



Non-financial reporting

2020

DELEN

PRIVATE BANK

About this report

This report zooms in on non-financial information about the activities of the Delen Group, its policy measures, and its due diligence procedures. It charts progress in regard to the environment, the job situation, people and society, human rights, and combating corruption and bribery.

It also presents the results of the policies pursued, and the main risks associated with these issues. Where possible, the report gives key performance indicators (KPIs) that are relevant to our business activities.

As in previous years, this report is in line with the Global Reporting Initiative (hereinafter referred to as the GRI) (Core option) of the Global Sustainability Standards Board. Since 2019, the bank has been supplementing its reporting with the United Nations' Sustainable Development Goals (hereafter referred to as the SDGs).

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Recap

- Our main achievements in 2020
- Coronavirus boosts our sustainable disposition
- Sustainability at Delen Private Bank
- Our key KPIs
- Sustainability embodied in SDGs

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Our main achievements in 2020

Delen Private Bank pursued its commitment to sustainable entrepreneurship further this year. Despite the coronavirus crisis, important steps and actions were taken on the sustainability front.

The main achievements are set out below. They are explained in greater detail further on in the report.

OUR CLIENTS

Responsible investing



Policy applied to all house funds

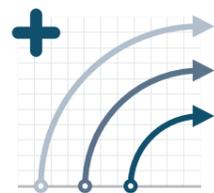


Our approach received a maximum A+ score for strategy and policy from the UN PRI in 2019 and 2020



Sustainable investing contributed to strong performance of the house funds

Protecting assets



Client assets showed positive returns in a turbulent year



Refined investment profiles fit the client risk profiles even better than before



Continued client support to be transparent about origin of wealth, to ensure carefree investing

OUR WORLD AROUND US

Reducing our ecological impact



Lower average environmental impact of the funds compared with the reference index



Ambition to switch to green electricity by the end of 2021



Continued effort to convince clients of the advantage of digital instead of paper channels

Support for social projects



Continued support for permanent partners in sport and culture



Extra support for medical needs

OUR AGILE ORGANISATION



Roll-out of telework from day one in high-security Delen systems



Expansion of new Learning and Development platform for employees (live in 2021)



Digital communication overcame physical distance with client



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Sustainable Development Goals give us the tools to critically examine our work

INTERVIEW

Coronavirus boosts sustainable reflexes

As a tsunami, the coronavirus pandemic swept over 2020. Even though the damage may be great, it did not sweep away the sustainability elements that the bank carefully managed to build up during the past years. On the contrary, the crisis did indeed accelerate some sustainable attitudes, such as responsible asset management. The bank could continue with its development undisturbed and with a decided step.

We had a meeting with René Havaux (CEO), Eric Lechien (CFO and the management member responsible for sustainability), Jean-Louis de Hasque and Elio Rombouts (these last two from the Investment Office and who are co-responsible for the sustainability policy of the bank and the responsible investment policy in the portfolios).

Responsible asset management is the most important leverage of Delen Private Bank in relation to sustainability. Which steps did you undertake this year?

Elio: In 2020, we have further deepened the sustainable investment process. Our sustainable process is based on three pillars: exclusion, engagement and integration. This year, we have exchanged the external exclusion list with our own principles and our own tightened criteria, based on data from Sustainalytics, the sustainable data specialist. In so doing, we are deepening that element of the policy.

Jean-Louis: In the engagement step, we have entered into a dialogue with companies to help them make their approach as sustainable as possible. This year, we have participated in more than 200 shareholder meetings of companies in our portfolio and



we have voted on more than 3,000 agenda items. We are doing this together with our partner in active share ownership, Hermes EOS. This is how like-minded investors combine their strengths. Their total assets represents no less than 1,000 billion euros.

Elio: Of course, this is an amount that should be taken into account if you are a listed company. This is how the capital of our clients is given a voice.

René: Even though the first motive of the investor is return, the voting rights are a nice bonus. You can view this as a form of 'giving the client a total peace of mind': rest assured that your assets will be invested in sustainable companies.

Jean-Louis: With regard to integration of non-financial parameters, we continued to reduce the ESG risks. These are risks that are related to the non-compliance with environmental, social and governance rules. For example, we refined our measurements for the CO2 footprint of the portfolios even further, and have identified the ESG risks of companies with even greater accuracy.

Elio: Let's take the fossil fuel energy sector as an example. They feel the pressure of investors who are no longer prepared to invest in companies that make insufficient efforts with regard to more renewable energy and less CO2 emissions.

Your efforts have not fallen on deaf ears. Recognition has come from various sides.

Jean-Louis: Indeed, we received the maximum A+ score for the 'strategy and policy' module from the UN PRI for the second time in a row. This is a relative score: only 10% of companies are given this score. The main contributing factor is that our sustainable investment policy is applied to all the portfolios and all our clients. Another nice result of our sustainable strategy: Morningstar declared our asset funds to be amongst the 10% most sustainable funds in their category. These are great references!

We cannot ignore the question: does it also lead to extra return for the clients?

René: It does indeed! We can in fact explain part of the additional return of the portfolio (compared with the broad market) through our sustainable approach.

Elio: How do we know this? We checked out the companies with a low ESG risk, that is, companies that are pioneers in the area of the environment, social responsibility and good governance.

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The capital of our clients is given a voice.

- Elio Rombouts

This group has been assessed in the portfolios and their returns were higher when compared to what the market as a whole did. Companies with more ESG risks, on the other hand, are less present in our portfolios. They also fell out of grace amongst investors in 2020. Did you know that 75% of institutional investors do not want to invest in companies that cannot present a credible ESG policy? Examples include the poor stock market performance of banks, aircraft builders and fossil fuel energy companies. The coronavirus was certainly related to their poor performance but it was not the only explanation.

Coronavirus affected all aspects of business operations. Let us start with something that is positive: it really ensured that the bank's CO2 emissions were reduced.

Eric: It just so happens that in 2019 we had started measuring the bank's CO2 emissions as well as the portfolios in 2019. Please allow me to put everything in perspective first: The indirect CO2 emissions from companies in which we invest account for over 99% of our total footprint. And yet, the direct impact through the organisation itself is also important. "Walk the talk" as they say. In our organisation, the two most important CO2 sources are our buildings and vehicle fleet. We set up working groups that study the question on how to reduce emissions. We have the ambition of completely adjusting from grey to green energy as quickly as possible. We also search for energy-efficient solutions in renovation projects and this should, by preference, be based on renewable energy. Without having to give up on the warm atmosphere that is so characteristic of Delen.

René: We will also go further in the direction of sustainable mobility. We are thinking of measures that stimulate green choices and discourage environmentally unfriendly options. We still need to wait on what the federal government will decide regarding sustainable mobility, but, regardless of this, we will go for simple solutions that have a clear impact. This year, commuter traffic has strongly dropped for a while because our people needed to exchange the office for working from home due to the lockdown.

How has teleworking worked out for the employees and the clients?

René: In March, we switched from 13 offices to about 400 home offices in no time at all, thanks to our IT people. We needed to find the balance between everybody's health and safety and guaranteeing continuous services for our clients. I think it is safe to say that we succeeded in this. In a personal profession such as ours, this requires that extra efforts be made. Our relationship managers phoned all clients personally to give them an update and also to put their minds at rest. Because as well as the lockdown, clients faced a stock market correction of -35%. This phone call really made a difference: we could convince 99% of clients not to panic and sell, meaning that they could also benefit from the super-fast and steep stock market recovery. Our clients appreciated this: we have seen a net influx of capital during the whole of 2020. In addition, our digital solutions proved their added value: it was an efficient means for clients to stay in contact with us, be it remotely.

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Technology is at the top of the list. But it cannot compete against the confidence that you create between the relationship manager and client in a comfortable chair with a cup of coffee”.

- René Havaux





“The crisis did accelerate some important developments, but they did not rush us.

- Eric Lechien

Eric: For our events, we managed to reconcile the physical distance with our personal touch. Clients could participate from their living room in the Delen Digital Talks: interactive presentations in small groups about a current topic with, a tasty lunchbox offered by Delen Private Bank.

René: But make no mistake: even though we owe technology a lot, it is not the same as a visit to our office. The confidence that you create between the account manager and client while seated in a comfortable chair with a cup of coffee, cannot be matched by any video chat or app.

Eric: Our employees also needed a little time to adjust. Even though they immediately got all technological support, the balance between work and their private lives was disrupted now and then. The reaction differed greatly: some knew how to make it work while others missed the focus and peace of the office. Our HR team did everything possible to facilitate as much as possible so that everyone could find their way and feel at ease.

Did digitisation put Privacy and Data Security at the top of the agenda?

René: That was already the case, but we stepped things up due to the pandemic. Security is an issue of technology, strict procedures and – last but not least – people. As for this last link, we set up awareness-raising campaigns. Clients were given security training from our data security specialists via the online presentations and could read articles about the topic in our Delen Expertise newsletter. Alexandre Delen, member of the board responsible for IT, also sent a video message with important tips. Our employees were given focused training, an awareness-raising campaign was set in motion and broadcasters followed workshops about GDPR and prospecting.

This brings us to the domain of good governance – the last letter of ESG. Has that not always been a focus area of Delen Private Bank?

René: Without a doubt. Our long-term vision and cautious position are directed towards our two core activities: Asset Management and Estate Planning. In addition, we advise and guide our clients in documenting the origin of their assets. Delen Family Services, our department that maps and analyses total assets, is a helpful resource. The client can collect all important documents in an organised and secure way in a digital file. In this way, the assets can be invested sustainably without frets and worries. This also offers peace of mind.

Eric: The same applies to taxation issues: we only offer transparent solutions that are correct from a taxation perspective. This applies to our clients (correct fiscal management of their assets), and to our own organisation (correct payment of taxes). We said that already 20 years ago, not because we wanted to checkmark the ESG list box, but because we are convinced that this will yield the most for the client in the long term. The SDGs (Sustainable Development Goals) offer us the glasses with which we examine our work more meticulously. It guarantees that we remain focused.

Allow me to zoom into these SDGs, the role of the Sustainability Committee of the bank and our shareholder, Ackermans & van Haaren.

Eric: It is great to have Ackermans & van Haaren as a committed shareholder. There is an open dialogue between us: we learn from them and they from us. Their commitment has a stimulating effect: we want to keep our lead in relation to sustainability. Don't forget that they must also take their investors into account as a stock exchange listed company. These investors follow the progress of sustainable entrepreneurship of the holding with an eagle eye. As we do with our investments.

Jean-Louis: The Sustainability Committee listed four objectives last year that have a significant impact on sustainability. Through our investments, we stimulate climate (SDG 13) and responsible consumption and production (SDG 12). For our organisation itself, we identified economic growth (SDG 8) and justice (SDG 16). The Committee meets every two months to propose and follow up on initiatives regarding sustainability. Awareness raising at the organisation is another top priority. We make the term 'stakeholdership' as concrete and broad as possible. The bank has a responsibility with regard to the shareholder, but also with regard to clients, employers, legislator, government and society.

Let's talk about your social responsibility. The coronavirus crisis put the vulnerability of society on edge. What did the bank do?

René: Delen Private Bank has traditionally been an enthusiastic partner of cultural and social initiatives. This is a sustainable engagement and we are therefore not dropping these organisations and people, certainly not during difficult times. In addition to our permanent partnerships, for example, with Brafa, we are rolling up our sleeves in relation to a few social projects. Coronavirus has hit everywhere, but vulnerable groups have been hit the hardest. That is why we support initiatives such as the Ackermans & van Haaren Solidarity Fund, the King Baudouin Foundation in particular for the purchase of medical equipment, and Clap and Act, for research on COVID-19.

Will 2021 be the year of truth for the European Green Deal?

Eric: The Green Deal will definitely be a significant focus point. Europe wants to convert the climate issue into a transition story of growth opportunities. Not just with regard to the environment but also in relation to inclusion and justice for everyone. The ambition is to have a climate-neutral European Union by 2050. Subsidies and loans make green investments possible that must deliver in due course, not just on a financial level. However, quid pro quo and it will not simply be a political commitment, it will be a legal obligation as well. Europe is asking all sectors to take action. This entails many new reporting and other obligations. But once again, the bank is well prepared, and we already comply with the new rules for the most important aspects, as most of our assets are centrally managed. The A+ rating of the UN PRI that Jean-Louis referred

to is an important achievement within this area. We are undoubtedly in the lead. The main issue now is to remain consistent so that we continue to be the pioneer in new social developments.

