

DELEN

PRIVATE BANK

*Sustainability Report*

2022



## Table of contents

<b>Introduction</b>	<b>3</b>
Activities and key figures	5
Our main achievements in 2022	6
Delen Private Bank's four essential SDGs	8
KPIs for every stakeholder	9
Delen Private Bank materiality analysis	10
<b>Delen and its clients</b>	<b>11</b>
Responsible investment according to three pillars	12
Increasing client satisfaction	16
Maintaining digital security	17
<b>Delen and its employees</b>	<b>19</b>
Attracting and developing talent	20
Feel-good factor at work	22
<b>Delen and society</b>	<b>24</b>
Our ecological footprint	25
Good causes	30
Partners in sport and culture	31
<b>Delen and the legal framework</b>	<b>32</b>
Main legal implementations in 2022	33
<b>Wealth management at JM Finn</b>	<b>35</b>
<b>Risk management</b>	<b>38</b>
<b>Annexes</b>	<b>41</b>
<b>Our offices</b>	<b>45</b>

# Introduction

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House of trust >

Activities and key figures >

Our main achievements in 2022 >

Delen Private Bank's four essential SDGs >

KPIs for every stakeholder >

Delen Private Bank materiality analysis >

# House of trust

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It is with a great sense of pride and gratitude that I write this foreword, my first as CEO of Delen Private Bank. For in the turbulent year 2022, the bank proved itself to be strong, determined and, despite the dense fog now and then, hopeful for the future. This is reflected in the bank's more than decent results, for which I would like to thank our loyal clients, new clients and employees wholeheartedly.

It was, however, by no means an easy year. The stock markets put the patience and discipline of our clients to the test. The bank nonetheless registered a net capital inflow in all the countries where we operate. Our market share increased significantly in Belgium and in the Netherlands, Switzerland and Luxembourg the interest in our services is growing.

Several factors contribute to the success of our story. Take for example the personal follow-up of clients by our passionate relationship managers, the cooperation between the different teams, the honest and proactive communication throughout the crisis and the wealth management and wealth planning offer. They all contribute to our mission: to provide financial peace of mind.

One element stands out for me, and that is our accessibility, being close to our clients: literally, by opening new offices in Zellik in 2022 and in Charleroi in 2023; and figuratively, by being there for our clients whenever and wherever they want. "What can we do for you?" is my favourite question in every conversation. Because that is where the seed of our growth story lies.

Listening to the client is a sign of respect. It is a value that I hold dear, also towards society. Our natural reflex to take care of valuable things and to enter into our relationships from a long-term perspective, is perfectly in line with the policies on environment, social responsibility and good governance. Our sustainability policy therefore gets more leeway every year. The greatest leverage obviously lies with our responsible investment policy, which is applied to all in-house funds in Belgium and the Netherlands. The demand for responsible investments is growing louder at JM Finn too. As an organisation, we have also embarked on the path to a carbon-neutral world. I see this as an evolution rather than a revolution: taking small but irreversible steps.

I would like to conclude this foreword by extending a word of thanks. To my predecessor, René Havaux, whose optimism, cordiality and belief in the power of people are a true source of inspiration to me. I would also like to thank Jacques Delen, our chairman and

the bank's paterfamilias. His wise counsel, keen eye and pragmatism are an indispensable support. Thanks to them and the other board members, I find myself in excellent company.

I made the transition to Delen Private Bank almost three years ago. It felt like coming home. I believe and hope that clients and employees also experience a visit or working day like that. I consider it a privilege to head this house of trust.

Happy reading!  
Michel Buysschaert

**Our natural reflex to take care of valuable things is perfectly in line with the ESG policy.**

# Activities and key figures

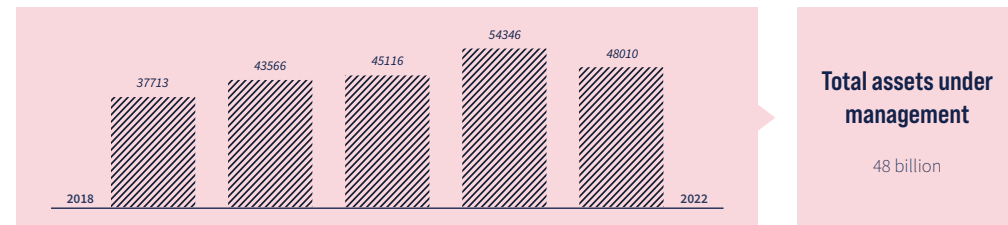
Delen Private Bank is an asset manager specialised in discretionary management and wealth planning. Our mission is to manage and plan the assets of our clients actively, sustainably and thoughtfully, focusing on balanced growth and a smooth transfer to the next generations. This integrated comprehensive approach means peace of mind for our clients.

## Responsible wealth management

Cadelam, the group's fund manager, is responsible for the discretionary asset management. Cadelam combines an active investment strategy with a thorough risk policy. Diversification, liquidity and quality take central stage in the investment portfolio, and the responsible investment policy acts as an indispensable additional filter.

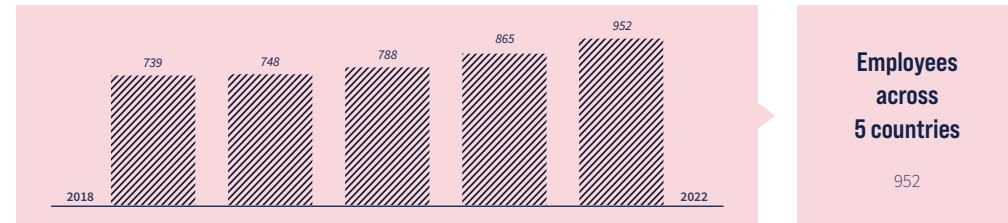
## Wealth planning

Delen Family Services handles the client's entire wealth planning, which includes Financial Planning and Estate Planning. Families gain a transparent, detailed insight into the total family wealth, and documents relevant to wealth planning are added to a digital archive. Financial Planning anticipates clients' changing life circumstances and how these affect their financial situation. Estate Planning maps out the actions needed to strengthen family wealth further in the future, for instance through a will, a gift and health care proxy.



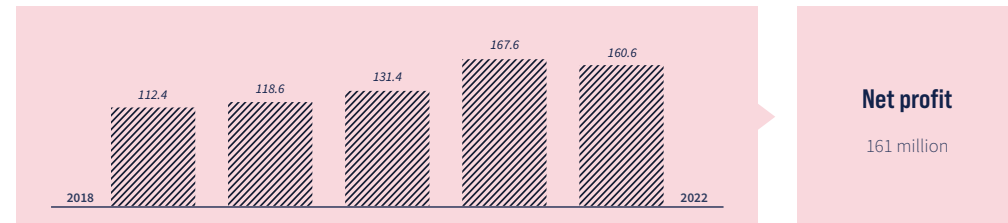
### Total assets under management

48 billion



### Employees across 5 countries

952



### Net profit

161 million

### Cost-income ratio

51.8%

### Equity

1 billion

### Return on equity

15.3%

### Core Tier 1 ratio

38%

Delen Group, consolidated figures as at 31/12/2022

# Our main achievements in 2022

Delen Private Bank developed its commitment to responsible entrepreneurship further this year. The bank once again took important steps. Below is a bite-sized summary of our main achievements. They are explained in greater detail further on in the report.

**31.8 billion**

Responsible investing applied to all in-house funds


**19.8**

**ESG risk**

For our in-house funds, compared to 21.8 for the benchmark

**-68% CO<sub>2</sub>**

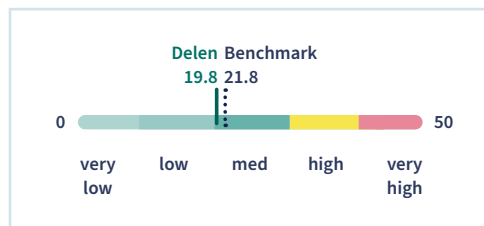
Reduction in our CO<sub>2</sub> impact for infrastructure thanks to the transition to green energy



**70%**

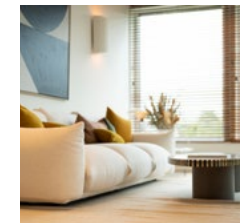
**engagement scope**

Percentage of companies in our in-house funds with which dialogue is initiated



**Local availability**

A new office in Zellik



**Support for social projects and good causes**

Financial support and practical assistance, such as opening our doors to the pupils of a school that was destroyed by a fire (Sint-Pieters-Woluwe)

**Digital solutions**

Reduction in paper consumption



**Cooperation with the King Baudouin Foundation**

Financial clout for social organisations

# Our main achievements in 2022

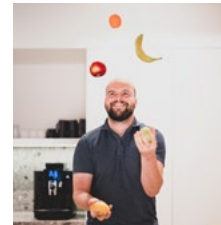


## #proudpartner

Of Brafa, KMSKA, Art Antwerp, Art Brussels and others

€ 51.5 million

Corporate taxes and banking taxes



## Well-being at work

A homely and pleasant workplace makes for motivated employees

## Electrification of the car fleet

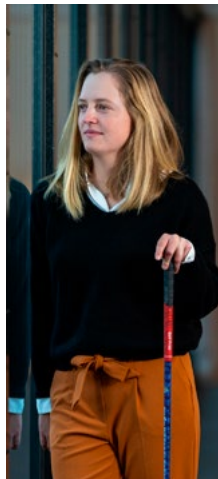
As of the fourth quarter of 2022, all new orders are fully electric vehicles



2020	477	
2021	549	+72
2022	628	+79

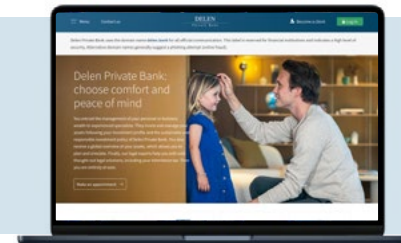
## Creating employment

+151 Net growth in staff (excl. JM Finn) in 2021 and 2022



## .bank

New domain name .bank for extra online security



## Sponsoring young talent

Our sport sponsorships focus on promising talents, such as Manon De Roey

## Solid balance sheet

38% Core Tier 1 ratio

# Delen Private Bank's four essential SDGs

Sustainability is embedded in Delen's mission: a balanced management and prudent planning of our clients' assets. We are guided by the seventeen UN Sustainable Development Goals (SDGs), which have been 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. The goals must be achieved by 2030.

