DEGROOF PETERCAM **ASSET MANAGEMENT**

JULY 2022

SUSTAINABILITY RANKING **EMERGING COUNTRIES**

THE PARAMOUNT ROLE OF **A REAL DEMOCRACY**

The War in Ukraine is a daily reminder of how precious freedom and democracy are, and how essential security is.

The respect of civil liberties and political rights has been at the core of our proprietary model for sustainable countries since inception. When we launched the expertise back in 2013, the question of democratic values in emerging countries was key and challenging. To deal with this predicament, international organisations, who have the legitimacy to assess the **democracy** level of a country, had to debate and validate the issue. Therefore, countries that do not meet minimum democratic requirements, as stipulated by external independent experts (Freedom House and Democracy Index published by the Economist Intelligence Unit) will not be eligible for our ranking. **Exclusion** is a severe decision and closes the door to progress and engagement. This is why we use both sources to justify our decisions. But the weight those countries might represent in benchmarks will not affect our conviction that the core values states promote or neglect should constantly be questioned. **In the end, it is all about impact and value alignment.**

Emerging economies are generally considered to have high potential, notably due to their young and growing population. Although most are not always seen as being sustainable or having a democratic process, integrating sustainability criteria into the management of a portfolio investing in these countries can be of real added value.

A PIONEER IN SUSTAINABILITY ANALYSIS FOR EMERGING ECONOMIES

Contrary to popular belief, integrating sustainable factors to the analysis of emerging market issuers is compatible with, and adds value to a sovereign debt portfolio. Indeed, this helps to provide a holistic view by focusing on the long-term perspectives for key institutions that are vital for the functioning and development of markets. The analysis is complementary to credit ratings by mapping the risk situation in terms of sustainability and by providing valuable additional insights to sustainability-oriented investors.

The world population currently stands at 7.9 billion. According to United Nations statistics, this number is projected to grow to 9.5 billion by 2050. This increase will be particularly prevalent in emerging economies, which are currently confronted with overpopulation and a lack of natural resources. The demographic challenge is not only related to energy and ecology challenges, it also entails a challenge for the entire economy.

The uprisings in the Middle East and large migratory movements have and continue to highlight the importance of the democracy process, the guarantee of civil rights and freedoms. Inequalities within a population where high unemployment exists, in particular among the youth, create an insecure and unstable climate, which may ultimately lead to population rebellion.

Therefore, analysis of the viability of an emerging economy should include the sustainability of the country in terms of transparency and democratic values, as well as the economy, environment, demographics, health care, wealth distribution and education.

The experience DPAM has gained in the sustainability analysis of OECD states has led to a sustainability model designed for emerging markets which incorporates the specifics of these countries.