To conclude, a quote from Milton Friedman: "Only a crisis produces real change," as he wrote in his book Capitalism and Freedom. Agreed?

René: Yes and no. Inevitably, we had to reinvent ourselves. This went hand-in-hand with a learning process. How do you organise working from home, digital events, crisis communication, etc.? We will certainly retain some lessons learned. But I wouldn't call it a complete turnaround. We have remained faithful to whom we are. Because we were well prepared, for instance on the digitalisation and ESG front. Cadelam was well prepared as well, by dampening the risks of the portfolios significantly already in 2019.

Eric: The crisis did accelerate all those processes, but they did not rush us. We had indeed already anticipated on issues. If, however, definite steps needed to be taken quickly, we sometimes had to improvise. Cohesion is very important in such fast decision taking. We work on this on a daily basis and with success!

“We believe we got the A+ score of the UN PRI because we apply our sustainable investment policy on the total portfolio for all clients.

- Jean-Louis de Hasque

Sustainability at Delen Private Bank

To be effective, a sustainability policy must be founded on measurable criteria, with which to objectively gauge progress and implement well-defined corrective actions. Delen Private Bank uses KPIs and SDGs to chart the performance of its sustainability policy.

KPIs

KPIs, or Key Performance Indicators, are used to measure a company's operational performance, monitor progress, and make improvements where necessary.

Sustainable Development Goals

The United Nations set seventeen global objectives, called Sustainable Development Goals, which must be achieved by 2030. These are translated into 169 specific actions to protect the planet and boost prosperity. Governments and businesses which subscribe to the SDGs commit to translating the goals into action plans. Whilst endeavouring to take account of all the goals, Delen Private Bank has identified four SDGs in particular on which it is able to have a material impact, either directly through the conduct of its business and as an employer, or through its investment policy.



Decent work and economic growth

In its dealings with its clients, Delen Private Bank promotes economic growth through its core business: protecting and growing its clients' assets. Delen Family Services takes this aim up another level. By presenting a clear picture of a client's entire assets, Delen Family Services gives the client insight and, above all, peace of mind. Our satisfaction survey clearly revealed that our clients appreciate our approach: This can be seen in the strong Net Promoter Score of +43 (a measurement of client satisfaction, i.e. the extent to which a client would recommend the bank to family or friends), which is remarkably higher than the sector average. In regard to its staff, Delen Private Bank wants to be a responsible and sustainable employer. To this end, the bank creates working conditions which enhance wellbeing at work, pursues an attractive and fair remuneration policy for its employees, and operates a recruitment policy which is actively geared towards gender equality and diversity. Headcount has increased by an average of 26 new employees per year over the last five years. Lastly, our long-term vision contributes to the stability of the financial system, and creates value for our shareholders. A strong core Tier 1 ratio of 40.5% places us above the sector average. Our low cost-income ratio and the high return on equity are further evidence of our efficiency.



Peace, justice, and strong institutions

Delen Private Bank is dedicated to doing business prudently and with integrity. Among other things, this approach ensures that anti-money laundering measures are taken very seriously. In addition to strict compliance with the legislation, we give our employees the training they need to stay up to date. Delen Private Bank also encourages its clients to be sustainable and to act with propriety from a tax point of view. For its part, Delen Private Bank pays corporate taxes and banking taxes to various market regulators. In 2020, various taxes totalling EUR 40.6 million were paid.



Responsible consumption and production & climate action

The investment policy pursued by the bank and by fund manager Cadelam affords the bank a high degree of leverage to influence various SDGs. Overall, more than EUR 29.5 billion is sustainably invested, because the responsible investment policy applies to all our in-house funds. Investment decisions take into consideration both financial and non-financial parameters, such as the environment, respect for human rights, and good governance. We use this leverage to contribute to SDGs in very diverse areas, chief among them responsible consumption and production (SDG 12) and climate action (SDG 13).

The main KPIs

EUR 29.5 billion

Total funds to which the responsible investment policy is applied

STAKEHOLDER: CLIENTS/LOCAL COMMUNITY
WITH RESPECT TO DELEN PRIVATE BANK,
DELEN PRIVATE BANK LUXEMBOURG AND DELEN SUISSE



+26

Average annual net employee growth over 5 years

STAKEHOLDER: EMPLOYEES
AT DELEN GROUP
(EXCL. JM FINN & OYENS)



+43

Net Promoter Score (2019)

STAKEHOLDER: CLIENTS
WITH RESPECT TO DELEN PRIVATE BANK



40.5%

Core Tier 1 ratio

STAKEHOLDER: GOVERNMENT/SHAREHOLDERS
WITH RESPECT TO DELEN GROUP



41.8%

Cost-income (excl. JM Finn & Oyens)

STAKEHOLDER: SHAREHOLDERS
WITH RESPECT TO DELEN PRIVATE BANK



15%

Return on equity

STAKEHOLDER: SHAREHOLDERS
WITH RESPECT TO DELEN PRIVATE BANK



40.6 million

Corporate and banking taxes

STAKEHOLDER: GOVERNMENT
WITH RESPECT TO DELEN GROUP



Sustainability embodied in SDGs

Delen Private Bank recognises the importance of all seventeen SDGs and has a material impact on four of those goals in particular. Through its business activities, Delen Private Bank has an impact on SDG 8 and 16, while its pursuit of a responsible investment policy impacts on SDG 12 and 13. Below is an overview of the various activities and initiatives which have an impact on the SDGs. These subjects are discussed in detail further on in the report.

■ Our core SDGs





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Delen Group

The Group's activities

Discretionary asset management

The Delen Group's core task chiefly involves managing and advising on its clients' assets. The Delen Group manages accrued assets prudently, and supports the client with his decisions about his accrued wealth (including gifts, legacies or other legal matters).

At Delen Private Bank, Delen Private Bank Luxembourg, Delen Suisse and Oyens & Van Eeghen, discretionary management of client assets is mainly centralised, through the medium of 'patrimonial' funds (undertakings for collective investments, UCITs) which are managed within the Group. As well as investing clients' assets in individual equities, bonds or other securities, the Delen Group also uses them to buy equities in one or more patrimonial funds.

A patrimonial fund is a diversified collection of equities, bonds or other securities. Delen Private Bank, Delen Private Bank Luxembourg, Delen Suisse and Oyens & Van Eeghen first divide the client portfolios according to the client's risk profile. Next, they centrally assemble the portfolios, by investing the patrimonial funds managed within the Group.

Cadelam and Cadelux are responsible within the Delen Group for the financial and administrative management and risk management of the funds that are promoted by Delen Private Bank, Delen Private Bank Luxembourg, Delen Suisse and Oyens & Van Eeghen

In contrast, JM Finn does not undertake discretionary management centrally, but instead delegates it to each manager or group of managers, through investments in direct lines and funds of third parties. JM Finn also operates more independently than the other group entities.

Wealth planning and loans

As a supporting service for individual clients, the bank also offers wealth planning (or estate planning) under the Estate Planning banner. Since they both hold a banking licence, Delen Private Bank and Delen Private Bank Luxembourg can also extend temporary loans.

The Group's key figures

31/12/2020



Delen Group

Group structure

Delen Private Bank has three operational subsidiaries:

Delen Private Bank Luxembourg SA which has the status of a Luxembourg credit institution

Capfi Delen Asset Management NV an accredited Belgian management company for Undertakings for Collective Investments, or UCITs

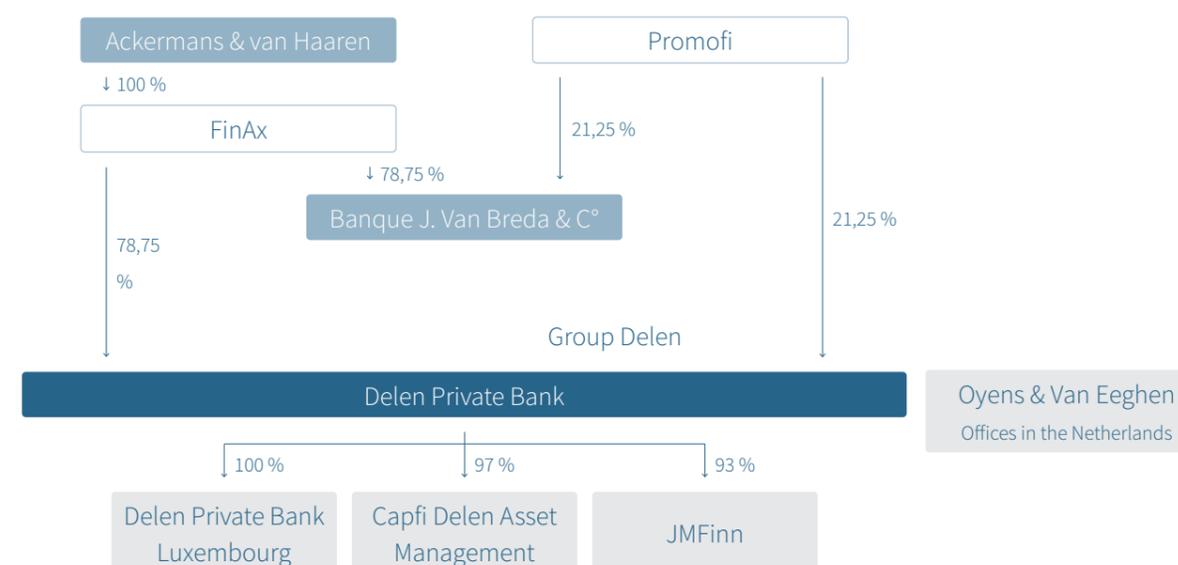
JM Finn & Co Ltd a UK-based investment manager.

Among other holdings, Delen Private Bank Luxembourg SA holds 100% of the shares in Delen Suisse SA (a Swiss asset manager) and Cadelux SA (an accredited Luxembourg management company).

On 1 July 2019, former subsidiary **Oyens & Van Eeghen**, a Dutch asset manager, became an official branch of Delen Private Bank.

Operational entities

31/12/2020	Delen Private Bank, Delen Private Bank Luxembourg and Delen Suisse	Oyens & Van Eeghen	JM Finn
Country	Belgium, Luxembourg, Switzerland	The Netherlands	UK
AuM (in 000,000 EUR)	32,912	859	11,346
Number of accounts	+/- 40,500	+/- 970	+/- 19,400
Headcount	425	29	299





Delen Group

Delen Private Bank's values

The values constitute the compass of Delen Private Bank. They determine what the bank does, and how it does it. There are five values: prudence, sustainability, personal contact, a family touch and efficiency. They form the character of the bank. They guide its mission, strategy and philosophy. That's how Delen Private Bank makes the difference.

Prudence

Managing your assets with due care: this has always been the credo of Delen Private Bank. Its approach focuses on the sustainable protection, growth and planning of assets. This implies an open, alert and risk-aware view of the long term. And clear, *no-nonsense* service. It is a guarantee of financial peace of mind, now and into the future.

Sustainability

Balanced growth in assets is a long-term story. After all, financial return is only long-term if it is achieved with respect for the climate, people, and good governance. That is why all portfolios are invested according to our sustainable investment philosophy. That is why the bank and its fund manager Cadelam endorse the UN Principles for Responsible Investment (UN PRI). And that is why its legal advisors offer legally certain solutions, far removed from transient cutting-edge legal technology.

Personal contact

Private banking is a *people business*. Everything stands or falls on trust. This requires a personal approach. The bank must be both accessible and discreet. This is precisely the mindset of your trusted relationship manager. He or she is the direct and personal contact person for clients. This way, they can be sure of fast, continuous and coherent follow-up.

Family touch

Over the past eightyfive years, Delen Private Bank has grown from a stockbroking company to a modern niche player in asset management. The secret lies mainly in a family shareholding (the Jacques Delen family) and the strategic participation of Ackermans & van Haaren. This combination results in a solid group, while also allowing the bank to pursue an autonomous and independent course.