## Biggest impact, strongest focus

Delen Private Bank takes all sustainable goals into account. That being said, there are four SDGs on which we have the greatest impact, either directly through our activities and the employment we provide, or through our investment policy.

### sustainable impact via organisation



### sustainable impact via investment policy



## Decent work and economic growth

We promote economic growth towards our clients by protecting and building assets – our core task. Thanks to Delen Family Services, clients also have an insight into their total assets. Once these have been thoroughly analysed, a future-oriented wealth planning can be implemented. Our high and steadily increasing net promoter score is testament to how much clients value this holistic approach. Due to our strong growth, we are continually seeking talent. As a sustainable employer, we are committed to well-being at work, a fair and attractive remuneration policy and gender equality and diversity. Lastly, our long-term vision contributes to the stability of the financial system, and creates value for our shareholders. At 38%, our core Tier 1 ratio is well above the sector average. Our low cost-income ratio and the high return on equity highlight our efficiency.



## Peace, justice, and strong institutions

Delen Private Bank is committed to acting prudently and with integrity. We fastidiously monitor all measures to combat money laundering. In addition to strict compliance with the legislation, we give our employees the training they need. We also encourage clients to be sustainable and to act with propriety from a tax point of view. Delen Private Bank also plays its part by paying corporate and banking taxes to various market regulators. In 2022, various taxes and bank levies totalling EUR 51.5 million were paid.



## Responsible consumption & production and climate action

The investment policy of the bank and fund manager Cadelam gives the bank a great deal of leverage. Over EUR 31.8 billion are sustainably invested, as the responsible investment policy applies to all our in-house funds. Both financial and ESG parameters are considered when making investment decisions. In this way, Delen Private Bank contributes to SDGs in very diverse areas, chief among them responsible consumption and production (SDG 12) and climate action (SDG 13).



# KPIs for every stakeholder

A sustainability policy is only effective if it can be evaluated using measurable criteria: they provide an insight into the current status, the progress made, and the desirable or essential corrective measures. Delen Private Bank uses KPIs to chart the performance of its sustainability policy.

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

The bank defines specific KPIs for every stakeholder, which are monitored year after year and are an important factor in Delen Private Bank's sustainability score.

We also build a picture of how Delen's environment, social responsibility and governance policy applies to clients, employees, shareholders, governments and society.

As in previous years, this report is in line with the Global Reporting Initiative (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).

For a description of our bank's shareholders and structure, the composition of our governance bodies and the policy structure, please visit our website.

Read more about governance



## Clients

Whether in its investment horizon, responsible investment policy or wealth planning over generations, Delen always adopts a long-term view. Personal relationships form the basis of our clients' trust. We achieve client proximity in two ways: through new offices and powerful digital solutions.

## Government and regulators

The Delen Group goes to great lengths to correctly and meticulously comply with legislation by governments and regulators.

## Employees

Delen creates a pleasant, safe and inspiring environment where employees feel valued and at home, while also getting every opportunity to grow professionally and be challenged. Delen forges lasting relationships with its staff, based on trust and integrity. There is room for individuality, talent and ambition. Cooperation is key: every team is more than the sum of its members.

## Shareholders

Our shareholders, the listed group Ackermans & van Haaren, and the Delen family, are closely involved in defining the strategy.

## Local community

Delen takes various initiatives to reduce its environmental footprint. Also when taking investment decisions, the bank considers non-financial criteria and evaluates the ESG policy of the investee companies. Building long-term partnerships, the bank has ties with sport, culture and science.

# Delen Private Bank materiality analysis

The materiality matrix shows the key ESG subjects from a dual perspective: that of stakeholders and that of the group.

Four of our stakeholders – clients, personnel, shareholders and regulator – received a written survey, in which they could indicate to which extent these key ESG topics are important to them. The

result on the y-axis of the matrix shows their aggregated view, whilst the x-axis is Delen Private Bank's assessment, based on an internal risk assessment for each topic. Subjects of strategic importance to the undertaking of our core task as an asset manager were rated most highly.

In this way, the matrix gives an indication of the extent to which the group's ESG priorities align with its stakeholders' expectations. The topics that score highly for all parties are covered further on in this report.

## ESG Topics

### Governance

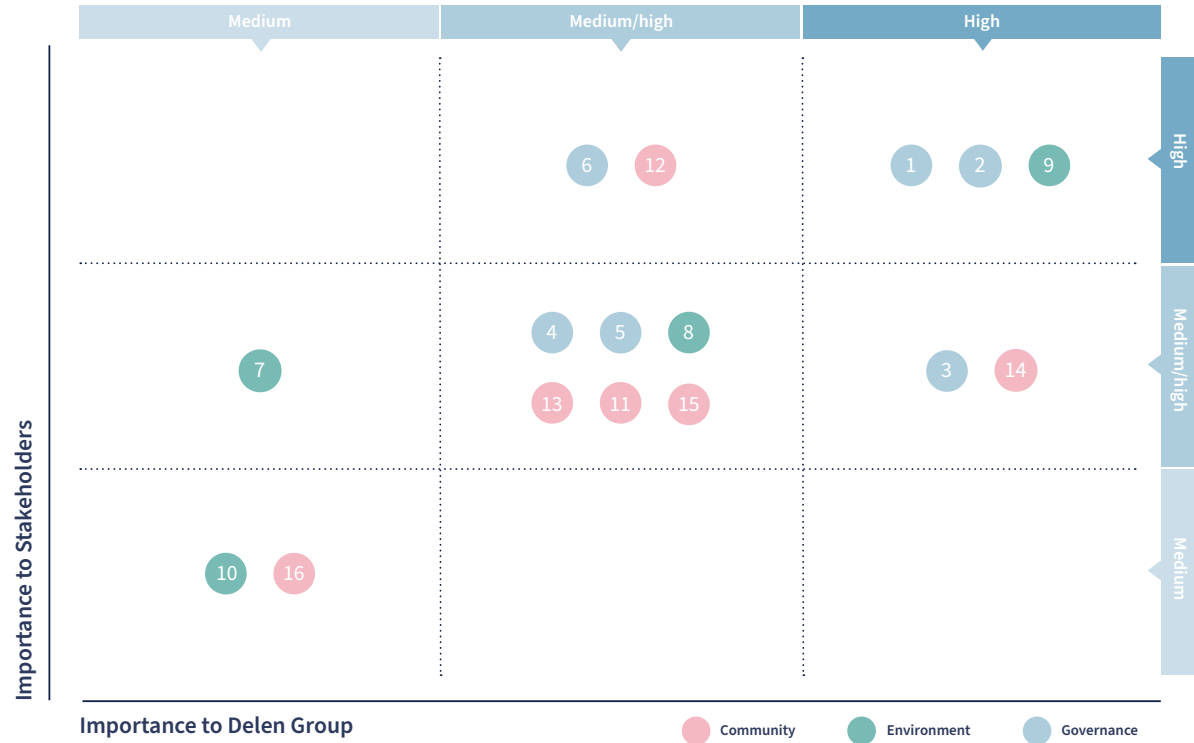
- 1/ Data protection and data security
- 2/ Ethical business conduct and responsible conduct
- 3/ Fiscal transparency
- 4/ Fair share
- 5/ Governance
- 6/ Financial resilience

### Environment

- 7/ Direct environmental impact through operations
- 8/ Indirect environmental impact through fund management
- 9/ Responsible investment policy
- 10/ Protection of cultural heritage

### Community

- 11/ Protection and growth of client assets
- 12/ Client satisfaction
- 13/ Innovative mentality and innovative product offering
- 14/ Development of human capital
- 15/ Involvement of employees in diversity and inclusion
- 16/ Support for and involvement of local community



Delen and its

# clients

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Responsible investment according to three pillars >

Further increasing client satisfaction >

Maintaining digital security >

# Responsible investment according to three pillars

Delen Private Bank specialises in discretionary asset management, which means the bank manages and invests assets on behalf of its clients. Those investment decisions have a considerable impact on society. Therefore, the responsible investment philosophy is the area where the group's ESG policy (environment, social responsibility and governance) carries the most weight.

By investing in sustainable companies, the bank helps to build a better, greener, more humane 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.

## 31.8 billion in sustainably invested assets

The bank introduced its responsible investment policy in 2016. Through the years, we have steadily broadened and deepened our sustainable philosophy. We are determined to continue pioneering and refining our policy.

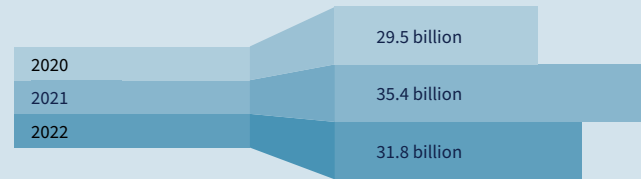
The bank invests over 31.8 billion of its client assets via the investment funds managed by fund manager Cadelam. All these funds, without exception, consistently apply the responsible investment policy. At Delen Private Bank, Delen Private Bank Luxembourg and Delen Suisse, clients' assets are invested in these funds when portfolios are assembled. ▶ [See box](#)

The Sustainable Financial Disclosure Regulation (SFDR) is designed to create transparency in the wide range of sustainable investments in Europe. Based on this legislation, all our funds are

### 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 fund manager managed total assets of €31.8 billion according to these principles at the end of 2022.

The decline compared to 2021 is due to a considerable negative market effect in 2022. If we filter out this effect and look only at assets entering and exiting our funds, we see positive growth for our in-house funds in 2022.



given an Article 8 classification. This means our funds promote sustainability characteristics without their contribution to sustainability being an explicit objective.

Delen Private Bank's responsible investment policy rests on three pillars: engagement, ESG integration (Environmental, Social and Governance) and exclusion.

The bank seeks to manage the various sustainability risks (Principal Adverse Impacts) of the investments as effectively as possible by meticulously applying these three pillars to the responsible investment policy.