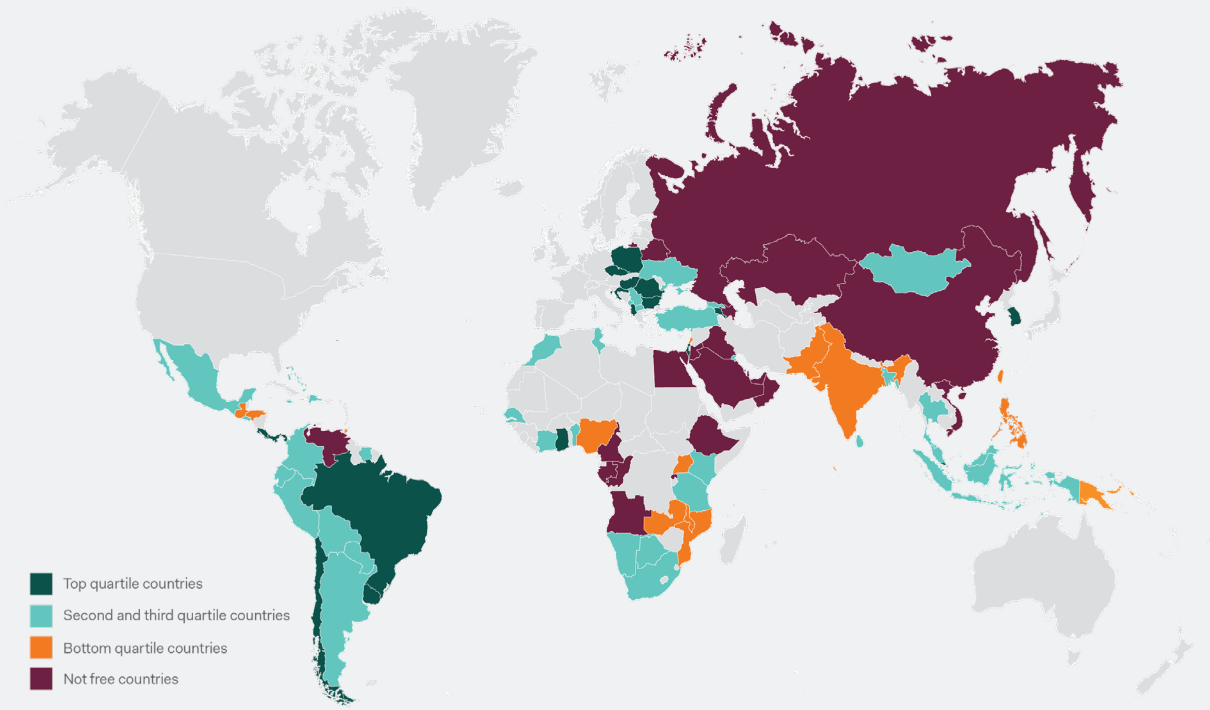
SUSTAINABILITY RANKING – JULY 2022

The starting universe is composed of 89 countries, mainly defined by the existence of a local or hard currency sovereign debt market. The sustainability ranking enables the identification of the countries which have fully integrated global challenges into the development of their medium-term objectives.

This complements the information gathered from credit ratings, which is traditionally used to assess the short term valuation of sovereign debt.

Integrating long-term perspectives allows to highlight those countries that are expected to outperform others and therefore to be solvent. These perspectives have no direct impact on the current valuation of an investment, but will influence medium and long-term performance.

Emerging Markets



Source: DPAM, July 2022

Sustainable country ranking of Emerging Markets member states

#	Top Quartile	H1 2022	H1 2021
1	Uruguay	72	66
2	Czech Republic	70	68
3	Costa Rica	69	63
4	Croatia	69	66
5	Poland	68	67
6	Chile	67	66
7	Hungary	66	62
8	Romania	66	60
9	Albania	65	60
10	Bulgaria	64	62
11	South Korea	64	63
12	Singapore	63	71
13	Ghana	63	53
14	Armenia	63	55
15	Brazil	62	58
16	Israel	62	65
17	Panama	62	59

#	2nd & 3rd Quartile	H1 2022	H1 2021
18	Malaysia	61	65
19	Argentina	61	60
20	Namibia	60	54
21	Botswana	60	51
22	Ecuador	59	58
23	Georgia	59	58
24	Peru	59	58
25	Paraguay	59	58
26	Dominican Republic	59	57
27	Montenegro	59	61
28	Colombia	58	59
29	Mexico	58	57
30	Bolivia	58	55
31	Ukraine	57	54
32	Sri Lanka	57	55
33	Serbia	57	57
34	Thailand	57	58

#	2nd & 3rd Quartile	H1 2022	H1 2021
35	Tunisia	57	58
36	Bahamas	57	55
37	Kuwait	57	56
38	Jamaica	56	55
39	Morocco	56	54
40	Macedonia	56	58
41	Suriname	56	55
42	Côte d'Ivoire	56	48
43	Mongolia	55	56
44	Kenya	55	48
45	Senegal	55	48
46	Indonesia	55	56
47	Benin	54	43
48	Turkey	53	54
49	Bangladesh	53	49
50	South Africa	53	53
51	Tanzania	52	45
52	El Salvador	52	50

#	Bottom Quartile	H1 2022	H1 2021
53	Malawi	52	47
54	Guatemala	51	50
55	Philippines	51	52
56	Maldives	51	58
57	Lebanon	50	50
58	Uganda	50	44
59	Zambia	50	47
60	India	49	50
61	Honduras	49	48
62	Trinidad and Tobago	43	52
63	Mozambique	43	44
64	Papua New Guinea	43	39
65	Nigeria	40	38
66	Pakistan	39	41
67	Taiwan	-99	-99

#	Not free countries	H1 2022
1	United Arab Emirates	64
2	Qatar	63
3	Belarus	58
4	Oman	55
5	China	55
6	Kazakhstan	54
7	Russia	54
8	Vietnam	52
9	Saudi Arabia	51
10	Bahrain	50
11	Egypt	50
12	Rwanda	49
13	Jordan	48
14	Azerbaijan	48
15	Venezuela	43
16	Gabon	39
17	Cameroon	38
18	Iraq	37
19	Ethiopia	36
20	Angola	35
21	Congo	27

Source: DPAM, July 2022

DEMOCRACY AS A STARTING POINT

The core of the model is the democratic values. Upholding these is a moral obligation to DPAM, which is intrinsically linked to the stance of a sustainable investor. Indeed, academic research has demonstrated the clear corrolation between the quality of the institutional framework of a country and its default risk.