Efficiency

Tailor-made, contemporary services go hand-in-hand with technology. And yet digitalisation is never a goal for the bank, but a means to serve its client even better: more conveniently, safer and faster. This is demonstrated by the digital solutions: the Delen app, Delen OnLine and Delen Family Services.

Delen Group

Governance

The Board of Directors of Delen Private Bank is responsible for setting the bank's general policy and for supervising the Executive Committee. The Board members all have a wealth of experience, and assess the bank's policies and performance from a range of different angles. Drawing on this experience, the Board of Directors sets the general policies on responsible asset management and issues an opinion on the annual non-financial report. The Board of Directors is chaired by Mr Jacques Delen. The Board of Directors and the Executive Committee are discussed in greater detail in the Annual Report of Delen Private Bank.

Sustainable, active and stable shareholder structure

The Delen Group is managed by two groups of shareholders: the Delen family, and the holding company Ackermans & van Haaren. In 1992, Antwerp-based Ackermans & van Haaren (AvH) concluded a strategic cooperation agreement with the Delen family (Promofi). Since then, the company and the Delen family have been writing a sustainable growth story together. It is thanks in part to its stable shareholder structure that the Delen Group has been able to maintain its completely autonomous position. The long-term view also takes a front-row seat at AvH. Proper governance is key, and ESG (Environmental, Social and Governance) is also gaining ground with the reference shareholder. The non-financial aspects of doing business are acquiring greater prominence. Ackermans & van Haaren also prioritises the Sustainable Development Goals (SDGs), which set specific targets for sustainable development. Besides financial

return, social impact is increasingly factored into the pursuit of all its activities. Its clients also appreciate the long-term and sustainable shareholding of the Delen Group: continuity adds an extra layer in client confidence building. Moreover, this stability provides a strong foundation with respect to its employees and their development potential. This is because our two shareholder groups are heavily involved in the day-to-day management of our establishments.

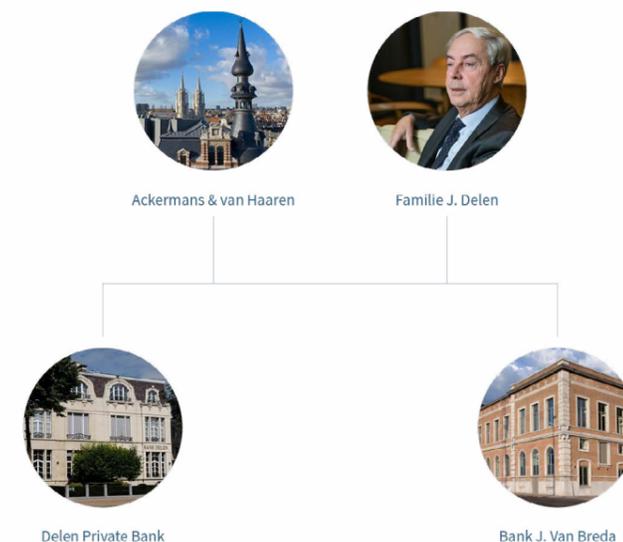
The Delen family

As the founding family of the whole group, the Delen family plays an exemplary role. Based on the guidelines laid down by the Delen family, the Delen Group's policies are set by the Board of Directors. As well as taking good care of the welfare of its clients and staff, the family also oversees the ethical standards and values that are applied within the group, and anti-money laundering, anti-corruption and anti-bribery measures.

Ackermans & van Haaren

As an 'active owner', Ackermans & van Haaren is represented on the Board of Directors of Delen Private Bank.

Through its role on the Board of Directors and on the advisory committees, Ackermans & van Haaren sees to it that, among other things, Delen Private Bank pursues a sustainable policy which takes account of the legal requirements and social trends in regard to the environment, social and personnel-related matters, human rights, and anti-corruption.



Delen Group

The Group's stakeholders

Delen Private Bank's mission is inherently sustainable: the balanced management and protection of clients' assets. To this end, it forms a long-term relationship with all of its stakeholders. Its relationship with those stakeholders is discussed in detail further on in this document.



Clients

- protecting the client's assets
- responsibly investing the client's assets
- tailoring financial, patrimonial and fiscal services to the client's needs
- preserving the family and authentic character of the institution
- continually investing in client relationships
- client proximity in 2 ways: investing in digital solutions and in new offices



Employees

- continually investing in the future of employees by offering training and appropriate remuneration
- looking after the welfare and satisfaction of staff
- creating a pleasant atmosphere at work
- overseeing Delen's values: the family values as a compass



Local community

- calculating and actively reducing environmental footprint, both indirectly and directly
- incorporating non-financial parameters in investment decisions
- supporting and sponsoring local projects
- preserving cultural heritage: investments in protecting of historic buildings and art



Government/Regulators

- correctly and meticulously observing the law
- remaining a valued partner of the various regulators of the Delen Group



Shareholders

- unerring commitment to the close and active involvement of shareholders



The Group's materiality matrix

This materiality matrix and index give an overview of the subjects which will be covered in the remainder of this report. The subjects have been divided into the three non-financial ESG parameters (Environment, Social Responsibility and Good Governance). The matrix illustrates their influence over, and importance to, the activities of the Delen Group (x-axis), and how important they are to stakeholders (y-axis). The index also explains the group of stakeholders for which a non-financial

parameter is most relevant. Lastly, it also clarifies the SDG to which a particular subject relates.

■ Governance ■ Environment ■ Community

The stakeholders	No.
Clients	1 4 6 7 10 16
Employees	3 11 12 13
Shareholders	5
Government/Regulators	1 2
Local community	4 8 9 14 15

SDGs	No.
	14
	14
	13
	5 6 10 11 12 16
	7
	15
	4 8 9
	4 8 9
	1 2 3





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Delen and its stakeholders

Delen and its clients

Delen and its employees

Delen and society

Delen and the legal framework

Asset management at JM Finn

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Delen and its clients

The bank's core task is to manage its clients' assets in a prudent yet dynamic way. A very large proportion of the assets entrusted to the bank (85.01%) are managed under a discretionary mandate. The objectives are twofold: to protect assets, and to grow the assets in a sustainable way.

Responsible investing

Asset management is our core activity. And our investment decisions have an impact on society. Investing in sustainable companies means helping to build a better, greener, and more human society. From a financial perspective too, it makes sense to invest in sustainable companies. After all, responsible investing reduces investment risks, strengthens participation in future-proof investment themes and, in this way, offers the prospect of a balanced return.

As a member of the UN PRI, Delen Private Bank consistently strives to make its investment process fundamentally sustainable. This is a binding engagement. Each year, we provide a thorough report to the UN PRI about efforts in regard to responsible investing. After a thorough evaluation we received the A+ score for the first time in 2019 for the 'strategy and policy' module. This maximum score was confirmed in 2020 - a significant crowning of the work carried out and an encouragement to continue on the path we have taken. The responsible investment policy, which will have been in place for five years in 2021, has been steadily broadened and deepened over the years. To remain at the forefront, the bank will continue to fine tune the policy in the future.

The bank invests over €29.5 billion of its clients' assets through the investment funds managed by fund manager Cadelam. All these funds, without exception consistently apply the responsible investment policy. Delen Private Bank, Delen Private Bank Luxembourg and Delen Suisse invest in these funds to build portfolios in discretionary asset management.

see KPI 1

The responsible investment policy rests on three pillars: engagement, ESG integration and exclusion.

Engagement: constructive dialogue as an active shareholder

Active shareholding produces better results for all stakeholders: shareholders, clients, employees, society, the government and the regulators. It gives us an opportunity to steer in the right direction the companies in which we invest through the funds.

Engagement is the term that describes continuous and constructive dialogue between the investor and the companies he invests in. The aim is to combine financial return with sustainable improvement for people, the environment, and society.

EOS – our partner in engagement

In 2018 Delen Private Bank and Cadelam started a collaboration with EOS – a first in Belgium. Their independent team of ESG experts (Ecology, Social Responsibility and Good Governance) advises institutional investors like us. Together, we manage over €1,000 billion in assets (40% more than in 2019!), which gives us the necessary clout. Together with Cadelam, EOS sets priority sustainability themes. We then initiate a dialogue with the companies concerned. The tone is tough, but fair: positive and constructive to begin with, critical and firm if improvements are not forthcoming.

The assets of our clients are given a voice

The vote at general meetings can also be used to encourage certain strategic choices, or, indeed, to prevent them. Our clients' capital, which Cadelam invests in investment funds, is thereby given a real voice. Thanks to our partnership with EOS, we have assumed our role as active shareholder in 2020 by adopting a variety of resolutions at several general meetings of shareholders.

Three-way win

A clear strategy and open communication establish a dynamic in which everyone wins: the companies (sustainable growth), the investors (profitable investments) and the wider setting (positive impact on people, environment and society).

- **Environment:** tailoring business models to the Paris climate agreements, in which members of the UN commit to limiting global warming to a maximum of 2°C, and to taking drastic action to tackle air, land and water pollution.
- **Social policy:** entering into dialogue with companies that have global supply chains. The client may always be right but, for long-term success, a company must take account of all its stakeholders, and certainly its workforce.
- **Proper governance:** fine-tuning a company's organisational checks & balances. An effective board of directors, for instance, and the right balance between remuneration and sustainable value creation create the perfect impetus for targeted decision-making.

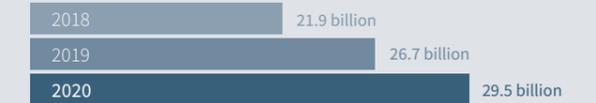
Leverage

The leverage afforded by large numbers must not be underestimated. With EOS, for instance, we are also part of ClimateAction100+, i.e. a group of more than 540 investors who represent more than €43,000 billion. They spur the world's biggest greenhouse emitters on to take measures to combat climate change and accelerate the energy transition.

see KPI 2

KPI 1 Scope of the Responsible Investment Policy

Cadelam applies the principles of responsible investment to the full spectrum of the in-house funds. The scope is consequently very wide. The fund manager managed total assets of €29.5 billion according to these principles as at the end of 2020.



KPI 2 Engagement scope

The bank defines the priorities under the engagement programme according to the urgency of the issues, the openness of the companies and the potential impact we can generate. SDGs are useful here too. For example, engagement pays special attention to climate action (SDG 13) and responsible production and consumption (SDG 12).

The engagement scope shows the ratio of the number of companies with which an engagement procedure is ongoing to the total number of companies in the portfolio.

The scope of the engagement programme is more than 71% of the companies invested in through discretionary management.

The aim is to maintain an engagement scope of more than 60% in the future.

“We were faced not only with the lockdown but also with a stock market correction of -35%. The reassuring calls from our relationship managers made a difference for our clients. We managed to convince 99% of them not to panic sell.

- René Havaux

“We achieved the A+ score, thanks to our sustainable investment policy that is applied to all the portfolios and all our clients.

- Jean-Louis de Hasque

ESG integration: injecting non-financial parameters

A company's financial health is tenable only if it scores on the ESG front as well. A company that fails or falls short in its efforts to tackle its risks in the area of environment, social parameters and governance will, sooner or later, run into difficulties. This creates a reputation problem, as well as being indicative of a lack of long-term vision. Conversely, fully-fledged awareness of ESG in a company can open up to new opportunities and competitive advantages, with financial impact.

see KPI 3

Sustainalytics, partner in ESG integration

Sustainalytics has built its reputation as a world leader in sustainability research over the past 25 years. Its more than 200 analysts analyse just about every listed company worldwide. As a data supplier, the company supports Cadelam with the integration of non-financial data in the investment policy.

More specifically, it provides data on:

- **ESG Risks:** the analysis of sustainability parameters identifies opportunities, but also exposes sore points. ESG risks can actually endanger the future of a company (financially and otherwise). As an investor, it is therefore important to detect early a violation of environmental standards or a problem in regard to good governance.
- **Intrinsically sustainable activities:** Sustainalytics can detect niche companies that generate the largest part of their turnover from products and services with a positive contribution to society and the environment. The frame of reference consists of the UN Sustainable Development Goals, as well as the Impact Investing Market Map of the UN PRI.
- **Controversial activities:** thanks to detailed information, Cadelam identifies companies involved in unsustainable activities. For more information on this matter, see the Exclusion Policy.