### Product classification in SFDR

ARTICLE 6	Non-ESG funds
ARTICLE 8	Integration of environmental and/or social characteristics in the funds
ARTICLE 9	Products with responsible investments as the objective

*All our in-house funds are given an Article 8 classification*

## Pillar 1: Engagement and active shareholding

Engagement refers to the continuous and constructive dialogue between the investor and the companies in which he invests. As a shareholder, the investor (in our case, Cadelam) is not only entitled to a portion of the profits, but also gets a say in the policies of the company in which it invests by exercising the voting right attached to his shares. Through constructive dialogue and specific agreements, Delen Private Bank and Cadelam encourage companies to push ahead with their transition to a more environmentally friendly, socially just and better managed world. We also look at the progress companies are making: if they are going to great lengths to make their activities more sustainable, but have not yet reached their final target, they remain on our investment radar. Early on, we embraced the internationally renowned EOS which, with an independent team of ESG experts, advises institutional investors such as Cadelam. Together, they

manage over EUR 1,600 billion in assets, which gives them the necessary clout.

Fund manager Cadelam and EOS set priority sustainability themes. This list of priorities is the basis for engaging in dialogue with the companies concerned. ▼ [See box](#)

This year, together with EOS, we initiated 1,658 engagement procedures with 325 companies about their sustainability policies and sustainable goals. All aspects of sustainability were covered: environment (466 of the engagements), social matters (428), governance (550) and strategy, risk management and communication (214).

As an active shareholder, we are able to encourage or block particular strategic choices by exercising our voting right at general meetings. Our clients' capital, which Cadelam invests in investment

funds, is thereby given a real voice. A voice with impact: when Cadelam successfully persuades a conventional company to step up the pace, efficiency or scale of its sustainable measures, the fund manager helps to make a difference.

Thanks to its partnership with EOS, Cadelam assumed its role as active shareholder in 2022 by adopting a variety of resolutions at several shareholder meetings. A clear strategy and open communication establish a dynamic in which everyone wins: the companies (sustainable growth), the investors (profitable investments) and the broader environment (positive impact on people, environment and society). We entered into dialogue about a number of topics. Here below are a few examples:

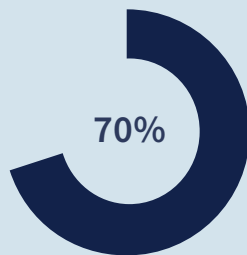
**Environment:** aligning business models with the Paris Agreement.

**Social policy:** entering into dialogue with companies with global supply chains on matters such as social and economic justice.

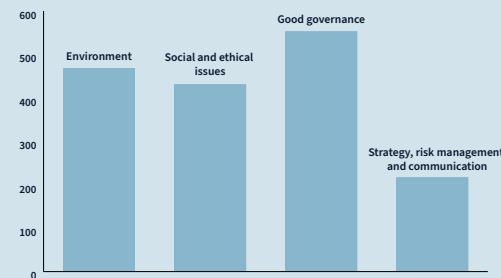
**Good governance:** fine-tuning a company's organisational checks & balances. An effective board of directors and the right balance between remuneration and sustainable value creation create the perfect impetus for targeted decision-making.

## KPI 2 - Engagement

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. We set the minimum at 60%, but our ambitions go further.



We enter into dialogue with 70% of the companies in which we invest via discretionary management. This percentage translates into 1,658 different engagement procedures at 325 different companies. The breakdown by topic is illustrated here.



### Example 1 Engagement in action in the electronics industry

*A major electronics and media player sources mineral raw materials from developing countries, which involves a risk of child labour. Partly at the insistence of EOS, the company refined its code of conduct for suppliers of minerals, mapped its supply chain for cobalt and began conducting regular audits of suppliers.*

## Pillar 2: Integration of ESG parameters

A company's financial health is tenable in the longer term only if it performs well on non-financial parameters 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, and indicates a lack of long-term vision. Conversely, fully fledged awareness of ESG in a company can open the business up to new opportunities and competitive advantages, with a positive financial impact. Independent data supplier Sustainalytics has built its reputation as a world leader in sustainability research over the past 25 years. Over 200 analysts analyse listed companies worldwide. As a data supplier, Sustainalytics supports Cadelam with the integration of non-financial data in the investment policy. More specifically, it provides data on:

**ESG risks /** These lay bare the problem areas in the sphere of ESG. ESG risks can endanger the future of a company (financially and otherwise). As an investor, it is therefore important to detect a violation of environmental standards or a problem regarding good governance early on. Companies with an ESG risk score above 40 are excluded from the portfolio. ▶ [See box](#)

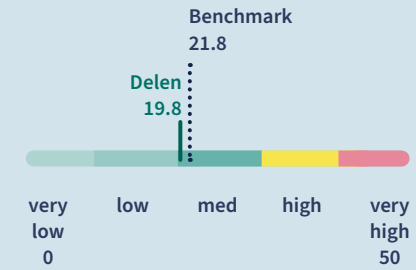
**Intrinsically sustainable activities /** Sustainalytics can detect niche companies that generate the largest part of their turnover from products and services with a positive contribution to society and the environment. The United Nations' Sustainable Development Goals serve as the reference framework.

**Controversial activities /** Thanks to detailed information, Cadelam identifies companies involved in unsustainable activities. This information enables Cadelam to exclude certain categories of companies. For more information on this matter, see the Exclusion Policy.

### KPI 3 - ESG risk score

Sustainalytics analyses and calculates companies' ESG risks, on a scale 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 therefore kept out of the portfolio. The weighted average ESG risk score of our portfolios is 19.8.

**The aim is to further reduce this risk score and achieve a consistently lower score compared with our benchmark.**



Source: Sustainalytics

### Example 2 *Integration in action in the energy production industry*

*The biggest challenge facing electricity producers lies in transitioning their energy mix to sustainable energy sources. A leading Spanish company is a pioneer in the sector in this respect. In 2020, it shut down its last coal-fired power plant and is investing huge amounts in new renewable energy capacity. The company has a clear transition plan and publishes detailed reports on its emissions in accordance with internationally recognised standards. This company is awarded an ESG risk score of 24.8 by Sustainalytics, which means it ranks among the lowest-scoring companies in its sector.*



### Pillar 3: Exclusion of non-sustainable companies

Selling or excluding companies from the portfolio is the drastic last resort of sustainable wealth management. When 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, there is no choice but to divest that company.

In the last two years, rather than relying on exclusion lists prepared by external parties we have begun handling some of the analysis process in-house. This analysis was made more concrete with the help of Sustainalytics (see also the policy pillar 'ESG integration').

Supported by concrete and detailed figures, Cadelam excludes five categories of companies.



**Weapons** / Belgian law prohibits the financing of controversial weapons such as cluster munitions and anti-personnel mines.



**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.



**Climate-related sustainability risks** / In addition, due 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).



**UN Global Compact principles** / The United Nations sets the standard for general good governance. The Global Compact principles consider companies' fundamental responsibilities in regard to human rights, labour rights, environment and anti-corruption. Companies where these principles are consistently violated and where there is no positive development in the engagement process are excluded.

#### Example 3 *Exclusion in action in the oil industry*

*We exclude companies that generate 5% or more of their turnover from oil extraction through tar sands. An integrated Canadian oil company generates around 10% of its turnover from extracting oil from tar sands. Consequently, Cadelam closes the door on this company.*



### Responsible Investment Policy at Delen Private Bank Netherlands

The same responsible investment policy is applied at Delen Private Bank Netherlands (formerly Oyens & Van Eeghen). Since they also work primarily with investment funds, all the elements of responsible asset management discussed above apply as well. The management formula in the Netherlands does make it possible to supplement the in-house 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, the bank in the Netherlands enters into dialogue with the external managers to achieve more sustainable management wherever possible.
- ESG parameters are also a fundamental criterion in the general assessment of external managers: ESG criteria must be incorporated into the process of selecting shares and bonds. For the index investments, Delen Private Bank Netherlands searches for variants that follow sustainable ESG indices.
- External managers who have not endorsed the UN's Principles for Responsible Investment are excluded.

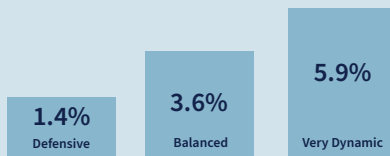
# Increasing client satisfaction

The Delen Group's mission is to manage and grow our clients' assets. We prioritise long-term relationships, with trust being an essential prerequisite. To build that trust, we take a personal approach towards the client, combined with an integrated, consistent and transparent service. [▼ See box](#)

## KPI 4 - Protecting assets

89% of client assets were invested through discretionary management in 2022. It is our task to manage these assets that are entrusted to us with the utmost diligence, so that they can keep growing. The returns on our patrimonial funds underline the success of our investment philosophy, which takes a long-term perspective.

### Average annual returns on portfolios over 10 years



Every two years, we check with our clients whether we are succeeding in our mission. In Belgium, the most recent satisfaction survey was conducted in 2021. The bank was awarded a Net Promoter Score (NPS, the indicator of client satisfaction) by its clients of +58. This is a particularly good score, both within the sector and

compared with previous surveys. No fewer than 90% of our clients rated the bank 8 or more out of 10, and 91% gave their relationship manager a score between 8 and 10. Availability, pro-activeness, good follow-up and personal contact are particularly appreciated.

[▼ See box](#)

## KPI 5 - Client satisfaction

Net Promoter Score (NPS) of 58  
61% Promoters - 3% Detractors



A satisfaction survey was also organised at Delen Private Bank Netherlands in 2023.

### Client-focused initiatives during a year of crisis

In 2022, a turbulent and volatile year, the Delen Group was more determined than ever to provide clients with exceptional service. How could we retain clients' trust in a context of jittery stock markets, rising inflation, a deteriorating economic outlook and mounting geopolitical tensions?