DPAM uses the research of the international NGO Freedom House to assess the democratic development of a country. Based on an annual survey containing 25 questions on political rights and civil liberties, a country is attributed the status of 'free', 'partially free' or 'not free'. This information is complemented by the Democracy Index published by The Economist Intelligence Unit, which is also based on approximately twenty questions to assess the democratic level of a country. The latter is attributed the status of "democracy", "flawed democracy", "hybrid regime" or "authoritarian regime".

Several countries within the emerging universe do not fulfil the minimum requirements in terms of democracy and investment leeway. In total, the investment strategy linked to this sustainability ranking refrains from investing in countries which have been categorised by reputable international sources as 'not free' and confirmed as "authoritarian regimes". These include the United Arab Emirates, Belarus, Oman, China, Kazakhstan, Azerbaijan, Qatar, Vietnam, Rwanda, Saudi Arabia, Russia, Egypt, Bahrain, Gabon, Angola, Venuzuela, Cameroon, Congo and Ethiopia.

Studies indicate a clear link between the democratic level of a country and its sustainability. It should therefore not come as a surprise that the majority of those countries deemed 'not free' are at the bottom of the sustainability ranking.

SUSTAINABILITY: A REAL ADDED VALUE TO MANAGE INVESTMENT IN EMERGING MARKETS

The analysis provides important information regarding sustainability levels of the studied countries. It enables comparison with several countries which have a similar level of economic development, but differ with regard to social, ecological and corporate governance development. Making a clear and full analysis of the sustainability of a country adds real value as part of the construction of an investment portfolio, in addition to the ideological values that may be presented. In essence, the model puts the opportunities and risks linked to a country into context.

The objective is not to exclude countries which have low sustainability scorings, as several countries in the universe have just started to improve their democratic process. Many years of dictatorship weigh on the sustainable development of a country. The transition to fully respect civil liberties and political rights, freedom of press and gender equality is a long term process, in particular if these rights have been violated for many years. Therefore, the progress made by countries should be closely monitored.

GLOBAL **COVERAGE**

The extra-financial research performed by DPAM covers those countries into which investors may want to invest (39 OECD countries and 89 emerging countries). This forms an integral part of DPAM's conviction management, which is based on seeking risk-adjusted performance. Investors having a clear and full view of the risks and opportunities of a specific country have a comprehensive source of information to assess whether the companies active in that particular country may be successful. The quality of a financial investment is judged, among other things, by the characteristics of the markets the company operates in, and of the specificities of those countries.

WHAT IS **SUSTAINABILITY?**

Sustainable development meets the needs of the present generation without compromising the ability of future generations to meet their own needs[1].

Sustainability at country level differs from that of a corporation. A sustainable country is committed to fully ensuring the freedom of its citizens and invests in their personal development and welfare. It is respectful towards the environment and is reliable in terms of international responsibilities and commitments. It ensures its future and invests in next generations (education & innovation).

HOW TO MEASURE SUSTAINABILITY OF A COUNTRY?

There are three main approaches to measuring the sustainability of a country:

01 The **legal approach**, with the emphasis on treaties and offenses related to government actions. It should be noted however that agreement treaties are not always fully binding and there is often no penalty where violations occur.

02 The extreme **stakeholder approach**. The inconvenience of this approach is the importance of the number of stakeholders and parameters to be considered, giving rise to the possibility of dilution and irrelevancy of the indicators.

03 The **exclusion approach**, which consists of exclusions on the basis of controversial activities, examples being whale hunting and deforestation.

These approaches raise the issue of the moral threshold level, and subjectivity is likely to make it questionable.

[1] *Source: Bruntland Report, 1987*

The lack of information and an associated model encouraged DPAM to develop an in-house research model in 2007. Given the subjective character of the issue, key principles were defined from the beginning:

01

Existence of an **advisory board**, consisting of external specialists providing input to the model.

02

Assessment of the commitment of the country to its **sustainable development**: variables on which the country can have influence through decisions.

