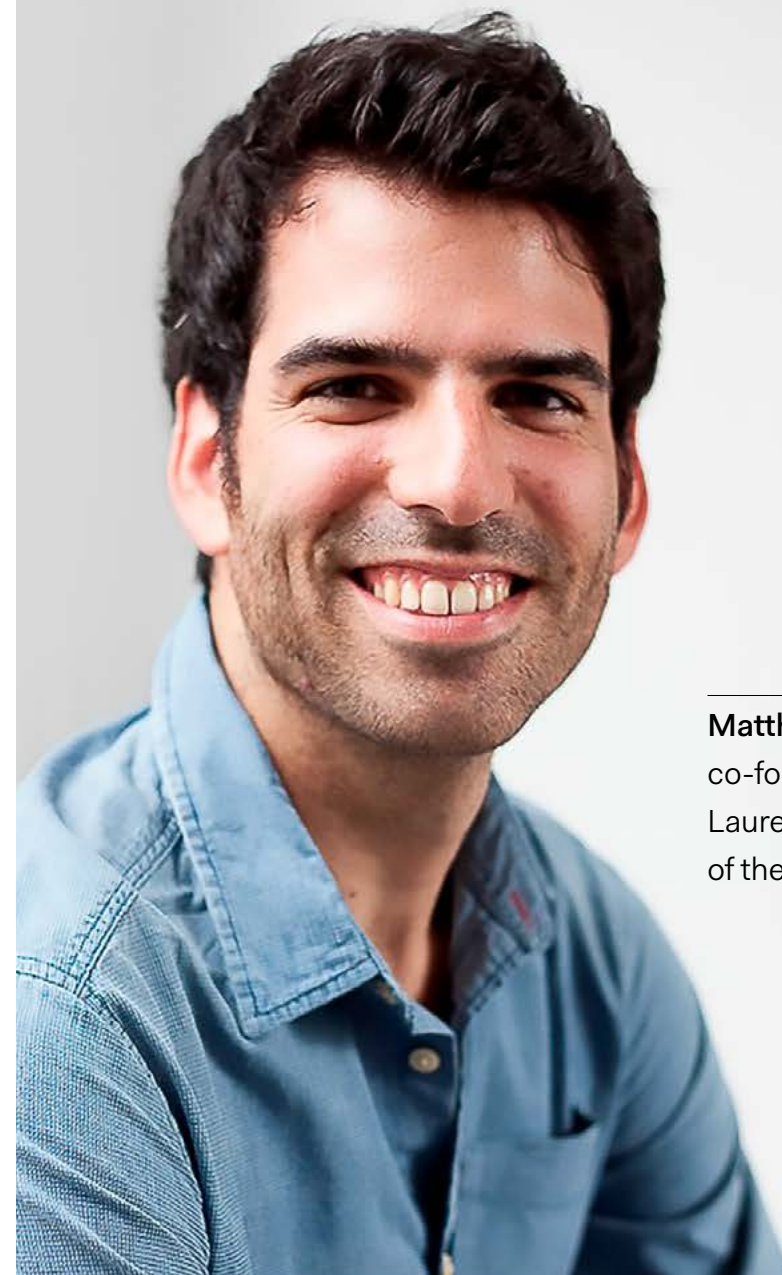
- commitment of 5 million euros in assistance
- participation in the creation of 3,000 jobs
- 30% of Degroof Petercam's employees and clients involved in its activities

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

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

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

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



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

VII. Statutory financial statements

The 2021 consolidated and statutory financial statements exist in French and Dutch only and can be downloaded from our corporate website ([FR](#) - [NL](#))

VIII. Contact

Contact*

Belgium



Degroof Petercam (registered office)
Nijverheidsstraat | Rue de l'Industrie 44
1040 Brussels
T +32 2 287 91 11

Antwerp
Van Putlei 33
2018 Antwerp
T +32 3 233 88 48

Business center d'Offiz
Parklaan 46
2300 Turnhout
T +32 14 24 69 40

West Flanders
President Kennedypark 8
8500 Kortrijk
T +32 56 26 54 00

Kalvekeetdijk 179 Bus 3
8300 Knokke-Heist
T +32 50 63 23 70

Flemish Brabant
Mgr. Ladeuzeplein 29
3000 Leuven
T +32 16 24 29 50

Neerhoflaan 8/0
1780 Wemmel
T +32 2 204 49 20

Hainaut
Rue du Petit Piersoulx 1
6041 Gosselies
T +32 71 32 18 25

Chaussée de Tournai 52
7520 Ramegnies-Chin
T +32 71 32 18 25

Walloon Brabant
Les Collines de Wavre
Avenue Einstein 16
1300 Wavre
T +32 10 24 12 22