The group shored up existing trust with both familiar and new initiatives:

- In **wealth management** Cadelam, the group's fund manager, adhered to its long-term vision and reliable risk policy. The emphasis was on quality, liquidity and diversification. Portfolio returns followed market movements.
- At times of crisis, **availability** is very important. Clients want to talk to, or meet their relationship manager in person. Fortunately, this was possible again after the difficult Covid period. Client visits were boosted, and a whole range of events were organised. The bank opened two offices, in Waregem and Zellik.
- Since 2022 was riddled with uncertainty, we kept clients as **well informed** as possible about the markets, economy and our investment strategy. Mostly, this information was shared remotely in videos, newsletters and extra newflashes, but also in-person through the Perspectives event series at which clients had the opportunity to listen to expert views.
- An **extra team of relationship managers** provided additional support, enabling even faster response times to clients' questions.

We believe these actions were effective as, even in a very difficult year on the markets, we saw a net inflow of 1.7 billion for the whole Delen Group.



# Maintaining digital security

As an asset manager, Delen Private Bank is entrusted with important, confidential information about its clients. Naturally, they must be confident that this information is secure with us. Therefore, the Group relies heavily on a robust and innovative IT approach.

## In-house IT expertise

The core of our service runs on a platform developed in-house, which we continuously improve. This means we are not reliant on external parties. Outsourcing remains very much the exception.

We have drawn on our internal knowledge and experience to create efficient and secure core applications, of which we have an intimate understanding and full control. It goes without saying that the bank keeps its IT employees up to date with their training, so they keep pace with the rapidly changing world of IT. Acquiring new talent is also a high priority.

## Powerful infrastructure & applications

Delen Private Bank has its own dedicated data centres for the secure use and storage of data.

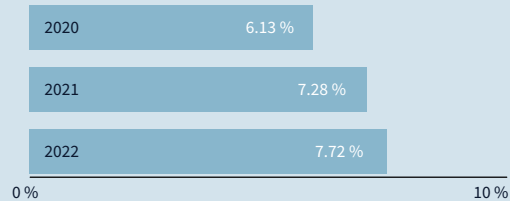
The bank also uses cloud infrastructure which meets our stringent quality and security requirements. Among other things, we will be replacing the physical back-up data centre with an alternative in the cloud.

Its easy scalability is the crucial factor that sets cloud infrastructure apart. Whenever a temporary boost in capacity is needed, this can easily be purchased on an interim basis without having to provide our own hardware capable of handling maximum capacity. The cloud providers supply all the infrastructure needed to cope with temporary shocks. Consequently, less hardware is needed overall than if each company needed access to separate hardware - making this a sustainable solution. [▼ See box](#)

The bank also uses third-party software. These applications must satisfy our high data security standards. They are also

### KPI 6 - Investments in IT

The below summary shows the total investments in IT developments, expressed as a percentage of profits for the financial year. NB: this percentage only includes the development costs of new software and applications. It does not reflect total IT expenditure.



continually screened by Delen Private Bank to ensure that they are secure and do not have any potential loopholes which could be exploited by malicious hackers.

## Rigorous and efficient procedures

In our internal operations, we set great store by the security and integrity of the data at our disposal. Needless to say, the security of our data is continually monitored and we apply the highest standards to protect our data against external threats. As an additional line of defence, the bank works with a third party in a bug bounty system. This system comprises a private and a public programme. In the private programme, a team of specialists within the bank continuously scans our systems for vulnerabilities that could be exploited. In the public programme, ethical hackers (who are not employed at Delen) can check our systems for vulnerabilities. When they uncover a weak point, they receive a 'bug bounty'.

Client data are used internally with a view to improving services and identifying new needs. During these analyses, particular care is exercised to preserve the integrity of our data. All the information is anonymised, and employees at Delen have no access to sensitive client data. When an employee needs information, they must request this before gaining access.

We ascertain the sensitivity of information in each individual data field. A combination of data fields is rated as more sensitive than a single field. For example, an address field is not sensitive data per se, but combined with a name it becomes very sensitive information, which we will always protect.

No matter what, internal analyses are invariably performed on an anonymous basis.

Since security is the responsibility of every player in a relationship, the bank regularly organises awareness-raising campaigns on data security among employees and clients.



Delen and its

# employees

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Attracting and developing talent >

Feel-good factor at work >

# Attracting and developing talent

## In search of new talent

The driving force behind Delen Private Bank are the people who work there. An organisation is only as strong as its employees and the bank is keen to take good care of that 'human capital'. As the organisation is growing fast, a lot of attention is paid to recruiting good staff, giving them room to fully develop their talent and facilitating their professional and personal growth.

When we take on new people, we of course gauge the candidates' expertise and 'hard' skills, but we also attach much importance to attitude and personality: there must be a match between our employees' values and Delen Private Bank's DNA. Because of this, recruitment interviews are a two-way conversation, in which we really get to know one another. It is an opportunity for the candidates to make clear their wishes, expectations and ambitions and test these against Delen's philosophy. The candidate's place of residence is also an important factor, both from an environmental perspective and to prevent stress.

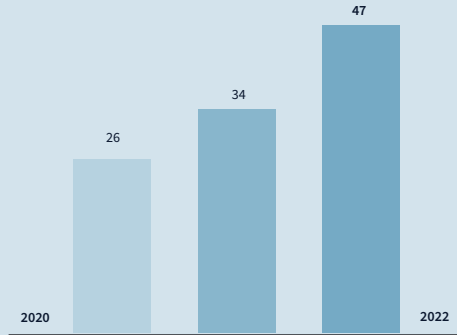
The Covid crisis in 2021 and the difficult stock market conditions in 2022 required our employees to go above and beyond. Delen Private Bank did not hesitate to support its existing teams with extra staff. The primary purpose of new recruitments was to increase capacity in the teams, for the sake of maintaining work-life balance. ▶ [See box](#)

### KPI 7 - Our role as an employer

With a net total of 79 additional employees, the Delen Group experienced exceptional growth in 2022.

Over the last three years, an average of 47 extra employees net have been recruited by the Delen Group (excl. JM Finn).

#### Average net recruitments over 3 years



## Personal growth

The bank offers employees various opportunities for further development, in the form of education and training.

The Learning Management System, a digital platform, enables the bank to devise a wide range of internal training courses which employees can complete wherever and whenever suits them best. The tool's flexibility enables us to offer training at different levels: introductory training for new colleagues, advanced for more experienced colleagues, and so on. We can also keep track of progress and proactively intervene if we identify gaps in employees' knowledge.

Over the next few years, we aspire to make the training programme even more bespoke, so that individual employees can set their own training schedule.

17,201 hours of training were given at Delen Private Bank in 2022. Since switching to this new Learning Management System in 2021, the number and quality of internal training courses has risen sharply. [▼ See box](#)

Delen Private Bank Netherlands also focused on employee development, offering various internal and external training opportunities.

Delen Private Bank encourages a culture of honest and open feedback with two-way communication. In 2023, employees will receive training to further develop and make effective use of these soft skills. The structure of the annual feedback sessions is currently under review. Previously, these were somewhat loosely structured but, for better and more consistent quality, future meetings will follow a fixed pattern. The outcome of these conversations will be summarised in a list of specific action points for the employee and manager.

### KPI 8 - Developing talents

17,201 hours of training were given at Delen Private Bank in 2022.

Internal	External	Total	Per employee
12,526 hours	4675 hours	17,201 hours	32.0 hours

# Feel-good factor at work

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Delen Private Bank's welfare policy is geared towards health, safety, stress prevention, ergonomics, hygiene, and a pleasant working environment.

## Healthy lifestyle

Often, a healthy lifestyle is about the small, everyday things and routines. The bank treats its employees to healthy, tasty snacks and lunches. As well as filling empty bellies, this also creates the ideal conditions for discussion, talking about delicate matters, or simply a sociable chat. At the renovated head office in Antwerp, a beautiful dining area has been created to encourage employees to take a relaxed lunch break. A range of healthy, freshly prepared products, soup and fruit are on offer. Fresh fruit is also provided at all our other offices. At Delen Private Bank Netherlands, an external caterer delivers a healthy lunch twice a week, while on other days fresh bread and toppings are provided.

The bank also arranges the necessary medical check-ups and vaccinations. In the autumn, for instance, our employees can get a free flu vaccination at the bank. Since 2021, we have been offering a full health check every five years for all employees aged 40 and over, and every two years from age 55 onwards for those who want it. We also offer this opportunity in the Netherlands, for employees aged 50 and over.

## Mental health

Our employees enjoy the same homely, warm atmosphere that we create for our clients. It is important that our employees feel at home, particularly when the organisation is rapidly growing.

In 2021 and 2022, lots of new people joined our organisation, not least in response to increased workloads. The new recruits were also a breath of fresh air, bringing a new dynamic to the teams involved.

A handful of new colleagues have also joined the HR department over the last two years. This increase in staff numbers enables us to give our employees the right support and further enhance our policy on health and well-being at work.

In the near future, we aspire to assign a fixed HR contact person to every colleague. This will establish a strong bond of trust, so that employees have no hesitation in discussing specific issues. Next to these initiatives, the bank is also collaborating with an external specialist to prevent burnout.

## Satisfied employees

Delen Private Bank wants its employees to feel good at work. Two parameters already suggest that employee satisfaction is high.

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 2022 calendar year, sickness absenteeism was 2.7%. This can be broken down into 1.9% paid sick leave (less than 1 month) and 0.8% unpaid sick leave (more than one month). These figures are significantly lower than the sector average calculated by Febelfin.

Furthermore, staff turnover remained low in 2022 compared to the sector. In 2022, 2% of employees left the bank voluntarily, a figure that is lower than 2021 (3.5%).





## Fair pay and remuneration

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 are 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 Delen Private Bank Netherlands pursue the same philosophy. No variable bonuses are paid.

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.

## Option scheme strengthens employee loyalty

All employees at Delen Private Bank, Cadelam and Delen Private Bank Netherlands who have been employed for at least six months are offered an option scheme, in which they can participate 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 remuneration is ideally suited to reward 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.

## 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. In 2022, our understanding of diversity and our aims in this sphere were clearly stated in a diversity policy.