03

Comparability and objectivity: criteria are numeric data, available from reliable sources and comparable for all countries.

THE FIXED INCOME SUSTAINABILITY ADVISORY BOARD (FISAB) ENSURES THE OBJECTIVITY OF THE MODEL

The role of the FISAB is:

1. To select the sustainable criteria which fulfil the preliminary requirements, and are the most relevant in the framework of sustainability assessment of the OECD and EM universes.
2. To determine the weights attributed to each indicator.
3. To critically and accurately review the model and the ranking to ensure continuous improvement.
4. To validate the list of eligible countries.

The FISAB consists of seven voting members with a majority of external experts. The complementary background of the members guarantees a high level of expertise and knowledge of the issue in constructing the most relevant model. The objective of the board is to raise awareness on ESG issues among the portfolio management teams.

EXTERNAL MEMBERS

Aleksandar Rankovic
Researcher at IDDRI (Institute for Sustainable Development and International Relations)

François Gemenne
Professor at Sciences Po (Paris) & ULB (Brussels)

Jan Schaerlaekens
Deputy at Brussels Parliament

Thomas Bauler
Assistant Professor at ULB-IGEAT (Brussels)

INTERNAL MEMBERS

Ophélie Mortier
Chief Sustainable Investment Officer DPAM

Ives Hup
Global Key Accounts Coordinator DPAM

Celine Boulenger
Economist Degroof Petercam

SELECTIVE AND OBJECTIVE CRITERIA TO ASSESS THE SUSTAINABILITY OF COUNTRIES

The sustainable overlay is characterised by indicators, which governments can utilise to influence their policies (government, authorities, and law). Thus, it avoids data linked to the geography or population density of the country. The model is quantitative and tracks the current performance of a country, with comparable data. Only a limited number of treaties are considered as they do not guarantee genuine commitment.

The underlying principles of the model remain the same, quantifiable criteria that can be applied to all countries, coming from acknowledged and reliable sources. Simultaneously, the assessment criteria must be adapted to the specific context. The level of development strongly varies from one country to another, which is why it is crucial to focus on a limited number of criteria which are vital to sustainability. For instance, the literacy rate is not relevant in developed countries in Europe, it is more so in countries such as Brazil, Ghana and Malaysia.

BEST-IN-CLASS COMBINED WITH **BEST APPROACH**

Existing for over 15 years, the FISAB organized several strategic sessions on the proprietary model. The model was reviewed through the ESG angle: Environment, Social & Governance.

If climate has been occupying a major place in the global political agenda and in the sustainability analysis, DPAM remains convinced about the equal importance of the three interconnected dimensions.

The existing structure of five dimensions has been reviewed through this angle i.e.:

ENVIRONMENT
The environmental dimension.

SOCIAL
Regrouping the dimension of “population, health & wealth distribution” and the dimension of future generation “education and innovation.”

GOVERNANCE
The dimension of “Transparency & democratic values.”

E 33%

ENVIRONMENT

Ecological footprint, Ecological performance index, etc.

S 17% / 17%

EDUCATION

Literacy rate, School participation, Expenditure per student, etc.

POPULATION, HEALTHCARE AND WEALTH DISTRIBUTION

GINI-index, Unemployment, Infant mortality, Water indicators, Sanitation indicators, Health prevention, etc.

G 33%

TRANSPARENCY AND DEMOCRATIC VALUES

Corruption, Press freedom, Civil liberties, Governance sub indexes, ICC, etc.

Trend criteria 50%

The country model which originally consisted of 5 pillars, has been brought back to 4 pillars, the 'Economics' pillar having been absorbed by the pillars 'Education/Innovation' and 'Population, healthcare and wealth', This implies it remains present in the new model, for about 2.69%.

The economic dimension remains naturally important, aligned with the principle of the Three Ps (People, Planet, Profit). This dimension is largely covered by the portfolio management expertise. From the sustainability perspective, we still see the Economics pillar as an important factor, yet we have lowered the overall weight of this pillar. As sustainable economic indicators, we kept age independency, unemployment and youth unemployment included in the social dimension.

The approach is dynamic as the selected criteria are reviewed twice per year with the intention of selecting the most appropriate and relevant criteria for each domain. An indicator may be replaced and adapted, or omitted. New indicators can enter the model and the allocation of the weightings may also vary.