Exclusion: what does not belong in our portfolios

Excluding or selling companies is a drastic action for a responsible investor, albeit necessary at times. For example, a decision can be taken to divest if the dialogue or voting in the context of engagement does not produce sufficient results, or if it turns out that the sustainability profile of a company is developing negatively.

In the year 2020, the bank delved significantly deeper into this part of the responsible investment policy. Whereas we used to rely on exclusion lists from external parties, last year we internalised part of the analysis process. The analysis that precedes the exclusion of companies was made much more concrete with the help of Sustainalytics (see also the policy pillar 'ESG integration'). Supported by concrete and granular figures, Cadelam excludes four categories of companies.



Arms: Belgian law prohibits the financing of controversial weapons such as cluster munitions and anti-personnel mines. Cadelam goes a step further by excluding all weapons.



Tobacco: Companies that produce -- or generate more than 5% of their turnover from the sale of -- tobacco are excluded.



ESG risks: companies with a serious ESG risk are also excluded from the portfolio. This corresponds to a risk score of more than 40 on the Sustainalytics scale. In addition, the requisite attention is paid to climate-related sustainability risks. Energy players who generate more than 5% of their turnover from oil extraction through tar sands or arctic drilling are consequently excluded (among others). The energy transition will incidentally make these activities irrelevant: yet another example of financial and environmental rationale going hand in hand.



UN Global Compact: The United Nations, known in particular from the UN PRI and the SDGs, is setting the stage for general good governance. The Global Compact groups together elementary principles concerning people, society and the environment. Human rights, labour standards or rules of good governance come to mind. Companies where these principles are consistently violated and where there is no positive development in the engagement process are excluded.

Oyens & Van Eeghen also has an eye for sustainability, as an organisation and as an investor. Since they also work primarily with patrimonial funds, all the elements of responsible asset management discussed above apply as well. The management formula used by Oyens & Van Eeghen does make it possible to supplement the patrimonial funds with external investment funds. The selection of these external funds is of course also subject to certain criteria on the three different levels: engagement, integration and exclusion.

- In the selection and monitoring process, Oyens & Van Eeghen enters into dialogue with the external managers to achieve sustainable management wherever possible.
- ESG parameters are also a fundamental criterion in the general assessment of external managers. They are required to take ESG criteria into account in the selection process of shares and bonds. For the index investments, Oyens & Van Eeghen searches variants that follow sustainable ESG indices.
- Finally, external managers who have not endorsed the UN's Principles for Responsible Investment are excluded.

KPI 3 ESG risk score

Sustainalytics analyses and quotes companies for ESG risks. The spectrum ranges from 100 to 0. The lower the score, the fewer the ESG risks for the company. Company scores higher than 40 are designated as 'severe', and are kept out of the portfolio.

The weighted average ESG risk score of our portfolios is 19.7.

The aim is to maintain an ESG risk score of less than 30 in the future.



Protection in turbulent times

2020 was marked by the coronavirus, which, in addition to its human and economic toll, also caused a great deal of uncertainty in the financial markets. The task of Delen Private Bank in such turbulence is twofold: to protect the assets of its clients, and to communicate with them regularly and clearly.

Protection of assets

Asset protection in 2020 focused on two things: a correct assessment of the investment profile and well-considered asset management where the return is always weighed against the risk.

When determining the investment profile, the bank gauges the risk appetite of their clients: what risk are they willing and able to bear, taking into account their financial situation, future plans and expectations. The bank then puts the portfolio together on this basis: the more risk the client is prepared to bear, the greater the weight of shares the portfolio will contain. The bank uses eight profiles in its management, ranging from very cautious to very dynamic. In 2020, the bank refined the eight investment profiles even further, enabling each client to have its investment profile defined even more accurately with the help of his or her personal relationship manager.

On the fund management side, which is handled by Cadelam, the risks of the funds were already reduced in the course of 2019, i.e. long before the crisis broke out. Four strategic actions were important in this regard:

- the selection of high-quality stocks and bonds.
- The diversification of the portfolio across assets, regions, and sectors. The number of lines rose from 400 to 800
- strengthening of the liquidity position.

This enabled Cadelam's managers to keep a cool head during the volatile stock markets. Impulsive major strategy changes were out of the question. The choice fell on solid companies that play sustainable themes (such as digitalisation, ageing, urbanisation) and can present unaffected growth prospects over the medium term. Composed entirely of quality bonds, the bond component served as a buffer when stock markets became volatile.

see KPI 4

Clear client communications

In our second major task (communicating with our clients), we felt it was extremely important to inform them correctly, provide perspective and give them peace of mind. The relationship managers contacted all their clients personally as soon as possible during the stock market correction in March. In addition, the bank sent out regular accessible communications about the service and the impact of the coronavirus on the stock markets and their portfolios, for example via videos and newsletters. With success: the vast majority of our clients did not sell during the stock market correction and kept their trust in the bank's asset management. It is an important sign of loyalty to the bank, for which we are very grateful. It is also a sign that the investment profiles of the clients were correctly assessed. Clients who were in a higher risk profile proved that they could handle a temporary dip in returns financially and emotionally.

Apart from the coronavirus issues, the bank also embarked on an action to identify clients who had too much concentration risk in one particular security. Relationship managers contacted the affected clients and advised them to reduce their concentration risk and diversify their portfolios more.

Crisis as the ultimate touchstone for satisfied clients

The crisis offered an opportunity to show who we are, and what we stand for. It was time to spread the values and turn them into concrete actions. Have we succeeded? It is still too early to tell with certainty, but the loyalty of our clients gives us confidence. We are organising a new satisfaction survey in the spring of 2021 to map out our clients' satisfaction, as a follow-up to the November 2019 survey. In the process, we will examine various aspects of our services. A key indicator is the Net Promoter Score (NPS), a common measurement of client satisfaction. The score indicates how likely the client is to recommend the bank to somebody else.

see KPI 5

Personal contact in a digital world

Delen Private Bank has always focused very strongly on technologies. Never as an end in itself, but as a means to serve our clients even better, faster and safer. Never as an end in itself, but as a means to serve our clients even better, faster and safer. Our innovative mindset came in handy when the bank had to adapt in no time to the new social distancing world after the COVID outbreak. The digital reality accelerated the bank's technological developments by necessity, but it was no turnaround by any means.

Delen Private Bank is sticking to its personal, family-oriented approach. And this can now be done remotely as well, thanks to a number of new digital innovations.

- Our standard services were digitised extensively. The functions of the Delen app and Delen OnLine were expanded further, for example with the digital signature and the quick contact function with the relationship manager. Delen Family Services, the service for providing an overview, analysis and planning of all your assets, was also given greater depth, including the addition of the family tree. Those who still wanted to speak to their relationship manager face-to-face could do so via a video call in a secure environment. Here once again, we want to offer our clients maximum comfort and support them in discovering these new technologies.
- For events, we came up with two new concepts to replace the traditional contact moments with our clients: the 'Delen Digital Talks' and the 'Webinars'. The Delen Digital Talks are video presentations with current and prospective clients on various themes. The meetings are held in small groups to maximise interaction. The meetings retain their informal and family atmosphere, as a catered lunch box is offered by Delen Private Bank. The webinars were aimed at a wider audience with external speakers sharing their analysis on current topics.

KPI 4

Key figures on discretionary asset management*

During 2020, **85%** of assets under management were placed under **discretionary management**.

Historical returns per risk class

The **annualised returns** of various risk profiles over various durations provide insights into the protection of capital and well-considered asset management. As the management outlook is long term, the returns over an extended period give the best indication of the quality of investment decisions.

The portfolios were steered successfully through the stock market storm in a very challenging market year. Cadelam, the fund manager of the group, hit the mark twice with its prudent yet bold investment strategy. The portfolios corrected less strongly than the broad market during the coronavirus correction in March. Moreover, the portfolios showed more resilience, with a faster and stronger recovery in the second half of the year.

31/12/2020	Return			
	3 year	5 years	10 years	15 years
Fixed Income (D0)	0.3%	0.9%	1.3%	-
Very Defensive (D12)	0.2%	0.4%	0.9%	-
Defensive (D25)	1.1%	1.5%	2.1%	2.1%
Moderate (D38)	2.1%	2.5%	3.0%	2.9%
Balanced (D50)	3.0%	3.5%	3.9%	3.6%
Dynamic (D65)	3.9%	4.7%	4.8%	4.1%
Very Dynamic (D80)	5.0%	6.0%	5.7%	4.6%
Full Equity (D100)	5.4%	6.9%	7.0%	5.6%

* With respect to Delen Private Bank (excl. other group companies)

KPI 5

Net Promoter Score (NPS)

% Promoters - % Detractors = NPS (w)

Detractors	Neutral	Promoters
6 or lower / 10	7 or 8 / 10	9 or 10 / 10

52% Promoters - 9% Detractors = NPS Delen Private Bank
43





Coronavirus crisis puts data security on edge

Its core task – asset management and wealth planning – means that Delen Private Bank has access to confidential information about its clients. The bank's responsibility for the trust its clients place in the bank cannot be underestimated. The legislator also keeps a stern watch over this area. The bank consequently sets high standards for cybersecurity. Since all IT and security expertise is built up in-house, we strive to organise a maximum of it under our own management. For instance, the bank has its own dedicated data center for the secure use and storage of data. We can thus make sure that the hardware meets all technical requirements. Moreover, the bank can guarantee that unauthorised persons do not have access to client data.

Delen Private Bank also sets itself apart in regard to data management, with its efforts to achieve maximum transparency in its dealings with clients. Where technically feasible, the bank uses a model whereby the client has admin rights over his own data, enabling him to independently decide and monitor which data are visible for which department or employee of the bank.

see KPI 6

Delen Private Bank naturally extended the strict regulations for the security of its data to the new applications that arose in response to the coronavirus crisis. The sudden shift to working from home was done in compliance with all the key security principles of our internal organisation. All the devices that the bank made available to its staff (laptops, cell phones, tablets, etc.) were highly secured and centrally managed. This enabled the IT team to keep the software up-to-date at all times and to monitor data traffic centrally. The information in the video calls with our clients was also encrypted so that security could be guaranteed.

In order to keep everything on the right track, and to meet the ever-expanding requirements data management and data security requirements, a new 7-strong 'Information Security' team, was also set up in the course of 2020. Among other things, they were jointly responsible in particular for raising awareness among our clients and employees, via Delen Digital Talks, news articles, training and internal campaigns.

A look into the future

The personal, secure and digital configuration is here to stay for Delen Private Bank. Clients will be able to discover new features in the Delen app in 2021 also. The relatively new service Delen Family Services, will be developed further. We are also paying extra attention to the device management of our staff. We want them to be able to switch securely and easily between the various devices made available to them by Delen Private Bank as their employer.

Finally, we remain strongly committed to raising awareness about data safety among our clients.

KPI 6 Investments in IT

The table below summarises the total investments in IT developments. NB: this percentage only includes the development costs of new software and applications. Therefore, it does not show total IT expenditure. The programming Federal Public Service Science Policy Office (BELSPO) has also recently decided that the development of the *in-house* Delen IT platform can be considered an innovative technological development.

	Percentage profit
2018	8.56%
2019	6.25%
2020	6.13%



Delen and its employees

The family values that are characteristic of Delen Private Bank are perfectly embodied in its staff policy. The bank's long-term outlook is reflected in its efforts to ensure a safe and secure future for every employee, with scope for each individual's uniqueness, talent, and ambitions. Trust and respect are key. This is also the case at our subsidiaries. When certainties and human contact fall away, as they have over the past year, we feel it is important to promote our values to our colleagues. Togetherness in the organisation, that feeling of 'we're going through it together', invaluable in times of crisis.