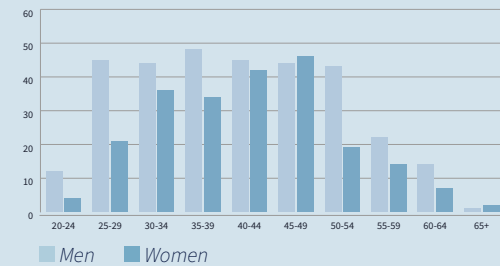
In line with the bank's long-term vision, HR spares no effort to stabilise and even slightly reduce the average age of its employees, which traditionally is relatively high in the financial sector. The intention is to achieve the ideal mix at the bank of experience and youthful enthusiasm.

Delen Private Bank strives for gender diversity and is committed to going the extra mile to achieve this. Nonetheless, men are heavily represented in the youngest age groups (20 to 29 years - see KPI 9). This is due to the many young IT profiles that are recruited, among whom women are, unfortunately, under-

represented. For other roles (commercial, support, managerial), the bank's efforts are yielding good results. [▼ See box](#)

## KPI 9 - Diversity

### Age pyramid



### Diversity by gender

	Men	Women
Employees (Delen Group excl. JM Finn)	370 (58.9%)	258 (41.1%)
Executive Committee	5 (83.3%)	1 (16.7%)
Board of Directors	14 (87.5%)	2 (12.5%)

### Average age

	2020	2021	2022
Average age	40.39 years	40.78 years	41.30 years

Delen and

# society

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[Our ecological footprint >](#)

[Good causes >](#)

[Partners in sport and culture >](#)



# Our ecological footprint

What impact does the Delen Group have on the environment and the planet? We distinguish between the direct impact of the organisation itself and the indirect impact of investing client assets in listed companies.

By direct environmental impact, we mean the specific effects of our business operations: lighting and heating of our buildings and data centres, the car fleet, paper consumption, and so on. This influence is closely monitored and the bank is constantly rolling out new initiatives designed to further reduce its footprint.

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, who provides data on non-financial information and analyses a wide range of companies. When selecting an investment, Cadelam combines these non-financial parameters with the financial criteria. This dataset enables the bank to quantify the indirect environmental impact of its in-house funds.

## Environmental impact of the funds

Delen Private Bank's in-house funds are managed according to a sustainable philosophy, as explained on page 10. To specifically measure our funds' environmental impact, we focus on carbon intensity, which is calculated by dividing carbon emissions (in tonnes of Co2e or tCO2e) 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 aim is for its funds' carbon intensity to be lower than our benchmark, comparable to the MSCI World AC, the global share index.

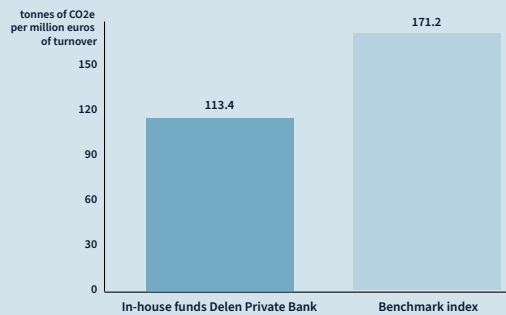
Sustainable investment choices in terms of sectors and companies are the reason behind our house funds' lower carbon intensity. In line with its general sustainable reflex, Cadelam selects sectors that take environmental considerations into account and avoids those that do not. When selecting stocks, the fund manager chooses companies that have published excellent ESG reports and excludes companies with a bad reputation. [▼ See box](#)

In addition to carbon intensity, we closely monitor the ESG risk associated with our investments. This yardstick indicates the extent to which a company is exposed to ESG-related risks and how well it manages those risks. Hence, a low ESG risk is also indicative of adequate management of those risks. Our in-house funds' average ESG risk score is lower than that of the benchmark index.

When we split the ESG risk scores into various categories, it becomes apparent where the added value of Cadelam's and Delen Private Bank's fund management lies. It is at either end of the spectrum that our approach differs most from the benchmark index: our in-house funds contain more low-risk companies and significantly fewer high-risk companies. This should come as no surprise, since our prudent investment philosophy pays a great deal of attention to risk management and diversification in order to build robust, well-spread portfolios. [▼ See box](#)

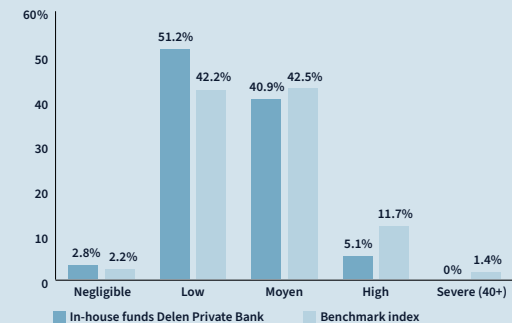
### KPI 10 - Carbon intensity of our funds

The carbon intensity of our in-house funds is 113.4 (tonnes of CO2e per million euros of turnover). The global benchmark index is 171.2, which is 51% higher.



### KPI 11 - Detailed ESG risk score of our funds

The average ESG risk score of our house funds is lower than that of the benchmark index. The breakdown of our in-house funds into the various ESG risk categories is shown below.

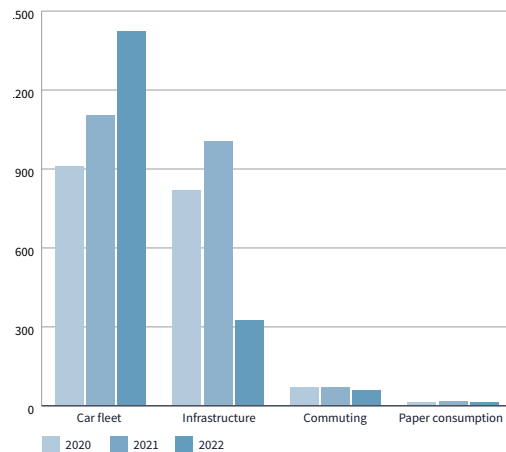


## Environmental impact via organisation

To gain a better understanding of direct environmental impact, Delen Private Bank entered into a partnership with CO2-logic in 2019. Delen Private Bank's environmental impact is broken down into three scopes, a typical method of presenting CO2 impact. For 2022, the overall environmental impact of Delen Private Bank amounted to 1,803 tCO<sub>2</sub>e. Taking turnover into account, we obtained a carbon intensity of 4.34 (tonnes of CO<sub>2</sub>e per million euros of turnover). ▶ [See box](#)

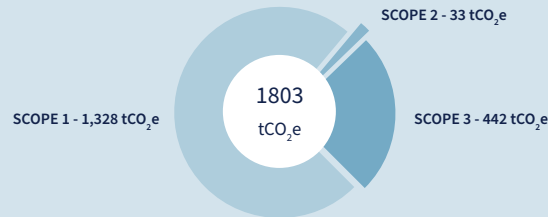
Evidently, the car fleet and the infrastructure are the sources of most of Delen Private Bank's CO<sub>2</sub> emissions. Whilst paper consumption is a far smaller pollutant, the bank is also taking initiatives in this area. The progress made in the three categories is explained on the following pages.

### CO<sub>2</sub> emissions per source (in tCO<sub>2</sub>e)



### KPI 12 - Breakdown of carbon emissions - Delen Private Bank

- SCOPE 1 - 1,328 tCO<sub>2</sub>e:** Heating, air conditioning and car fleet
- SCOPE 2 - 33 tCO<sub>2</sub>e:** Direct electricity consumption
- SCOPE 3 - 442 tCO<sub>2</sub>e:** Indirect electricity consumption, commuting, and paper consumption



### Environmental impact

Besides our absolute carbon emissions, it is of course important to look at the results relative to the size of our company. When we do this, we obtain a carbon intensity of 4.34 tCO<sub>2</sub>e per million euros of turnover. It is our aim to keep reducing this going forward.

	2020	2021	2022
GHG emissions (in tCO <sub>2</sub> e)	1800	2180	1803
Carbon intensity (in tCO <sub>2</sub> e per million euros of turnover)	5.57	5.40	4.34



### *Towards an energy-efficient infrastructure*

Delen Private Bank's core task is inherently very personal. We aspire to be close to our clients and to welcome them in a familiar, homely environment. Using period buildings with a rich history to develop our office network is a deliberate strategy. Also new offices were opened in Waregem and in Zellik in 2022. Our offices therefore have a substantial impact on our ecological footprint. At the same time, the 2022 energy crisis made the need for energy-efficient offices more pressing than ever.

Chief among the measures taken by the bank includes the complete switch, from 1 January 2022, to **green electricity** in all our self-managed Belgian offices, following a decision taken previously. The energy supplier assures the bank that the energy is generated in Europe, based on hydro, wind and solar power. Since 2020, the electricity used for the Delen Private Bank Netherlands office in Heerenveen has come from Greenchoice, which also guarantees 100% green energy. Choosing green energy slashed our CO2 emissions in 2022. At present, much of the impact can be attributed to gas consumption and, to a lesser extent, electricity consumption in our smaller leased offices, where we do not decide on the energy source.

Delen Private Bank endeavours to have as many offices as possible under its own management, enabling the bank to impose stringent requirements as the owner. Our new office in Knokke, which is under construction, will be an entirely passive building, going beyond what the current EPB legislation requires. In 2021, we also went beyond the legal requirements for the renovation work to our head office.

We already use **solar panels** at a few locations and are investigating opportunities to add more. Since many of our premises are older buildings, they do not always lend themselves

to installing solar panels. This study will take full advantage of every opportunity.

**Halogen lighting** has been replaced with LED lighting in all our offices.

As well as choosing renewable and efficient energy solutions, we also took measures to cut back on energy consumption, such as:

- The **heating system** heats to 19 degrees Celsius, the **air conditioning** cools to 23 degrees Celsius.
- **Presence detectors** in the head office make sure that energy is only used where necessary. This system will also be implemented in our other offices.
- The **illumination** of frontages and gardens is switched off overnight, between 11 PM and 6 AM.
- A digital **Building Management System** (BMS) sees to it that our ever-expanding office network is used efficiently. The system collects, analyses and stores all the data of all the offices, so all the information about HVAC can be read remotely. Problems are swiftly identified without the need for an on-site visit. Thanks to the large volume of information gathered, we can trace and tackle the causes of these issues faster, enabling proactive rather than reactive management of our offices. This is a huge efficiency boost. The majority of our buildings work with this system and our goal is to also install it in all remaining offices.