East Flanders
Moutstraat 68, bus 701
9000 Ghent
T +32 9 266 13 66

Brussels
Rue de l'Industrie 44
1040 Brussels
T +32 2 287 91 11

Hagedoorlaan 1
1180 Ukkel
T +32 2 662 88 40

Mechelsesteenweg 455
1950 Kraainem
T +32 2 662 89 20

Liège
Boulevard Gustave Kleyer 108
4000 Liège
T +32 4 252 00 28

Limburg
Runkstersteenweg 356
3500 Hasselt
T +32 11 77 14 60

Namur
Avenue de la Plante 20
5000 Namur
T +32 81 42 00 21

Degroof Petercam Asset Management (DPAM)
Guimardstraat | Rue Guimard 18
1040 Brussels
T +32 2 287 91 11

Degroof Petercam Investment Banking
Guimardstraat | Rue Guimard 18
1040 Brussels
T +32 2 287 97 11

Luxembourg



Banque Degroof Petercam Luxembourg
Zone d'activité La Cloche d'Or
12, rue Eugène Ruppert
L-2453 Luxembourg
T +352 45 35 45 1

Degroof Petercam Asset Services
Zone d'activité La Cloche d'Or
12, rue Eugène Ruppert
L-2453 Luxembourg
T + 352 26 64 50 1

Degroof Petercam Insurance Broker
Zone d'activité La Cloche d'Or
14, rue Eugène Ruppert
L-2453 Luxembourg
T +352 45 89 22

DPAM Succursale Luxembourg
Zone d'activité La Cloche d'Or
14, rue Eugène Ruppert
L-2453 Luxembourg
T + 352 45 35 45 23 05

- Private Banking
- Institutional Asset Management
- Investment Banking
- Asset Services

France



Degroof Petercam Wealth Management
44, rue de Lisbonne
75008 Paris
T +33 1 73 44 56 50

Degroof Petercam Finance
44, rue de Lisbonne
75008 Paris
T +33 1 73 44 56 50

DPAM Succursale France
44, rue de Lisbonne
75008 Paris
T +33 1 73 44 57 60

Spain



Degroof Petercam Asset Management SA, Sucursal en España
Paseo de la Castellana 141
28046 Madrid
T +34 915 720 366

the Netherlands



Degroof Petercam Netherlands Branch
De Entree 238A, 7th floor
1101 EE Amsterdam
T + 31 20 573 54 16

DPAM Netherlands Branch
De Entree 234, 5th floor
1101 EE Amsterdam
T + 31 20 573 54 05

Switzerland



Degroof Petercam Asset Management Suisse Sàrl
Place de l'Université, 8
1205 Geneva
T +41 22 929 72 23

Germany



Degroof Petercam AM Zweigniederlassung Deutschland
Wiesenhüttenplatz 25
60329 Frankfurt am Main
T +49 69 566 082 531

Italy



Degroof Petercam Asset Management SA, Succursale Italiana
Spaces San Babila
Corso Europa 15
20122 Milan
T +39 02 12412 4673

Hong Kong



Syncicap Asset Management, joint venture of OFI AM and DPAM
66/F, The Center
99 Queen's Road Central
Hong Kong

* At 21 April 2022



Degroof Petercam

Nijverheidsstraat | Rue de l'Industrie 44
1040 Brussels
BELGIUM

BTW BE 0403 212 172

RPR Brussels

FSMA 040460 A

T +32 287 91 11

contact@degroofpetercam.com

Responsible publisher

Hugo Lasat

The annual report is available via
annualreport.degroofpetercam.com/2021

—

Websites

degroofpetercam.com

funds.degroofpetercam.com

Blog

blog.degroofpetercam.com

LinkedIn

linkedin.com/company/degroofpetercam

YouTube

youtube.com/degroofpetercam

Twitter

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

Instagram

[@degroofpetercam](https://instagram.com/degroofpetercam)

Facebook

facebook.com/degroofpetercam