THE MODEL PREDATES THE **SUSTAINABLE DEVELOPMENT GOALS**

The 17 Sustainable Development Goals (SDG's), in the wake of the Millennium Development Goals, which were launched by the United Nations between 2000 and 2015, aim to advocate sustainable development on the economic, social and environmental domain. They reaffirm the human rights and the willingness to eradicate poverty, hunger and inequality by the end 2030.

The 17 social, environmental and economic objectives have been adopted by nearly 200 countries. It is a unique opportunity to channel more investments towards major environmental and social challenges.

DPAM is proud of its pioneer sustainability model that predates the SDG's.
SDG's are so much more than a mere different framework to communicate on our ESG and sustainable investment philosophy. We review the country model taking into account the SDG's to increase its relevancy and to better integrate these objectives in our investment decisions.

E 33%

ENVIRONMENT

Ecological footprint, Ecological performance index, etc.

S 17% / 17%

EDUCATION

Literacy rate, School participation, Expenditure per student, etc.

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PRI Principles for Responsible Investment

DPAM is signatory of the UN-PRI

SOURCES ARE **INTERNATIONALLY RECOGNIZED**

The model aims for the highest possible level of objectivity. Accordingly, statistical data to support the analysis of the country's sustainability are mainly collected from government databases and international governmental agencies such as the International Energy Agency, World Bank, International Monetary Fund, United Nations Development Programme and US Central Intelligence Agency. Data are complemented by information drawn from leading non-governmental organisations such as Freedom House, Transparency International and World Economic Forum.

KEEPING **A HOLISTIC VIEW**

Our sustainability country model relies on the three key sustainability dimensions namely Environment, Social & Governance. Each dimension is equally important but their individual analysis does not hide the interconnectivity between the three correlated dimensions.

Over the last years, we witnessed several disruptions and even contradictions regarding governance, social concern or environmental issues. This is why **sustainability analysis at country level has been essential in an integrated model**. (Read more on the **holistic approach in sustainability here**)

In terms of governance, the strength of the governing institutions is a key indicator to ensure the reliability and stability of the adopted policies and programs. These enable countries in facing internal and/or external challenges and obstacles.

The lack of credible and meaningful policies could impact the social stability of a country. Sound corporate governance is indisputable. At the same time, social instability weighs on long-term growth potential and economic development of a country.

The examples of citizens, through NGO's, suing the States for lack of responsibility in their environmental ambition and emissions targets – is testament to the strong relationship between governance and environment.

ENGAGING WITH COUNTRIES **AS SOVEREIGN BONDS HOLDERS**

Engaging with countries has always been considered challenging, if not impossible to achieve. Therefore, investors have rarely got involved. However, DPAM is convinced of its importance by approaching sovereign issuers and explaining the sustainable methodology we have developed for over 15 years.

The sovereign bond portfolio construction relies on in-depth research of a country's fundamentals implying several investors' trip to meet with supervisory authorities, central banks, government officials, or employers' associations and supranational entities such as the IMF, the World Bank or the OECD. This is a unique opportunity to increase awareness regarding the sustainability approach in government bonds investments from an investor point of view, and to discuss and brainstorm the future ESG challenges. Our country model is at the forefront of the dialogue between investors and sovereigns to highlight the national relative strengths and weaknesses.

The aim of these meetings is not to elaborate on the country sustainable model, but rather explain how the output of DPAM works and dialogue with the different countries in order to:

- **Explain** our approach and how it may impact our investment decision process.
- **Raise awareness** about the outcome of our models and to ultimately pass on a clear message to policy makers that country sustainability can be a key driver for investor appetite.
- **Be receptive** to any constructive feedback to enhance our models.

As democratic countries are governed by a voting electorate, and not by voting shareholders, there is clearly a different link between government bond holders and governments, compared to the relation between companies and shareholders, or even creditors. Nonetheless, **our aim is to favour funding countries that are managed in a sustainable way**, and we see it as our responsibility to inform countries about our investment process, and to some extent our country model. Hence the need for a country engagement framework.

The engagement with sovereigns is a unique opportunity to inform national treasury, debt management office or equivalent about the use-of-proceeds bonds such as green, social or sustainability government bonds (1) to encourage increase in issuance of such impact bonds and (2) to raise awareness and importance on the alignment of current and future issuance frameworks with best practices.

ILLUSTRATION MONGOLIA

It is interesting to look at the secular case of Mongolia in several ways.