### Our mobility strategy

The car fleet is responsible for the lion's share of CO2 emissions, which have risen relatively sharply compared with 2020 and 2021. First and foremost, this is due to the considerable increase in employee numbers. On top of this, the comparison is skewed somewhat by the tough Covid measures in force in 2020-2021, when repeated lockdowns kept the average number of kilometres driven per employee very low.

In the fourth quarter of 2022, the decision was made that all new vehicles ordered must be fully electric. This will speed up progress towards an environmentally friendly car fleet. We are already seeing a shift towards a greener car fleet; in 2022, roughly 4 out of 10 newly registered vehicles were fully electric.

▼ See box

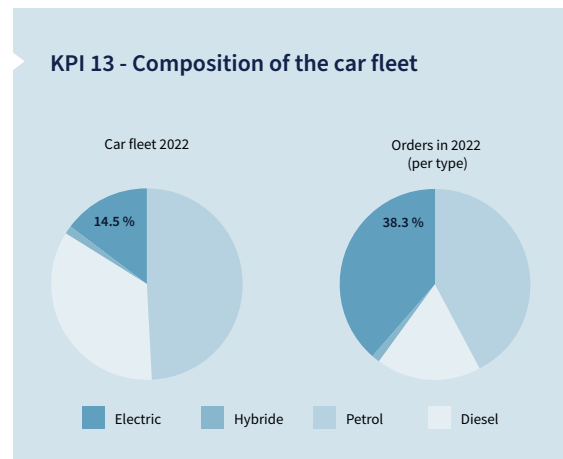

It is also the bank's aim to offer alternative, green mobility options, to greatly reduce reliance on the conventional company car. To this end, in January 2022 a bicycle scheme was rolled out for employees who do not have a company car. As well

as proving extremely popular with existing colleagues, this system turned out to be an attractive benefit for potential new staff members. We aim to further roll out this bicycle scheme to employees with a company car, giving them the option of travelling to work by bike.

This "greening" brings with it a few necessary changes for our offices, particularly the head office in Antwerp. The bicycle park has been extended and an action plan has been drawn up to accommodate more electric vehicles. To begin with, thirty new charging points were installed in our car park, giving each parking space its own electric charging point. After that, the installed charging points were replaced with newer, more efficient models. Wherever possible, charging points and plenty of bicycle parking will be provided at our other offices.

**100%**

Fully electric vehicles are ordered  
as of Q4 2022

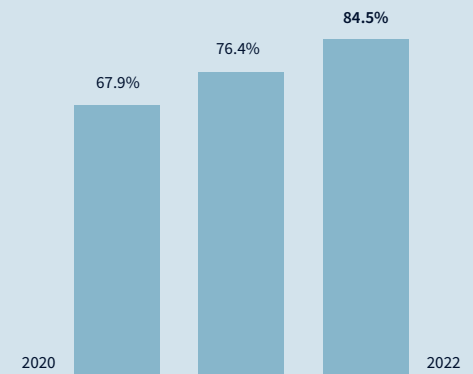


### Consumption & waste

Besides energy consumption, due attention is paid to paper and water consumption. Delen Private Bank is making ongoing efforts to use less paper. The largest source of paper consumption in external (client) communication consists of the portfolio statements or quarterly reports. Efforts continued in 2022 to make our clients aware of the digital option, which had a positive effect: 84.5% of the portfolio statements were sent digitally in 2022, compared to 76.4% in 2021. More recently, we have begun the process of largely digitalising the transaction notices that clients receive, in order to further reduce paper consumption.

#### KPI 14 - Percentage of portfolio statements sent out digitally

Increasingly, clients receive their portfolio statement (quarterly overview) via the digital apps - Delen app and Delen OnLine. This is fast, efficient and secure.



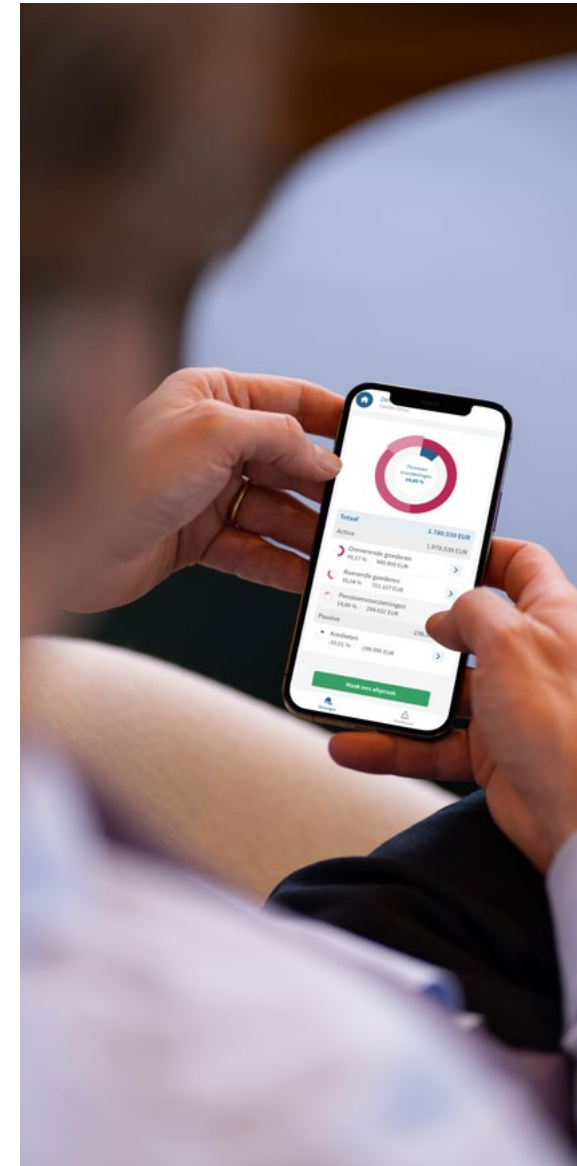
Needless to say, our digital solutions also cut paper consumption, and relying extensively on these digital solutions enables us to handle much of our administration digitally. To give one example, the new client onboarding process can be completed entirely digitally, eliminating reams of paperwork.

◀ See box

The bank is stepping up its efforts and investments to reduce water consumption as much as possible. For the office gardens, we use an irrigation system that is monitored via the Hydrowise app. This app automates the watering process and takes account of current and forecast precipitation, thus avoiding unnecessary watering whenever it is raining, or expected to rain.

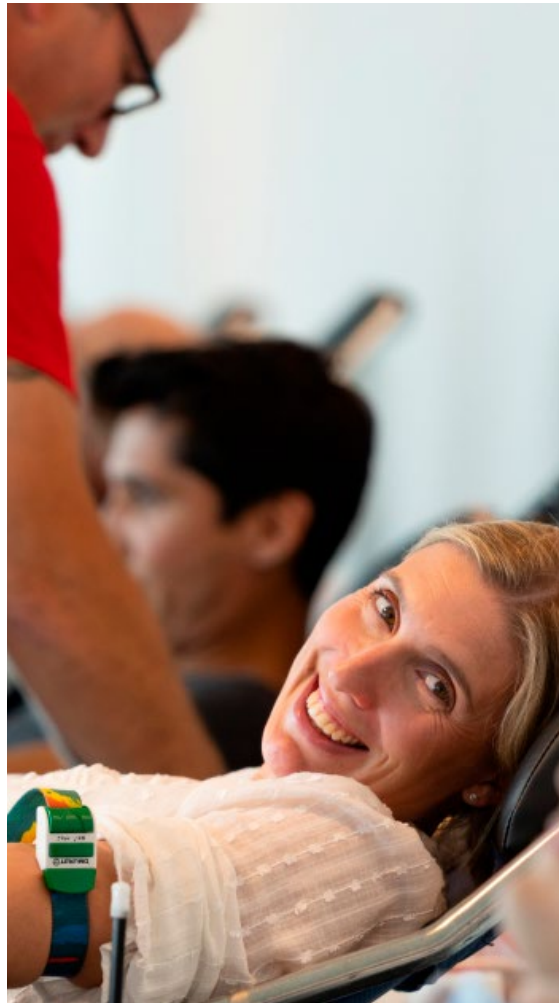
We also intend to minimise the use of bottled water. Thirsty employees are increasingly drinking tap water instead of bottled water. A specialised system instantly filters the tap water, and can turn it into sparkling water if desired. This enables us to substantially curb the use and consumption of bottled water. Having initially been successfully rolled out in our office in Brussels, this system has now been installed in our offices in Antwerp, Zellik and Waregem. Liège, Waterloo and Namur will follow soon. The decision was also taken to ban plastic water bottles in all Delen Private Bank Netherlands offices.

Naturally, waste is sorted wherever possible. Paper is collected and recycled via Shred-IT. Used batteries and printer toners are also collected for recycling. The bank donates some of its old IT hardware 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.



# Good causes

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Also in 2022, society's more vulnerable members were not spared. The war in Ukraine triggered an unprecedented energy crisis and prompted a fresh wave of refugees. Fortunately, numerous though the victims are, there are also a great many humanitarians and volunteers who are ready to roll up their sleeves. Naturally, Delen Private Bank stepped up to the plate with financial support and practical assistance.

Emergency aid is one thing, but the bank is also keen to back projects that help in a structural way to meet important needs.

- Since 2022, the **Red Cross** has been able to count on many Delen employees to donate blood. The bank facilitates blood donations during work hours, making it much easier to give blood and encouraging lots of enthusiastic new blood donors.
- At the same time, the bank builds a bridge with the young generation through guest lectures by our experts at the Antwerp Management School AMS and **coaching sessions** for YouthStart Belgium, a project that runs intensive training programmes to guide disadvantaged young people towards the world of business, a new job or a return to education.
- Delen Private Bank launched an enterprise fund in 2021, facilitated by the King Baudouin Foundation. The idea is to

give a **financial boost** to social organisations and projects so that they can achieve their aims in the sphere of health and high-quality education. No financial gain is sought by the bank.

We continued supporting CodeNPlay in 2022, an organisation that assists with the digital transition in primary schools. Teachers let pupils have a go at programming, robotics and using digital tools. Next to financial support, colleagues of the bank get involved as well. Several of Delen's IT employees have been trained as coaches, to support teachers with developing lessons on coding and other digital skills.