Developing talents

Delen Private Bank's employees are a driving force in creating sustainable value for the various stakeholders. It is therefore crucial that the bank continues investing in human capital. From the very first meeting, Delen Private Bank conveys its convictions and long-term vision to potential employees. The recruitment process is, first and foremost, about making contact with people through various conversations. Besides expertise and competencies, the bank attaches a great deal of importance to attitude and personality. These conversations are essentially two-way, an opportunity for the candidates to make clear their wishes, expectations, and ambitions. The candidate's place of residence is also an important factor, both from an environmental perspective and to prevent stress.

see KPI 7

Delen Private Bank continues investing in its personnel after the recruitment phase, including through the training it provides for its employees. Training for staff gains in importance with each year. In 2020, the HR department registered 4,521 hours of training at Delen Private Bank.

see KPI 8

Colleagues made good use of the internal and external training on offer in 2020. Furthermore, the bank again put a lot of emphasis on training in soft skills. Many employees took courses on presentation skills or individual coaching sessions. Language training was also expanded significantly. Some 50 employees attend language lessons in Dutch and French on a weekly basis.

Together with an external consultant, the bank further developed the 'Learning Management System' project, a digital platform for continuous learning and self-development. This ensured a broad range of training courses, tailored to the needs of the employee. Our aim is to have this platform fully operational for Delen Private Bank in 2021.

Oyens & Van Eeghen also paid attention to the development of its employees, by organising internal and external training. In 2020, all Oyens & Van Eeghen employees took an online awareness course on money laundering and the financing of terrorism via the Ministry of Compliance. In addition, Oyens & Van Eeghen facilitated the permanent education of the DSI-registered employees through the online platform of the Ministry of Compliance.

Feeling good at the work place

Delen Private Bank's welfare policy is geared towards health, safety, stress prevention, ergonomics, hygiene, and a pleasant working environment. External prevention service Provikmo assists the bank in all these areas. Examples of initiatives which help create a pleasant working environment include fruit baskets providing healthy snacks, a salad bar with fresh produce in the company restaurant in Antwerp, a free flu vaccination, the advice of an external specialist on measures to prevent burnout, and so on.

Oyens & Van Eeghen invests similarly in its staff members. It provides a pleasant working environment by having an external caterer deliver a healthy lunch twice a week, while on other days fresh bread and toppings are provided. Employees aged 50 and over at Oyens & Van Eeghen have the option of a general health checkup.

There was naturally extra attention for the health and safety of our personnel this year in light of the coronavirus pandemic. Delen Private Bank followed the recommendations of the national authorities at all times in this respect and often raised the bar even higher. Disinfection gels were provided throughout the offices in order to guarantee a safe workplace. The occupancy rate was significantly reduced, so that everyone could follow the rules of social distancing. Employees were given masks that they had to wear as soon as they left their workplace. Home working became the norm immediately as of the first wave in March. Since then, the occupancy rate in our offices has fluctuated between 15% and 60%, depending on the epidemiological situation.

The shift to teleworking meant that some of the spontaneous contact between employees was lost. The teams compensated for this by organising regular contact moments. The management went over the most important current topics and action points with almost all employees via video calls every morning. In the same way, the teams could meet, exchange ideas and find support from each other when necessary. A Yammer application, in which colleagues could exchange photos, films, jokes or words of encouragement, created an additional sense of togetherness. In the autumn, everyone was sent a thank-you card in which the management offered them a 'consumption cheque' - a voucher to be used in local stores and services - as token of gratitude and for the exceptional efforts made by the employees during the coronavirus crisis.

KPI 7 Headcount

Net growth in headcount

Over the last 5 years, an average of 26 extra employees net have been recruited by the Delen Group (excl. JM Finn) each year.

Headcount	DPB Be	Cadelam	DPB Lux	Cadelux	DPB Suisse	Oyens	Total	Net Growth
2016	287	19	47	3	4		360	36
2017	306	19	43	3	4		375	15
2018	337	18	48	3	5	19	430	36
2019	336	16	45	5	4	33	439	9
2020	375	18	45	5	5	29	477	38

KPI 8 Hours of training

Total	Internal	External	Per employee
4521	1662	1859	11.5

“The work-life balance was at times disturbed by working from home. Our team did everything possible to facilitate as much as possible so that everyone could find their way and feel at ease.

- Eric Lechien



Satisfied employees

Delen Private Bank wants its employees to feel good at work. Two parameters already suggest that employee satisfaction is high at Delen Private Bank. Compared with the sector as a whole, sickness-related absence is low, and the number of employees leaving the bank of their own accord is small.

For the 2020 calendar year, sickness absenteeism was 3.12%. This can be broken down into 1.06% paid sick leave (less than 1 month) and 1.57% unpaid sick leave (more than one month). According to figures from Febelfin, for the sector as a whole, annual absenteeism due to sickness was 4.44%, of which 2.20% was less than 1 month, and 2.24% more than 1 month. Furthermore, staff turnover remained low in 2020 compared to the sector. In 2020, 3.1% of employees left the bank voluntarily, a figure in line with 2019 (3.6%).

Fair pay and fringe benefits

Employee remuneration serves as an acknowledgement of our employees' past performance, and motivation for their commitment going forward. Here too, Delen Private Bank places the emphasis on clear and comprehensible solutions, rather than tax-optimised formulas.

Cooperation and togetherness is the fastest route to success. Therefore, we do not have variable remuneration based on individual performance, which is sometimes at the expense of the other team members or the client. This approach stimulates the sharing of knowledge, seeking together the best solution, consultation, and dialogue. Delen Private Bank Luxembourg, Delen Suisse and Oyens & Van Eeghen operate according to a similar philosophy, and nor do they pay a variable bonus.

For the same reason, the bank does not set individual targets for employees. All employees at Delen Private Bank, Cadelam and Oyens & Van Eeghen who have been in employment for at least six months are, however, offered an option scheme, which they can choose to participate in if they wish. This offers an additional long-term reward, dependent on a collective goal, i.e. the profit of the Delen Group at the end of the financial year. The options must be held for a minimum of four years, and a maximum of eight years. If the employee leaves the bank before the minimum four-year period, the options are worthless. This method of compensation is ideally suited to rewarding an employee's engagement, long-term commitment, and mutual cooperation. In this sense, therefore, the option policy dovetails perfectly with the bank's fundamental values.

In addition, all employees of Delen Private Bank are regularly invited to a performance review. Again, the emphasis is on cooperation, and on asking how we can assist the employee to perform even better. Rather than having a fixed structure, these meetings evolve naturally. If the manager becomes aware that employees are consistently reluctant to attend the review, he will invite them to one to gauge the situation without fail.

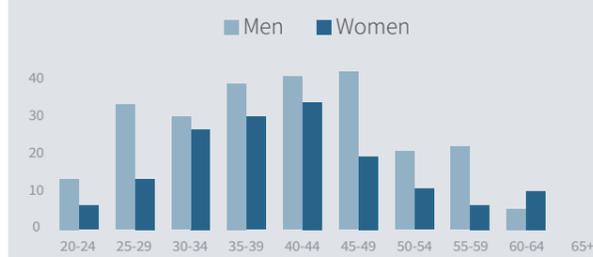
A cross section of society

Delen Private Bank strives to assemble the best possible teams, and diversity is a key instrument in this. The bank seeks complementarity in competencies and personalities. Background, gender, religious beliefs or skin colour are completely irrelevant at the bank. The bank selects people who support the bank's values one hundred percent. The Executive Committee was renewed and rejuvenated at the beginning of the year. Katrin Eyckmans, Bart Menten and Matthieu Cornette joined the executive committee in the spring of 2020. Their expertise and drive will undoubtedly provide new dynamism and added value for the further development of Delen Private Bank.

In line with the bank's long-term vision, HR goes to extra lengths to stabilise and even reduce slightly the average age of its employees, which traditionally is relatively high in the financial sector. The intention is to achieve the ideal mix at the bank of experience and youthful enthusiasm.

see KPI 9 and 10

KPI 9
Age pyramid by gender (at DPB)



KPI 10
Key figures on personnel of DPB

Average age

The average age of Delen Private Bank's employees was 40.38 years as at 31 December 2020.

Year	2016	2017	2018	2019	2020
Average age	42.27 years	42.07 years	42.54 years	42.44 years	40.39 years



Delen and society

Sustainability is not just a matter for academics or ideologists. In this day and age, it is a subject that affects people. Young and old take to the streets for the climate, equal opportunities, and human rights. Society is making all participants – citizens, companies, governments – aware of their responsibilities. And rightly so. Delen Private Bank recognises the importance of its social role, and pays due attention to the impact it has on society.

The pandemic, which dealt the hardest blows to those who had already been hit hard, exposed the vulnerable social fabric of our society without mercy. This forces us to be modest about what we can handle as people and as an organisation but also to have a real sense of urgency to take decisive action in the areas where we can actually make a difference.

Delen Private Bank continues to build on the framework that it has been using since last year to chart its environmental impact. With this instrument, the bank can monitor the results of its sustainability initiatives and identify areas where there is still room for improvement. In addition to its climate efforts, the bank is also a loyal and enthusiastic partner of various social and cultural projects.

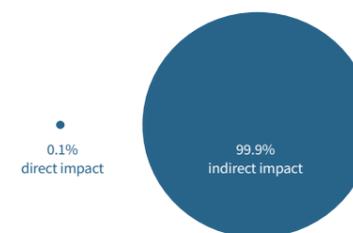
Direct versus indirect ecological footprint

The ecological footprint of Delen Private Bank has a direct and an indirect component.

By direct environmental impact, we mean the concrete effects of our business operations: lighting and heating of our buildings and data centres, the vehicle fleet, paper consumption, and so on. The bank has set up a partnership with CO2logic to measure the direct impact of our business operations. Based on their findings, the bank is rolling out various initiatives that should reduce its footprint further. (see point 3 in this chapter)

The indirect impact refers to the environmental impact that the bank and fund manager Cadelam generate through investments in other companies, because they, in turn, leave their mark on this planet. For the collection of environmental parameters, the bank relies on its partner Sustainalytics, a data provider of non-financial information and analysis on a wide range of companies. Cadelam integrates these non-financial parameters, along with the obvious financial criteria, into the investment policy for all funds. This dataset enables the bank to quantify the indirect environmental impact of its in-house funds. You can read more about this in point 2 of this chapter.

Given the size of the assets under management via patrimonial funds (€29.5 billion, see also KPI 1), it goes without saying that our indirect environmental footprint is many times larger than our direct environmental impact through business operations.



Environmental impact of the funds

The sustainable investment process of the patrimonial funds has already been explained in the section above. In this section, we zoom in specifically on the environmental impact of our funds. An important parameter here is the carbon intensity of our portfolios. This is calculated by dividing the carbon emissions (in tonnes of CO2 or tCO2) by a company's turnover. If we then take the weighted average of all companies in the fund, we obtain the carbon intensity of the funds. The bank's goal is to score better than the global reference index.

[see KPI 11](#)

The lower carbon intensity of our patrimonial funds is due to the sustainable investment choices. The underlying activity is twofold: that of sector allocation and that of company selection.

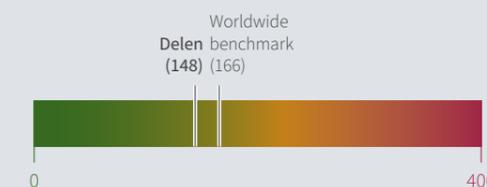
Pursuant to its general sustainable reflex, the fund manager Cadelam selects sectors that take ecological considerations into account and avoids those that do not. The same happens in stock selection: companies with a good ESG report are favoured, while those with a poor reputation are excluded. We explain both effects in greater detail below.

KPI 11 Carbon intensity

CO2 emissions are a measurable and efficient parameter for gauging companies' environmental intentions. Cadelam's portfolio managers calculate carbon intensity as a yardstick: carbon emissions (in tonnes of CO2) divided by a company's turnover. If we take into account the weighted average of all companies in the portfolio, we can work out the carbon intensity of the whole portfolio.

The carbon intensity of our portfolios is 148 (tonnes of CO2 per million euros of turnover). The global reference index (comparable with MSCI World AC) is 166, which is 12% higher.

The aim is to maintain a lower carbon intensity than the global benchmark in the future.