Its geographical position makes it **special and unique** because, politically, it is wedged between Russia and China - two recognized authoritarian regimes-, and environmentally, its desert, steppes and plains make it a unique ecosystem.

Long characterized by a nomadic population, Mongolia is now facing **the challenge of rapid urbanization**, which presents also opportunities.

Living in traditionally nomadic pastoral communities does not facilitate certain social issues such as education, access to water, electricity, and adequate sanitation, which are more easily organized in a grouped population.

However, Mongolia has succeeded in some of these challenges such as **literacy and access to primary education** for the population. These can be facilitated by a more urbanised and concentrated lifestyle. Today, nearly 70% of the population lives in the country's capital Ulaanbaatar, with the traditional challenges that accompany accelerated urbanisation (infrastructures, food security, safety, pollution, waste management, etc.)

Let's have a look at the country scorecard to identify the core strengths and weaknesses.

Mongolia sustainability scorecard

MONGOLIA

	Score	Rank	Strength/Weakness
	55.5	**44**	

	Score	Rank	Strength/Weakness
TRANSPARENCY & DEMOCRATIC VALUES	**18.8**	**38**	
Emigration	0.8	3	
Equality	0.6	27	
Institutions	5.3	38	
International relationships	2.6	39	
Rights & liberties	5.7	43	
Security	3.9	17	

	Score	Rank	Strength/Weakness
POPULATION, HEALTHCARE AND WEALTH DISTRIBUTION	**9.8**	**25**	
Basic human needs	2.3	6	
Demography	2.3	37	
Health & wellness	2.7	42	
Inequality	2.4	12	
Labour rights	0.2	12	

	Score	Rank	Strength/Weakness
ENVIRONMENT	**14.2**	**66**	
Air quality & emissions	4.9	63	
Biodiversity	4.2	33	
Climate change	3.3	65	
Energy efficiency	1.8	66	

	Score	Rank	Strength/Weakness
EDUCATION	**12.6**	**1**	
Equality	1.8	25	
Innovation	0.0	62	
Participation	8.9	1	
Quality	1.9	4	

Source: DPAM 2022

Today the country is ranking in the third quartile of the ranking penalized by the below average performance in terms of governance (transparency and democratic values) and by bottom ranked performance in terms of environment.

Civil liberties and political rights are not fully aligned with democratic standards and expectations. In 1990, the revolution took place peacefully and the country set up multiparty elections and established itself as an electoral democracy. Nevertheless, despite the institutionalization of political rights and civil liberties, **corruption remains a scourge** and the two traditionally dominant parties continue to rely on patronage networks.

ILLUSTRATION MONGOLIA

The country is classified as free by Freedom House and as a flawed democracy by the Democracy Index published by the Financial Economist Intelligence.

On the environmental side, the bottom performance of Mongolia is mainly explained by its **still high reliance on coal.** The country is used to experience climate substantial variation with high temperatures variations, heat wave, drought and river flood.

This is expected to increase and it will interplay with the current development trends in the country. For instance, unplanned development in flood exposed areas and air pollution issues interaction could enhance **health risks** (particularly the high pollution in the cities – the capital) and **inequalities**.

However, the country benefits from **unique opportunities in terms of renewables development.** The "land of the blue sky", with 250 sun shining days annually and the wind from the Gobi Desert are important potential sources of solar and wind energy. The power potential of those two combined sources should be sufficient to meet the country's energy demand. It can also meet northeast Asia's regional energy demand, if a suitable transmission infrastructure is ensured. The country aimed at increasing the share of renewable energy in total installed capacity up to 20% by 2023 and 30% by 2030.

The environmental issues weigh on the social dimension as the constant frog has low quality of air as a result, particularly in Ulanbaataar, landlocked in the valley.

These are the different challenges we have had the opportunity to discuss with important country's representatives, in particular the Ambassador of Mongolia in Belgium and the Vice Minister of the Energy Ministry during his official visit in Brussels as Chairman of the International Energy Charter.

These meetings were a unique opportunity to **raise awareness** about the importance of sustainable investments, particularly for European investors. DPAM's commitment to the Net Zero Asset Management Initiative was also discussed, in parallel with the other massive international commitment to decarbonization. This highlighted the importance to reduce the country's reliance on coal whilst exploiting better and for internal consumption as well the renewables resources. All this could offer **improved air quality and health of population.**

Furthermore, we shared our expectations regarding **green bonds** notably the importance of alignment between the issuer country and its environmental/climate policies and the green project targeted by the use of proceeds of the green bonds. We also highlighted the most important criteria to assess green bonds: the clear use of proceeds (eligibility of the projects, decision-making process), disclosure of documentation, approved verifier and management of proceeds i.e. tracking proceeds.