A second project was selected in 2022: Bibliothèques Sans Frontières. Providing a free online platform, this initiative helps school pupils overcome educational disadvantage. Tens of thousands of pupils have already taken part and, thanks in part to Delen's support, the project has been able to adopt an ambitious growth plan in the Dutch and French-speaking parts of the country.



# Partners in sport and culture

Art inspires and art connects. Delen Private Bank is passionate about Belgian art, and enjoys sharing that love with its clients.

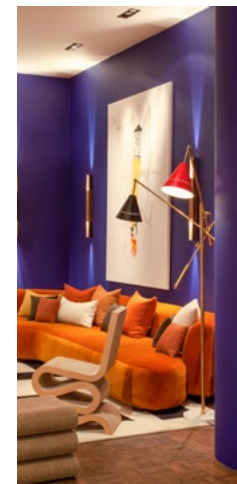
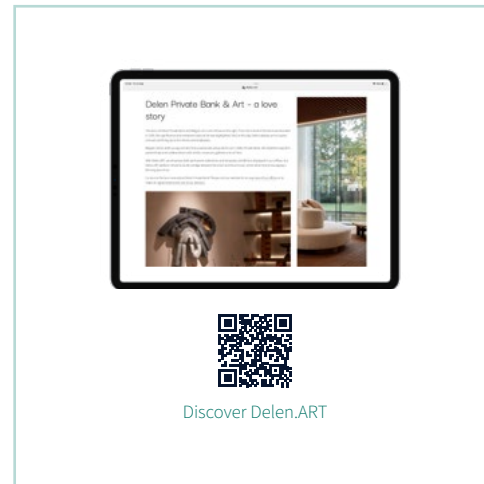
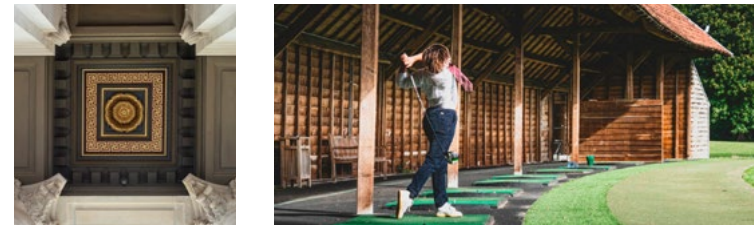
The Brafa art and antiques fair remains a well-established name for us, through a partnership between the art fair and the bank which goes back 16 years. Our shared love of Belgian art and design survived the difficult Covid years. Following a digital edition in 2021, Brafa was once again able to pull out all the stops in 2022, although the event took place later than usual, in June. As one of the first events after the Covid period, it was relished even more than usual by our clients.

The new collaboration with the Royal Museum of Fine Arts in Antwerp only really came to full fruition in 2022, no longer hindered by restrictive Covid measures. As of September, the bank was at last able to welcome its art-loving clients and prospects to late-night openings, previews and guided tours in the imposing setting of the renovated museum.

Furthermore, Delen has a brand new partnership with Art Antwerp and Art Brussels, two contemporary art fairs with strong local roots and an international reputation. To boot, the Delen.ART initiative literally brings art to people's homes or our offices. Belgian artists and galleries enjoy a platform for their artworks at our Belgian offices and via [Delen.ART](#). The initiative ensues from Expo 85, our tribute to 85 years of Belgian art at the head office in Antwerp to mark Delen's 85th birthday.

Delen Private Bank Netherlands also has a profound love of art and culture. Our branch in the Netherlands is a member of the Rijksmuseum's Rijksclub and has been sponsoring the "Opera op de Parade" in 's-Hertogenbosch for many years.

The bank also committed itself to various new sports partnerships, with the emphasis on young talent and promising newcomers. Delen became the main sponsor of the Dragons hockey club in Brasschaat, of the Van Doren brothers and of young golfer Savannah De Bock. An entire article was devoted to her in our annual magazine [Inspired](#).



Delen and the

# legal framework

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Main legal implementations in 2022 [➤](#)



# Main legal implementations in 2022

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The legal framework around sustainability is evolving fast, and Delen Private Bank is of course keeping a watchful eye on developments. The main changes are explained below.

## Sustainability preferences

Since mid-2022, the bank has been sounding out its clients' sustainability preferences. In compliance with MiFID, it is established practice to ask clients about their objectives, knowledge and expertise with regard to financial products. Since mid-2022, this questionnaire contains a section on sustainability. We explore the extent to which clients want to invest sustainably, and how interested they are in products that incorporate sustainability decisions in their management. These preferences are taken into account when we provide our wealth management services, to ensure that the clients' wishes are better aligned with our investment services. It is therefore important to Delen Private Bank that we offer products which satisfy the definition of sustainable products, making our contribution to the European objectives for sustainable finance.

Furthermore, from 2023 onwards clients will be able to see in their management report how the portfolio management takes account of sustainability factors and risks in their portfolio. This management report is sent annually to all our clients.

Given the ever-growing importance of sustainability in the group's strategy, we go a step further whenever possible. In 2022, surveys were sent to our stakeholders about the bank's ESG policy, giving them the opportunity to state which aspects of sustainability they deemed important, and how they feel Delen

Private Bank scores on those topics. The results of this survey provide valuable feedback for reviewing the bank's sustainability matrix.

Thanks to these surveys, we know which sustainable topics are most relevant to our stakeholders, how important they rate them and how well they feel Delen Private Bank is performing. It has yielded useful insights, which we can use to further refine our policy and communicate it clearly outside the bank.

## Governance

The National Bank of Belgium has updated its governance manual for the banking sector, to take account of the revised Belgian Code on Companies and Associations and the new European Banking Authority guidelines on governance and regulatory developments since 2018.

These changes were motivated by sustainability concerns in various areas. For example, new prudential expectations were included with regard to suitability, diversity and environmental and climate risk management. Banks are expected to actively assess, monitor and mitigate their climate-related risks. Here at Delen Private Bank, we are expanding the risk framework, in which we have incorporated various climate-related risks. Also, new expectations were introduced for ICT security and the formalisation of governance expectations at group level.

## Transparency obligations

The legislator's stricter focus on sustainability also translates into several transparency obligations to ensure that existing and potential new clients can obtain thorough information. Accordingly, the bank and the group's management company must fulfil their transparency obligations with regard to integrating sustainability aspects in their operations, and the responsible investment policy.

This involves providing and publishing pre-contractual information and issuing periodic communications. Among the topics explored in greater depth in these publications are the integration of sustainability risks in investment decisions, and the environmental and/or social characteristics that are promoted in the bank's centralised wealth management. Readers also learn more about the investment strategy pursued, the methodologies and the non-financial parameters.

# Main legal implementations in 2022

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## Tax

In various respects, the tax landscape is in constant flux for both companies and individuals, with the transition to environmentally friendly choices, control of government budgets, and so on. Needless to say, the bank does its utmost to correctly comply with and implement the tax implications of new regulations. Together with our clients, the team of tax experts seeks fiscally correct solutions that will stand the test of time. All the while, the bank maintains its cautious policy and advises strongly against complex structures and cutting-edge tax technology. With Delen Family Services, the digital archive and the digital signature, the bank helps the client to document and chart all of their assets. We will maintain this pragmatic and correct approach in the future. Delen Private Bank also adopts this transparent and fair approach in its role as a taxpayer.

► [See box](#)

### KPI 15 - Corporate and banking taxes

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

in EUR millions	2021	2022
Corporate taxes	51.2	48.9
Banking taxes	3.4	2.5
Operating expenses	1.8	2.1
<b>Total</b>	<b>56.5</b>	<b>53.7</b>

Wealth management at

# JM Finn

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Its investment philosophy >

Its clients >

Its employees >

The local community >

# Wealth management at JM Finn

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## 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 and of future generations. Its management approach is, however, different. JM Finn does not usually work with centrally managed patrimonial funds. It chiefly invests directly in securities and in third-party funds, on its clients' behalf. Despite this key difference, just like Delen Private Bank, JM Finn integrates sustainability strategies in its investment decisions.

- JM Finn takes account of ESG criteria when deciding whether or not to invest in a particular company. It has formed a partnership with Sustainalytics, the provider of ESG-related data. This enables JM Finn to propose selective exclusions tailored to the client, or to focus on investments that increase the investor's social impact.
- JM Finn also relies heavily on its engagement procedure. The organisation enters in direct dialogue with the companies in which its clients invest, in order to give them a say in the sustainability debate. It has developed its own procedure for this.

## JM Finn and its clients

In 2021, like Delen Private Bank, JM Finn organised a client satisfaction survey. It achieved a NPS of +71 (2019: +70), which is a significantly higher score than the sector average. This score

confirms JM Finn's good reputation and underlines the excellent service it provides for its clients. The survey revealed that the personal service is one of the key drivers in client satisfaction. JM Finn carries out a satisfaction survey every two years, so the next one is planned in 2023.

## JM Finn and its employees

Staff well-being is of paramount importance to JM Finn. It builds long-term relationships with its employees and encourages personal and professional growth.

Previously launched well-being initiatives are being continued and enhanced. Some examples are trainings on mental health, and lunch sessions devoted entirely to talking about mental health.

JM Finn is deeply committed to the further development and growth of its staff. For quite some time, employees of JM Finn have been able to discuss their training needs at an annual review. Similarly to Delen Private Bank, JM Finn uses the Learning Management System (LMS) platform to deliver specific training aimed at a particular group of employees, along with broader training attended by the whole company, such as whistleblower training.

JM Finn has formed a 'Diversity & inclusion Committee', entrusted with the important task of promoting diversity and inclusion and integrating these values in corporate culture and strategic prospects. A strong strategy on diversity & inclusion creates value for JM Finn and helps boost the well-being and commitment of

its staff. The Committee meets monthly and launches various actions and initiatives on diversity and inclusion.