“
The indirect CO2 emissions from companies in which we invest account for over 99% of our total footprint. And yet, the direct impact through the organisation itself is also important. “Walk the talk”

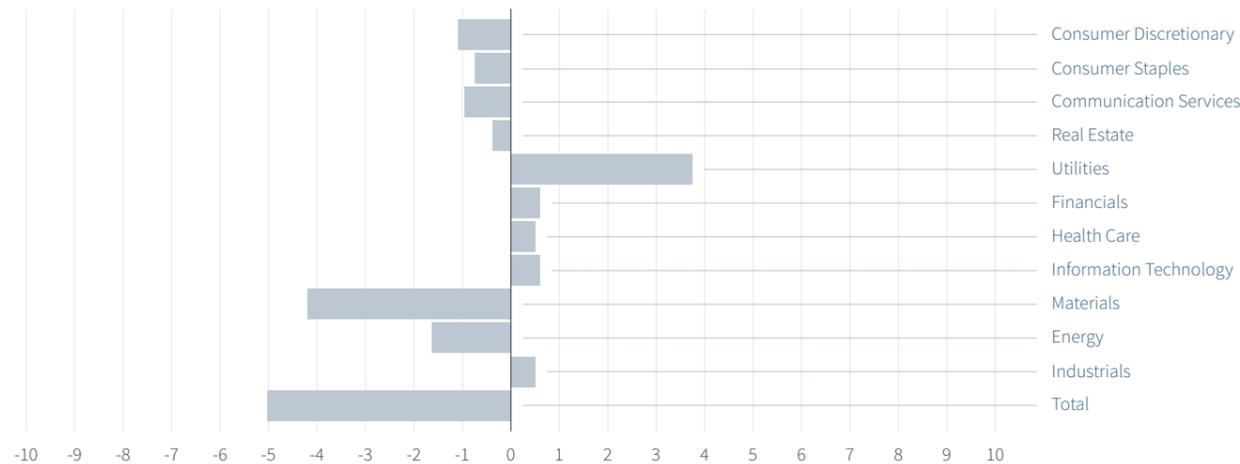
- Eric Lechien

The sustainable investment reflex results in ecologically friendly sector and company selection

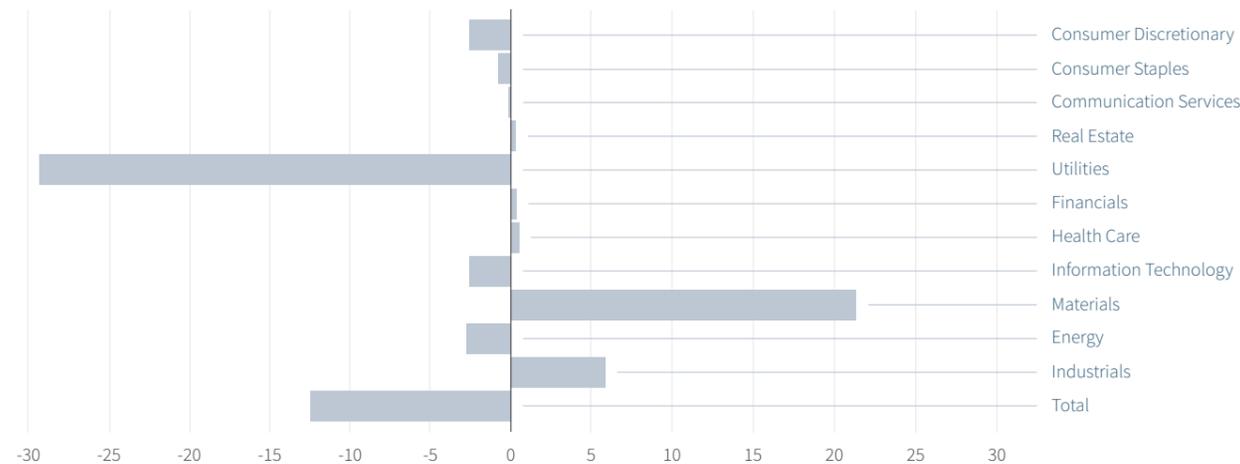
Cadelam's sector allocation steers the carbon intensity of the funds in a positive manner. The graph below shows that the underweighting of carbon-intensive sectors such as energy, utilities and the industrial sector brings the average carbon intensity of the funds down against the reference index. On the other hand, an underweighting of low carbon sectors such as financial players, pushes the average carbon intensity up compared to the reference index. All in all, Cadelam's sectoral allocation ensures that our average carbon intensity is 5.04 tCO2 lower than that of the reference index.

Cadelam's fund managers continue to seek out the most sustainable companies within the same sector. For example, in the energy and utilities sector, they choose companies that are making great efforts on the renewable energy front. The higher than average carbon intensity of the Materials sector is explained by the fact that we select companies that are in full transition. These currently have a negative impact on the average carbon intensity, but we believe in their ambitions to reduce emissions so that this discrepancy will disappear in the future. In total, the average carbon intensity of funds is 12.27 tCO2 lower than that of the reference index.

FUNDS - EFFECT SECTOR ALLOCATION (IN TCO2)
carbonintensity higher (*) or lower (-) than the reference index

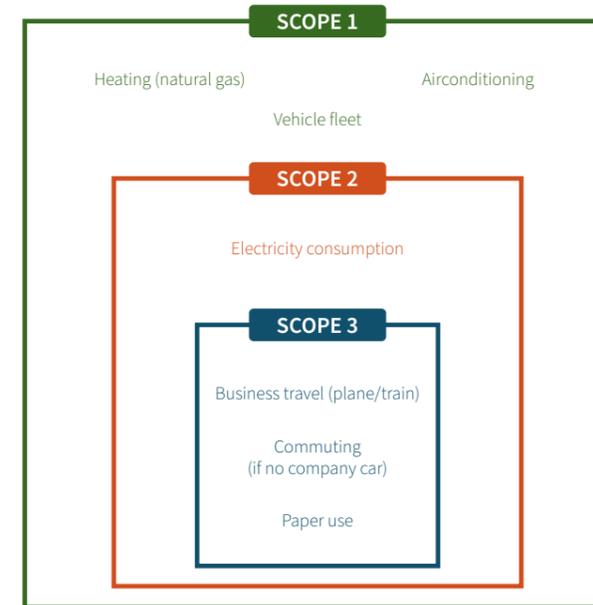


FUNDS - EFFECT STOCK SELECTION (IN TCO2)
carbonintensity higher (*) or lower (-) than the reference index



Environmental impact of our business operations

To gain a better understanding of the direct environmental impact, in 2019 Delen Private Bank entered into a partnership with CO2-logic. The environmental impact of Delen Private Bank is broken down into three scopes. The content of these different scopes is presented in graph form below.



The environmental impact of Delen Private Bank amounted to 1800 tCO2 in 2020¹. Taking turnover into account, we obtain a carbon intensity of 5.57 (tonnes of CO2 per million euros of turnover).

[see KPI 12](#)

We present this environmental impact in graph form and discuss it in more detail.

KPI 12
Environmental impact

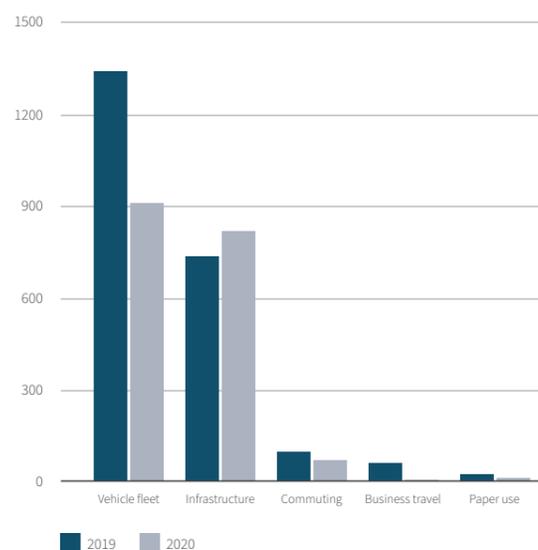
	2019	2020
GHG emissions (in tCO2)	2,265	1,800
Carbon intensity	7.52	5.57

¹ The figure for the environmental impact pertains to Delen Private Bank Belgium.

The graph below shows the impact of our business activities in tCO2 for 2019 and 2020. These figures obviously cannot be correctly understood without taking into account the impact of the lockdown during the coronavirus crisis. In 2020, employees were forced to work from home for a considerable period of time, which resulted in a significant drop in the number of kilometres driven that year, for instance. On the other hand, our data centre was significantly expanded with more capacity, since it is also used by our sister bank Bank J. Van Breda & Co. As a result, the electricity consumption and, consequently, the ecological footprint of our infrastructure increased.

Nevertheless, a number of general conclusions can be drawn. For example, it is clear that the largest source of CO2 emissions consists of the energy consumption of our buildings and the vehicle fleet. Commuting is by no means such an important factor in the bank's carbon footprint, as the bank recruits people locally for the most part. Business travel does not play a major role either and is largely done by train, which is a very environmentally friendly form of transport. Paper consumption is also low, as this is a point to work on that the bank has been emphasising for some time.

CO2 emissions per source (in tCO2)



Vehicle fleet and general mobility

The best preventive measure against the CO2 emissions of company cars is to recruit people in the vicinity of the offices. That is precisely what Delen Private Bank does. It has the added advantage that most employees are not bothered by traffic jams and other traffic woes.

The bank has made active efforts in recent years to make its car fleet greener and less polluting. The bank encourages employees to choose a 100% electric car. If they accept the proposal, they receive a larger budget and a charging station is installed at their

home. Now that the range of electric cars on offer is constantly growing and becoming more attractive, more and more employees are prompted to opt for an all-electric car.

Also, on the recommendation of the sustainability committee, the bank is imposing a maximum standard for its employees for the more traditional combustion engine option as of 1 January 2021. If an employee opts for a car with a conventional combustion engine, it can emit a maximum of 170 gCO2/km. This standard applies to both diesel and petrol engines. The bank is trying to achieve a change in the composition of its fleet through these measures and the further development of the offer of electric cars.

[see KPI 13](#)

Infrastructure

Private banking is a personal profession par excellence. Delen Private Bank wants to be close to its clients, and to serve them in a familiar and homely environment. That is why the bank deliberately opts for historic buildings with a rich history for its branch network. In so doing, it also protects Belgium's heritage. But along with the care for the assets and the comfort for the client, the bank also has a responsibility to choose energy-efficient solutions. Needless to say, every renovation project meets all the obligations arising out of the EPB legislation. Where possible, we go a step further. Important achievements include the following:

- The head office has been extensively renovated and expanded since 2018, using some progressive technical solutions:
 - The Hysopt system is a software package that optimises the efficiency of heating, ventilation, air conditioning (HVAC) installations, thus eliminating any waste of energy.
 - We use four cisterns, each with a capacity of 20,000 litres, to irrigate the gardens. These cisterns are combined with two infiltration wells, giving us sufficient capacity to irrigate the gardens.
 - Use of alternating current instead of direct current with fan coil units, making it possible to use more economical motors for ventilating the buildings.
- There is no boiler in the building for our central data centre in Antwerp. An air source heat pump is used here to extract heat from the outside air, which is then used to heat (or cool) the building inside.
- Our two largest offices in Antwerp and Brussels use solar panels.
- The electricity used for the new Oyens & Van Eeghen office in Heerenveen comes from Greenchoice, which guarantees 100% green energy.

[see KPI 14](#)

Paper consumption

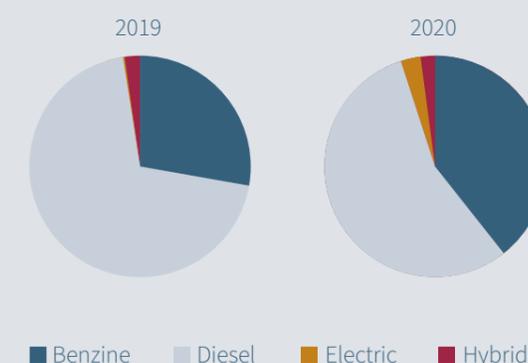
Delen Private Bank makes considerable efforts each year to reduce its internal and external paper consumption. To this end, it monitors all paper consumption and examines where there is still room for improvement.

The largest source of paper consumption in external (client) communication consists of the portfolio statements or quarterly reports. A process was consequently initiated to provide clients with a digital version as standard, which they could consult via the Delen app or Delen OnLine. Registered clients who nevertheless preferred a paper version could explicitly indicate that they did so. The campaign did not miss its mark: 67.9% of the portfolio statements were digitally in 2020, compared with 48.4% in 2019.