State Policy on energy 2015-2030

OUR COMMITMENT **TO SUSTAINABILITY**

Being a responsible investor goes beyond offering sustainable and responsible products; it is a **global commitment at company level** translated into a coherent approach. ESG factors are environmental, social or governance characteristics that may have a positive or negative impact on the financial performance or solvency of an entity, be it sovereign or individual.

DPAM is committed to act as a sustainable and responsible market participant. **Our engagement is threefold:** uphold fundamental rights, avoid controversial activities and be a responsible stakeholder by engaging with companies to foster best practices & evolutions bringing sustainable solutions to ESG challenges.

Our commitment

Defend the basic and fundamental rights
- Human Rights, Labour Rights, Fight against Corruption and Protection of Environment

Express an opinion on controversial activities
- No financing of usual suspects
- Clear controversial activity policy & Engagement on controversial issues
- Avoid controversies that may affect reputation, long term growth and investments

Be a responsible stakeholder and promote transparency
- Bring sustainable solutions to ESG challenges
- Engage with issuers, promote best practices and improvements

We are convinced of the risk/return optimisation that comes with ESG integration. We see sustainability challenges as risks and opportunities. We use ESG factors to assess them in our investment decisions. We are committed to the European Commission's 2030-2050 program for **sustainable and inclusive growth.**

The asset management industry is an impactful gear in the financial system. We want to take up our responsibility here. As a result, we consider it is important to define well the ESG factors, priorities and targets that are **material.**

Conviction & commitment

The last decades brought on a lot of challenges. We firmly believe that **sound** corporate governance, a clear **understanding** of current/future environmental challenges and **respect** for social norms are drivers for long-term sustainable performance. This vision is integrated in our mission and value statement.

Our goal is to offer leading expertise and guard our shared values and beliefs. Environmental, Social and Governance (ESG) considerations are integrated into our value proposition, our fundamental research and our investment processes.

Member & signatory

To prove our commitment to long-term sustainable financial management, we are a signatory to various organisations. These all advocate responsible investments and offer continuous insights into ESG challenges and opportunities.

We are part of two key initiatives on shareholder responsibility and the fight against climate change: PRI (since 2011) and Net Zero Asset Managers initiative (since 2022).

We have been supporters of the TCFD recommendations since 2018. In addition, we joined the Climate Action 100+ in 2019. That same year, we also became a signatory of FAIRR, a collaborative engagement initiative which seeks to decrease the environmental impact of the food value chain by encouraging the use of sustainable proteins within food products.

In June 2020, we decided to support the Investor Alliance for Human Rights, a collective action platform for responsible investments that is grounded in the respect for people's fundamental rights. Because the environment and biodiversity are such urgent global concerns, we have been supporters of the Finance for Biodiversity Pledge since December 2020. This Pledge calls on global leaders to protect and restore biodiversity through their financial activities and investments decisions.

OVER A 20 YEAR TRACK RECORD
in sustainable investing

SIGNATORY OF UN-PRI SINCE 2011
Highest rating A+ for our expertise

PIONEER IN SUSTAINABLE SOVEREIGN DEBT
EUR 4.5 bn invested

EXERCISE OUR VOTING RIGHTS IN 604 COMPANIES
in Europe and North America

EUR 16.2 bn in **SUSTAINABLE & RESPONSIBLE INVESTMENTS** across various asset classes (as of end of June 2022)

In 2022 DPAM decided to join the **NET ZERO ASSET MANAGERS INITIATIVE** (273 signatures with USD 61.3 trillion in AUM)

ACTIVELY ENGAGED IN DIALOGUE WITH OVER 100 COMPANIES
regarding corporate governance practices

Supporter of **TCFD RECOMMENDATIONS** and **SIGNATORY OF THE CLIMATE ACTION 100+**

PRI Principles for Responsible Investment

DPAM is signatory of the UN-PRI

CONTACT DETAILS

Ophélie Mortier
Chief Sustainable Investment Strategist

o.mortier@degroofpetercam.com
Tel + 32 2 287 97 01

dpamfunds.com

/company/dpam

/degroofpetercam

dpam@degroofpetercam.com

publications.dpamfunds.com

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