JM Finn is aware that there is still work to be done, particularly in the wider financial services sector. It has further refined its aims and focus around diversity & inclusion, committing itself among other things to achieving a minimum female representation of 30% on its leadership team. To reinforce this aim, JM Finn signed the 'Women in Finance Charter' and has further extended its involvement in GAIN ('Girls Are Investors'). GAIN is a non-profit organisation dedicated to getting more young, talented women into the financial sector by organising company presentations and providing career support and career opportunities. Lastly, JM Finn has also set up a mentoring programme and a specific internal network with the aim of becoming a more diverse and inclusive company.

## JM Finn and the local community

Since 2019, JM Finn has been partnering with Briar Associates, which assists JM Finn with its CO2 calculations and proposes specific working points for lowering the environmental footprint. JM Finn again calculated its ecological footprint in 2022, which came to 243 tCO<sub>2</sub>e. When turnover is taken into account, JM Finn's carbon intensity is 2.5 tCO<sub>2</sub>e per million euros of turnover.

One major achievement in 2022 was the formation of a 'Sustainability Committee' that reports to the management committee. The Sustainability Committee is made up of employees from various areas and its main objective is to establish various sustainability initiatives and build out its general sustainability strategy. Its key tasks are as follows:

- Determining the general policy on sustainability and making it tangible
- Monitoring progress of initiatives launched and taking action as necessary
- Drawing up a business plan for JM Finn's ecological footprint, including clear targets that are communicated and monitored.

### Good causes

Each year, JM Finn raises funds for various 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 strives to support each of the chosen good causes for a period of three years.

JM Finn also supports a 'volunteering day', offering an opportunity for every employee to take a day off to volunteer for

a local project within a particular community chosen by the employee.

Sustainability is also embraced in the partnership with the Royal Academy of Arts, which JM Finn has upheld for over 10 years now. Together, they recently developed a roadmap for becoming climate neutral by 2050. ▼ [See box](#)

has a data protection officer, who ensures that data protection principles are correctly applied and continually tightened. JM Finn has been awarded the Cyber Security Essentials + certificate, in recognition of its robust cybersecurity throughout the organisation. JM Finn has a very strict approach to fraud and money laundering practices. Its 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.

### KPI 16 - Breakdown of carbon emissions - JM Finn

**SCOPE 1 - 3 tCO<sub>2</sub>e:** Heating, air conditioning and car fleet  
**SCOPE 2 - 195 tCO<sub>2</sub>e:** Direct electricity consumption  
**SCOPE 3 - 45 tCO<sub>2</sub>e:** Indirect electricity consumption, commuting, and paper consumption



### 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. Security awareness seminars and practical workshops ensure that employees are closely involved with, and remain aware of the issues. The IT department manages data protection centrally, and the team ensures that appropriate measures are taken to guarantee an adequate level of data security. Furthermore, the Compliance department

# Risk management

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Risk management and the core values >

The responsibility of the entire organisation and of every employee >

# Risk management

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## Risk management and the core values

The bank's values are our compass in everything we do. We have five values: prudence, sustainability, personal contact, a family touch, and efficiency. These core values are what constitutes 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 Delen's DNA and the bank 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 for this purpose.

The Delen Group has a cautious, pragmatic, long-term vision, which prioritises client satisfaction and transparency. The group 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
- IT risk
- Compliance 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 preset 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 work together with the internal control services and operate according to the legal principle of 'three lines of defence'. In this system of control, the first line (operational departments) is 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. 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 as a result of a degraded service

Client satisfaction is of course one of the Delen Group's primary objectives. 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 number of reasons, the Delen Group runs a substantial reputation risk.

### b) Reputation risk as a result of 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 as a result of 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 are very attentive to adopting a correct, responsible stance towards 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.

Regarding 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 pentesting 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, the bank 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.



# Annexes

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# EU Taxonomy

Since January 2022 Delen Private Bank has been subject to an additional reporting obligation arising from the Taxonomy regulation and its delegated act. The bank must disclose its activities and indicate the extent to which they are Taxonomy Eligible. Next, it must indicate whether those activities are Taxonomy Aligned. Currently, this reporting obligation applies only to balance sheet activities, which means that Delen Private Bank's key task, responsible asset management, is not included in this analysis.

To begin with, we have to determine which activities are taxonomy eligible. The bank looks at exposures to actors who must be in line with the NFRD (Non Financial Reporting Directive). The overview is presented as a pie chart, which breaks down the total assets on Delen Private Bank's balance sheet into percentages of different components. We explain these below:

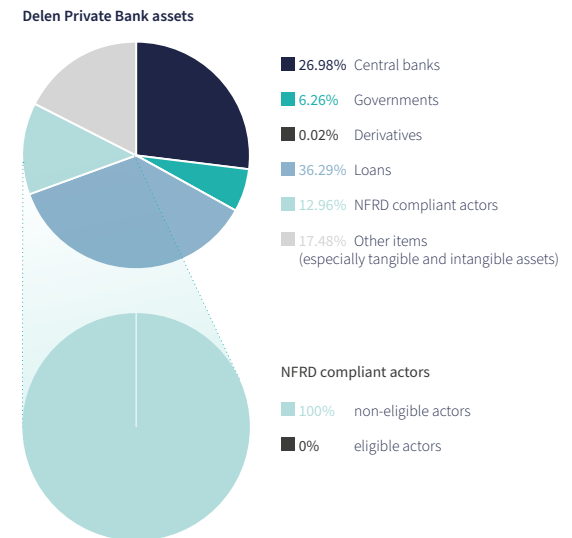
- A particular set of assets is excluded by definition from the analysis: exposures to central banks (26.98%), to governments and other supranational institutions (6.26%) and derivatives (0.02%)
- Delen Private Bank offers lending as a supporting service (36.3%). Given that most of Delen Private Bank's clients are private individuals and legal entities, these loans do not fall within the strict EU taxonomy definition. Since there are no clients who fall under the NFRD legislation, they are disregarded.
- There are some other components not covered by the analysis (17.48%). Chiefly, these are tangible and intangible assets.

- Exposures to actors subject to NFRD legislation make up 12.96% of total assets. The bank investigates which of these activities are taxonomy eligible. However, for Delen Private Bank these are only exposures to other financial players, which are not currently included in the EU taxonomy. This category comprises the balances that Delen Private Bank has at other banks of various sizes, as well as a position in commercial paper held by our affiliate, Bank Van Breda, as illustrated in the second pie chart. Since none of our exposures fall under EU taxonomy, no further analysis can be undertaken to check whether those exposures are taxonomy aligned.

In addition to this analysis, two other ratios must be reported: the size of the trading portfolio as a percentage of total assets (0%, since Delen Private Bank does not have a trading portfolio) and interbank loans repayable on demand as a percentage of total assets (7.2%).

### Important note

*These reported figures have been prepared on best-effort basis, using the available information (mainly company information from Graydon), and have not been audited. We reiterate that Delen Private Bank's main activity involves discretionary management, and its impact on environmental matters is mostly off-balance sheet. Here at Delen Private Bank, we are keeping a close watch on the legislation, since the regulations propose that, from 2024 onwards, information must also be reported on off-balance sheet components and these are part of Delen Private Bank's core task.*



# GRI Index

GRI standard	Title	Reference
101	Foundation 2016 - NFR was drawn up taking into account the GRI standards	
102	General Disclosures 2016	
102-1	Name of the organisation	Page 4
102-2	Activities, trademarks, products and services	Page 5
102-3	Location of the registered office	Page 46
102-4	Place where the Delen Group operates	Page 45
102-5	Shareholding and legal form	Page 9
102-7	Size of the organisation	Page 19
102-8	Information on employees	Page 19-23
102-12	External initiatives	Page 29-31
102-13	Membership of associations	Page 31
102-14	Statement of the executive officer	Page 4
102-15	Key impacts, risks and opportunities	Page 39-40
102-16	Values, principles, standards and rules of conduct	Page 39
102-18	Policy structure	Page 9 and website www.delen.bank
102-20	Responsibility for ecological, environmental and economic topics at the management level	Page 8 and website www.delen.bank
102-22	Composition of the highest governance body and its committees	Website www.delen.bank and the annual report
102-23	Chairman of the highest governance body for sustainability reporting	Website www.delen.bank
102-31	Revision of ecological, environmental and economic topics	Page 42
102-32	Role of the highest governance body for sustainability reporting	Website www.delen.bank
102-35	Remuneration policy	Page 23 and website www.delen.bank
102-36	Remuneration determination process	Page 23 and website www.delen.bank
102-40	Overview of stakeholders	Page 9-10 and website www.delen.bank

GRI standard	Title	Reference
102-42	Identification and selection of stakeholders	Page 9-10 and website www.delen.bank
102-45	Entities included in the consolidated annual accounts	Cf. the consolidated annual accounts of Delen Private Bank
102-47	Overview of material topics	Page 33
102-50	Reporting period	The reporting period is the financial year ending on 31 December 2022
102-51	Date of most recent report	The most recent report was published in June 2022
102-52	Reporting cycle	Annual
102-53	Contact point for questions about the report	info@delen.bank
102-54	Claims of reporting according to the GRI principles	Page 9
102-55	GRI content index	Page 43
102-56	External assurance of the report	EY
<b>201</b>	<b>Economic performance</b>	
201-1	Contribution of economic value and distribution	Page 5 and annual report
<b>205</b>	<b>Anti-corruption</b>	
205-1	Anti-corruption assessment	Page 39-40
<b>401</b>	<b>Employment</b>	
GRI 401-1	New employment and turnover	Page 20-21
<b>404</b>	<b>Education and training</b>	
404-1	Training per employee	Page 21
404-2	Increasing employee skills	Page 21
<b>417</b>	<b>Marketing and labelling</b>	
417-1	Product and service information	Page 5
<b>419</b>	<b>Socio-economic compliance</b>	
419	Socio-economic compliance	Page 39-40

# SDG Index

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 | Antwerp-North | Brussels | Ghent  
Hasselt | Kempen | Knokke | Liège | Leuven | Namur  
Roeselare | Waregem | Waterloo | West Brabant

## Our offices in the Netherlands

Amsterdam | Heerenveen  
Hengelo | 's-Hertogenbosch

## Our subsidiaries

Delen Private Bank Luxembourg | Delen Switzerland  
JM Finn United Kingdom

Our

# offices

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# DELEN

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