[see KPI 15](#)

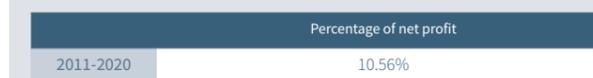
The bank is also tackling the paper mountain in its internal business processes. The client acquisition process (known as the onboarding project) has been run completely via the digital channel since 2019. Thanks to the digital process, the data are even more secure, because everything is stored in the secure IT system. Moreover, the process is more efficient, and does not require any paper, since everything is signed digitally. This digital onboarding proved to be a big advantage particularly during the lockdown. Clients could sign all documents from home, so they did not have to come to our offices unnecessarily.

KPI 13
Distribution of vehicle fleet



KPI 14
Investments in buildings of the Delen Group

Average investments in buildings over a ten-year period (expressed as a percentage of average net profit).



KPI 15
Percentage of portfolio statements sent out digitally





Water consumption and waste

The bank is looking for ways to move in the right direction when it comes to water consumption. As already mentioned, irrigating the gardens at the head office with rainwater and pumped groundwater instead of mains water results in major savings. The irrigation system is monitored via the Hydrowise app, which adjusts the irrigation depending on rainfall, so the bank does not consume water unnecessarily during periods of high rainfall. This system is active in our offices in Antwerp and Ghent, and will soon be rolled out for our Brussels office as well.

Since 2019, employees at the Brussels office no longer use bottled water but tap water filtered with a water purification system. In this way, the bank is appreciably reducing the transport and use of glass bottles. This system will also be rolled out at the head office in Antwerp. The decision was also taken to stop using water in plastic bottles in all Oyens & Van Eeghen offices.

All waste is sorted of course. Paper is collected and recycled via Shred-IT. Used batteries and printer toners are also collected for recycling. Old IT hardware is partly donated by the bank to 'Close the Gap', a non-profit organisation that aims to reduce the digital divide by making IT hardware available to the more vulnerable members of our society.

Initiatives in the future

Established in 2019, the Sustainability Council is considering additional sustainable initiatives to reduce our carbon footprint further. This Sustainability Council consists of employees from various departments and some members of the executive board. The CO2 analysis revealed two main areas of concern: energy consumption and the vehicle fleet. The following avenues are currently being explored.

- The bank uses mainly grey energy, with the exception of the two offices in the Netherlands mentioned above (in Heerenveen and Valkenburg). We aspire to switch to 100% green electricity for all our offices in the near future. Extra attention will be paid to the origin of the green energy.
- On the mobility front, we wish to work further on (1) stimulating electric cars and (2) offering alternatives to company cars. The further development of a sustainable mobility policy is something we want to focus on in the coming years.

Partner in art and culture

Delen Private Bank is passionate about Belgian art, and enjoys sharing that love with its clients. For this reason, the bank sponsors the world-renowned art and antiques fair Brafa, as well as interiors fair Biennale Interieur. Delen Private Bank loves Belgian art, and likes to share that love with its clients.

see KPI 16

Oyens & Van Eeghen also invests in art and culture. For example, Oyens & Van Eeghen is a member of the Rijksmuseum's 'Rijksclub', and sponsors the Royal Concertgebouw Orchestra. Oyens & Van Eeghen also sponsors the 'Opera on the Parade', an open-air opera on the Paradeplein in s'Hertogenbosch. This event is free to all. Opera op de Parade was cancelled in 2020 due to Coronavirus. Oyens remains the proud sponsor for the future.

Additional support for social projects

Delen Private Bank supports various social projects and initiatives every year. This year was no exception. We do not abandon our partners in culture and sports, even in difficult times. In addition, the bank made a considerable extra effort this year in response to the coronavirus crisis. The most vulnerable people in society were hit the hardest by the outbreak of the pandemic. The call for strong shoulders to bear the financial, physical or emotional suffering was loud and clear. The bank accordingly provided extra financial support to organisations that are committed to fighting COVID-19. In concrete terms, this translates into support for the following initiatives:

- Clap and Act is a national fund-raising campaign launched by Belgian university medical centres and a number of their partner hospitals in order to face the COVID-19 health crisis. Thanks to the money raised, the hospitals were offered direct assistance during the emergency situation. The bank donated €200,000.
- The King Baudouin Foundation is an agent of change and innovation in the service of the general interest and social cohesion in Belgium and in Europe. Its areas of action include social responsibility and poverty, health and education. The bank donated €50,000 and granted a loan of €250,000 for the purchase of medical equipment.
- AvH Solidarity Fund was established to support acute needs following COVID-19 in the areas of poverty, physical and mental health care, and education. Delen Private Bank donated €50,000.

KPI 16

Art events and sponsorship by Delen Private Bank

The table below provides an overview of total investments in art events and sponsorship (including good causes) as a percentage of Delen Private Bank's profit. The figures shown are an average percentage, measured over ten years. The majority of these investments were in sponsoring the art events Brafa and Biennale Interieur. Brafa 2021 has unfortunately been cancelled because of the coronavirus crisis. Delen Private Bank remains a loyal sponsor for 2021 as well.

Percentage of net profit	
2011-2020	2.30%



Delen and the legal framework

“The bank is cautious in terms of regulation also. Our relationship managers assist the clients in completing their file. Delen Family Services can be of help here. The client can collect all important documents in a digital file. Once the file is in order, the client can invest with complete peace of mind.

- René Havaux

This chapter deals with the relationship between Delen Private Bank on the one hand and the government and regulators on the other. A correct and transparent conduct of the bank's business is a priority. The legislative initiatives did not slow down this year either, and the legislative framework applicable to our activities was expanded significantly as is customary. As a bank, we take the necessary measures to ensure the correct implementation and execution of the legislation.

We would like to highlight three issues that were of significant importance in 2020.

European Green Deal gives sustainable investing extra push

Sustainable investing is engrained in the bank's DNA. How we implement a decisive responsible investment policy has already been explained in detail. The European Commission has not been indifferent to climate change either, and has taken various initiatives at the legislative level to channel more financial flows towards sustainable investments.

The European Green Deal is a collection of various economic and social growth strategies at the European level intended to turn the European Union into a fair and prosperous society, with a modern, resource-efficient and competitive economy with zero net greenhouse-gas emissions by 2050.²

For the bank, this renewed legislation surrounding the European Green Deal confirms the importance of a sustainable investment policy. After all, the renewed legislation has a certain impact on the financial world. The legislation will for instance classify financial instruments according to their ambition in terms of sustainability. The law then places the onus on the bank to sound out its clients about their desire to invest in sustainable businesses. Based on this information, the bank can take the aspect of sustainability into account and carry out an appropriate management.

Delen Private Bank welcomes this clear step towards sustainable and responsible investment.

Ongoing vigilance thanks to Know Your Client

The bank remains committed to complying with anti-money laundering legislation. This legislation provides the financial sector with a tool for combating money laundering practices and terrorism financing.

The bank pays unwavering attention to the Know-Your-Client regulation. Relationship managers guided their clients to compile the documentation of the origin of the assets in the digital archive, where they can upload and store important documents securely. Clients thereby create peace of mind for themselves and for future generations, as all documents can be found in one central and secure location.

New post-coronavirus fiscal measures in the making

A new tax regime often comes with a new government. It is the bank's responsibility to monitor the various proposals closely. It is no small task for the team of tax experts to allay the concerns of clients, remove uncertainties and seek fiscally correct solutions together with them that will stand the test of time. The Bank maintains its cautious policy on tax advice and advises strongly against complex structures and high-tech tax solutions. This pragmatic and correct approach will continue to be applied in the future as well. It is after all certain that the coronavirus crisis has left a huge gap in government finances, and that the government will be looking for additional income for which there is broad social support.

As a major financial player, Delen Private Bank also contributes to government revenues by paying corporate taxes and bank levies.

see KPI 17

KPI 17 Overview of corporate taxes and bank levies paid (in euros)

	2019	2020
Corporate taxes	34,439,964	36,406,645
Banking taxes	3,804,228	4,245,611
Total	38,244,193	40,652,256

² Communication from the European Commission, "The European Green Deal" of 11 December 2019, <https://eur-lex.europa.eu/legal-content/NL/TXT/HTML/?uri=CELEX:52019DC0640&from=EN>.

Asset management at JM Finn

Delen Group acquired a majority stake in JM Finn & Co (Ltd) in the UK in 2011. JM Finn provides bespoke asset management, focused on the individual needs of private and professional investors. As with Delen Private Bank, the focus is on personal and client-oriented service. The investment process is not process-driven, but is based on the well-considered convictions of the asset managers.

JM Finn and its investment philosophy

The priorities of JM Finn's investment philosophy are the same as those of Delen Private Bank, i.e. focused on the long term, with the goal of protecting and attaining a balanced growth in the assets of its clients, now and for future generations.

At the same time, JM Finn opts for a different management approach. The asset manager does not usually work with centrally managed patrimonial funds. It chiefly invests directly in securities and in third-party funds, on its clients' behalf. This enables JM Finn to propose selective exclusions tailored to the client, or to focus on investments that increase the investor's social impact. As for engagement, like Delen Private Bank, JM Finn has formed a partnership with EOS.

JM Finn and its clients

JM Finn also organised a client satisfaction survey in March 2019. JM Finn achieved a NPS of +70, which is significantly higher than the sector average and is an increase compared with the score of +59 achieved in 2015.

% Promoters - % Detractors = NPS (w)



75% Promoters - 5% Detractors = NPS JM Finn 70



JM Finn and its employees

Well-being

JM Finn pays the requisite attention to the well-being of its employees. For example, in June 2020, a survey was launched among the staff about their well-being at work. The survey was completed by more than 90% of the employees and yielded important insights, including into the new way of working that has become necessary since the coronavirus crisis. Furthermore, lunch sessions focused on mental health were held in 2020. An external consultant drew on the results of the survey to design bespoke sessions. The physical health of the employees was also addressed: JM Finn has a partnership with Digma fitness, under the auspices of which staff can take free online classes and get a 20% discount on all classes given at the given in the fitness centre itself.

Training and development

Employees of JM Finn are invited to an annual interview to discuss their training needs. Most of the external training sessions could not take place because of the coronavirus crisis. Fortunately, the issue was addressed rapidly and employees were able to continue training online via a webinar format. The majority of the training courses in 2020 focused on the 'Senior Managers and Certifications Regime' (SM&CR). This training aims to increase the integrity of the financial sector by educating personnel at senior management level on good governance and proper market practices, and remind them of their responsibilities. This initiative focuses specifically on the financial sector.

Diversity and inclusion

JM Finn has several initiatives to ensure that decisions are made on a fair, non-discriminatory basis. For example, the asset manager has a 'Diversity and Inclusion committee' entrusted with the important task of promoting diversity and inclusion and making them part of the corporate culture and strategic prospects.

In addition, JM Finn has endorsed the 'Woman in Finance' charter, with which it explicitly commits to gender equality in the various layers of the organisation. A number of concrete objectives are linked to this, such as the aim to have at least 30% women in senior management by 2021.

More info on Women in Finance Charter | JM Finn

JM Finn and the local community

To precisely calculate its CO2 footprint, in 2019 JM Finn entered into a partnership with Briar Associates, which assists JM Finn with its CO2 calculations and proposes specific working points for lowering environmental footprint. In 2020, they mapped out the impact of commuting, electricity and gas consumption. The total environmental impact of JM Finn for 2020 was 305 tCO2. When turnover is taken into account, JM Finn's carbon intensity is 3.61.

Each year, JM Finn raises funds for two good causes, at least one of which benefits the local community in the vicinity of JM Finn's head office in London. To really make a difference, JM Finn endeavours to support each of the chosen good causes for a period of three years. More specifically, in 2020 financial support was also given to the National Health Service (NHS) in the context of the coronavirus crisis.

JM Finn also supports various art initiatives, including the Royal Academy of Arts, which is home to a large number of young, promising artists. Since 1769, this Academy has staged an annual exhibition, open to any artist who wants to exhibit their work.

JM Finn and the regulatory framework

Data protection and security are high on the agenda at JM Finn. For example, the company is committed to the continuous development of its cybersecurity and this approach is frequently communicated within the organisation by holding security awareness seminars and practical workshops. The IT department manages data protection centrally, and the team ensures that appropriate measures are taken to guarantee an adequate level of data security. JM Finn also has a very strict approach to fraud and anti-money laundering. These measures are reviewed annually and adjusted as and where necessary. Furthermore, JM Finn provides regular training to its staff on the risks of financial crime.



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- 2 Governance & materiality
- 3 Delen and its stakeholders
- 4 Risk management**
- 5 Annexes

Risk management and the core values

The bank's values are our compass in everything we do, says René Havaux, CEO of Delen Private Bank. We have five values: prudence, sustainability, personal contact, a family touch, and efficiency. These core values are what constitute the bank's character, and they guide our mission, strategy and philosophy. Prudence and sustainability are also reflected in Delen Private Bank's risk management. After all, caution is in the bank's DNA and it believes a sustainable approach is the only way to keep all stakeholders happy. The Delen Group is faced with certain risks on a daily basis, which is why it is important to identify those risks, assess their potential impact, and specify exactly how they should be handled. Reliable risk management is essential. The Delen Group has a cautious, pragmatic, long-term vision, which prioritises client satisfaction and transparency. It only takes risks that are linked to its core activity of responsible asset management, and which contribute to the company's objectives. This risk-aware corporate culture permeates the top-down approach to risk management within the Group. At Group level, the Board of Directors decides the exact risk appetite, i.e. the extent to which the organisation is prepared to accept certain risks. This exercise is performed for the various risk categories:

- credit risk
- financial risk
- operational risk
- business and strategic risk
- reputation risk

Therefore, when determining the risk appetite, consideration is given to the business strategy and the core values, achieving the corporate goals, as well as financial and non-financial factors. This risk appetite is then translated into policy choices, procedures, and specific risk limits for each entity. The bank's risk management system continually identifies, reviews and reports these risks to the Executive Committee. As soon as a risk exceeds the pre-set tolerance threshold, a state of increased vigilance begins, and actions are taken to reduce the risk to an acceptable level. The relevant risks for each entity, and the risk-mitigating actions are periodically reported to the bank's Executive Committee. Thanks to the flat organisational structure and short communication channels within the Group, heads of department and control functions at each entity have direct access to their management.

The responsibility of the entire organisation and of every employee

At Delen Private bank, the operational departments, together with internal control services operate according to the legal principle of 'three lines of defence'. In this system of control, the first line (operational departments) are monitored by the second line (compliance and risk management). Both the first and second line are monitored by audit, the third line. At the same time, the audit and risk committee oversees the risks at Delen Private Bank in a structured way, based on the input from all departments involved. With regard to non-financial matters (such as environment, employees, social matters, human rights, and anti-corruption), the following risks have the greatest relevance to the Delen Group:

1. Compliance risks

Given the highly regulated sector in which the Delen Group operates, one of the main risks facing the Group's entities is a compliance risk with regard to the existing legislative framework, including insofar as this relates to non-financial matters. If, despite best efforts, the relevant supervisory bodies believe that compliance with certain regulations falls short of expectations, this may result in sanctions such as negative publications and penalties. Therefore, the whole Delen Group must continually invest in its efforts to prevent corruption (such as money laundering or fraud). To manage this risk as effectively as possible, the bank has a compliance team as well as legal and specialised employees with specific areas of expertise (tax, financial planning, corporate governance). Regulations are closely monitored and, if necessary, clarified and implemented throughout the organisation. There is also very close cooperation with the bank's extensive IT department, which has the benefit of enabling us to smoothly and swiftly implement new legislation in the bank's systems. In this way, the bank ensures that both its clients and itself always comply with the relevant legal obligations.

2. Reputation risks

Reputation is about the impression that external stakeholders have of an organisation. Consequently, a reputation risk may arise from a variety of situations and factors. For the Delen Group, this means that all entities must, of course, be extremely vigilant to the quality of the service they provide, as well as other factors that may influence perception of the Delen Group among its stakeholders.

a) Reputation risk due to deterioration in service level

Naturally, client satisfaction is one of the most important objectives for the Delen Group. It is also the reason why trust and integrity are two crucial fundamental principles. If, however, it were to lose the trust of its clients, for any one of a number reasons, the Delen Group runs a substantial reputation risk.

b) Reputation risk due to non-compliance with legislation

In addition to the compliance risk that the entities of the Delen Group may run if they fail to properly comply with the regulations, non-compliance also engenders a reputation risk. This might happen if, for instance, one of the institutions attracts negative press coverage.

c) Reputation risk due to negative perception

Aside from service provision, and efforts to properly comply with regulations, the Delen Group always runs the risk that one of its stakeholders might have a negative perception of one or more entities of the Delen Group. Therefore, the companies within the Delen Group set great store by adopting a correct, responsible stance in dealings with all stakeholders. The bank greatly values the reputation it has built, which is the result of many years of consistently prioritising client satisfaction. The Delen Group will continue doing everything in its power to uphold its core values, along with the bank's good reputation.

3. Data security and cyber risks

In view of the increasing risk of cybercrime on the one hand, and the risk of theft or misuse of personal data on the other, the security of client data and the security of the IT systems are two very important points of attention. Delen Private Bank attaches great importance to discretion with regard to the personal data of clients. Handling confidential data with caution is one of its priorities. Therefore, the bank manages and protects its clients' personal data with the utmost care. Risk management in the area of data security involves, among other things, procedures for physical and system-related access control, the anonymisation of client data in the systems, and a classification system for files. As regards cyber risks, the bank has an extensive range of detective and preventive control systems at its disposal which protect the security of its applications, software and infrastructure against external threats. Furthermore, the bank uses tools such as external penetration tests and ethical researchers, with the aim of continuously measuring and improving the quality of its protection against cybercrime.

4. Stagnating growth and motivation within the company

Non-compliance with the law, or reputation damage could, in turn, contribute to a stagnation in the growth of the Delen Group's entities. At the same time, the growth of its companies depends on the commitment, motivation and experience of its employees. For this reason, it is steadfastly committed to their welfare, offers them the training they need, and endeavours to maintain a balance in its workforce between experienced and youthful employees. One of the ways it does this is by organising events for younger people, such as the Delen Hackathon and the Delen Academy.



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101	Foundation 2016 - NFR was drawn up taking into account the GRI standards	
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102-2	Activities, trademarks, products and services	Page 20
102-3	Location of the registered office	Page 58
102-1	Name of the organisation	Page 6
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102-13	Membership of associations	Page 30
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102-18	Policy structure	Page 23 and website www.delen.be
102-20	Responsibility for ecological, environmental and economic topics at the management level	Page 23 and website www.delen.be
102-22	Composition of the highest governance body and its committees	Website www.delen.be and the annual report
102-23	Chairman of the highest governance body for sustainability reporting	Website www.delen.be
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GRI standard	Title	Reference
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102-45	Entities included in the consolidated financial statements	Cf. the consolidated financial statements of Delen Private Bank
102-47	Overview of material topics	Page 26-27
102-49	Changes in the reporting	Annual update of figures and topics with particular attention on the impact of the 2020 global health crisis.
102-50	Reporting period	The reporting period is the financial year ending on 31 December 2019
102-51	Date of most recent report	The most recent report was issued on 16/04/2020
102-52	Reporting cycle	Annual
102-53	Contact point for questions about the report	info@delen.be
102-54	Claims of reporting according to the GRI principles	Page 2
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Sustainable Development Goal	Target	Contribution of Delen Private Bank
SDG 1 – No Poverty	1.2. By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.	14. Sponsorship and support for social initiatives.
SDG 3 – Good health and well-being	3.5. Strengthen the prevention and treatment of abuse of addictive substances, including drug abuse and harmful use of alcohol. 3.8. Ensure universal health coverage, including protection from financial risk, access to quality essential health services and access to safe, effective, quality and affordable essential medicines and vaccines for all.	14. Sponsorship and support for social initiatives.
SDG 5 – Gender equality	5.1. Eliminate all forms of discrimination against women and girls everywhere.	13. Diversity
SDG 8 – Decent work and economic growth	8.1. Maintain per capita economic growth in line with national circumstances and, in particular, at least 7% annual gross domestic product growth in the least developed countries. 8.2. Achieve higher economic productivity through diversification, technological modernisation and innovation, also by focusing on high value-added and labour-intensive sectors. 8.3. Promote development-oriented policies that support productive activities, the creation of decent jobs, entrepreneurship, creativity and innovation and encourage the formalisation and growth of micro, small and medium-sized enterprises, including through access to financial services. 8.4. By 2030, improve gradually global resource efficiency, production and consumption and strive to decouple economic growth from environmental degradation, according to the 10-year Programme Framework on Sustainable Consumption and Production, with developed countries taking the lead. 8.5. Achieve full and productive employment and decent work for all men and women, including young people and people with disabilities, as well as equal pay for work of equal value by 2030. 8.8. Protect labour rights and promote safe and healthy working environments for all workers, including migrant, in particular women migrants, and those in precarious employment.	5. Financial resilience 6. Client satisfaction 10. Client asset protection 11. Talent management 12. Employee satisfaction 16. Portfolio return
SDG 9 – Industry, innovation and infrastructure	9.2. Promote inclusive and sustainable industrialisation and, by 2030, increase the share of employment and gross domestic product of industry significantly, in line with national circumstances, and double that share in the least developed countries.	7. Innovative mindset

Sustainable Development Goal	Target	Contribution of Delen Private Bank
SDG 11 – Sustainable cities and communities	11.4. Increase efforts to protect and safeguard the world's cultural and natural heritage.	15. Protecting cultural heritage
SDG 12 – Responsible consumption and production	12.6. Encourage companies, especially large and transnational companies, to adopt sustainable practices and integrate sustainability information into their reporting cycle.	4. Responsible investment policy 8. Direct ecological footprint of business activities 9. Indirect ecological footprint of business activities
SDG 13 – Climate action	13.2. Integrate climate change measures into national policies, strategies and planning. 13.3. Enhance education, awareness and human and institutional capacity on mitigation, adaptation, impact reduction and early warning with regard to climate change.	4. Responsible investment policy 8. Direct ecological footprint of business activities 9. Indirect ecological footprint of business activities
SDG 16 – Peace, justice, and strong institutions	16.3. Promote the rule of law at the national and international level and ensure equal access to the legal system for all. 16.4. By 2030, curb unlawful financial and weapons flows significantly, strengthen the recovery and restitution of stolen property, and combat all forms of organized crime. 16.5. Eliminate corruption and bribery in all their forms in a sustainable manner.	1. Data protection and security 2. Business ethics: legislation & compliance 3. Business ethics: business culture

Our offices in Belgium

Antwerp Jan Van Rijswijcklaan 162/11 2020 Antwerp +32 (0)3 244 55 66	Liège Boulevard d'Avroy 4 4000 Liège +32 (0)4 232 28 11
Antwerp – North Augustijnslei 52 2930 Brasschaat +32 (0)3 244 57 50	Leuven Bondgenotenlaan 140 3000 Leuven +32 (0)16 29 89 89
Brussels Tervurenlaan 72 1040 Brussels +32 (0)2 511 84 10	Namen Chaussée de Liège 654C 5100 Jambes +32 (0)81 32 62 62
Gent Coupure Rechts 102 9000 Gent +32 (0)9 210 47 60	Roeselare Kwadestraat 151b/51 8800 Roeselare +32 (0)51 24 16 16
Hasselt Thonissenlaan 11 3500 Hasselt +32 (0)11 71 10 10	Waregem Vredestraat 53/11 8790 Waregem +32 (0)56 24 20 50
Kempen Nijverheidsstraat 13 2260 Westerlo +32 (0)14 27 90 00	Waterloo Drève Richelle 167 1410 Waterloo +32 (0)2 741 28 00
Knokke Elizabetlaan 92 8300 Knokke +32 (0)50 23 05 85	

Get in touch with one of our offices to arrange a meeting or visit our website:
www.delen.be

Our branch in the Netherlands

Oyens & Van Eeghen - Part of Delen Private Bank
www.oyens.com

Our subsidiaries

Delen Private Bank Luxembourg
www.delen.lu

JM Finn UK
www.jmfinn.com