

## DPAM as a Sustainable & Responsible Market Leader

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DPAM has been actively engaged in Sustainable & Responsible Investment since 2001. It is our conviction that sustainable investing is a long-term trend in finance as well as in civil society, which is here to stay. As sustainable and responsible Investing is essential to the identity of DPAM - as illustrated by our baseline **Active – Sustainable – Research** we strive to offer sustainable & responsible investment strategies achieving a high level of ESG quality.

Leveraging on our learning curve, we have set up a robust sustainable investment process over these years, capitalizing on our in-house expertise in positive sustainability screenings (best-in-class/best-in-universe, ESG scorecards, thematic stock-picking), in negative screening (norms-based, controversial activities), as well as in corporate engagement & proxy voting, and more recently in impact finance.

Indeed, a lot of things are going on, and that's why we would like to benefit from this occasion to provide you with an overview of where we stand and what we have learned so far.

First of all, we are proud to state that **20%** of our **assets under management** are now invested in sustainable strategies. Moreover, our in-house buy-side analysts are also creating substantial added value to conventional strategies thanks to their ESG awareness. This is a strong token of the trust of our clients and growing demand and confirms our position as a market leader.

**Commitment**, an **active approach** and a **responsible dialogue** are key words in everything we undertake.

Indeed, as an active and **responsible shareholder**, we actively participated to no fewer than 538 general and extraordinary shareholder meetings, voted for more than 7,800 resolutions and expressed our opinion in 465 companies in Europe and North-America. Our voting policy has been in place since 2013 and has been continuously enhanced. This is fully in line with our **fiduciary duties** as an asset manager and in the best interest of our investors and other stakeholders.

We are also a **committed sustainable actor**. We are member of various collaborative platforms and networks across Europe, and have recently supported the recommendations of the Task Force on Climate-related Financial Disclosures. Indeed, we believe that climate change will remain a key topic in 2019 and beyond. This requires in-depth knowledge and intelligent information sharing. We do have in-house environmental experts, and we have three dedicated environmental experts in our advisory board specialized in country analysis (the Fixed Income Sustainability Advisory Board). We also assess the climate risk for all our funds (carbon footprint) and clearly report on this.

Moreover, **research and analysis** are key in our approach, analyzing our contribution to impact opportunities (impact reporting) and focus on the potential negative contributions of certain investments (engagement).

Finally, DPAM's commitment goes way beyond offering a number of sustainable and responsible investments. As we have a long-standing experience in this domain, and our expertise goes back to 2001, we have been able to build a **rich learning curve to the benefit of our clients**. Indeed, thanks to these lessons learnt, we have been able to develop a strategic stance on a number of **controversial activities**.

Negative screenings, and in particular the controversial activities screening, have a role to play in ensuring that investment portfolios are not exposed to corporate activities that are deemed unethical and / or irresponsible and / or unsustainable.

In that respect, DPAM has recently enhanced and completed its policy regarding **controversial activities**, i.e. a number of exclusions in sustainable strategies have been extended to our conventional actively managed strategies. Concretely, DPAM has decided it wished to divest from a number of these controversial activities.

Three main evolutions are worth highlighting:

- Extension of the exclusion of **tobacco** to the entire range of actively managed DPAM strategies;
- Extension of the exclusion of **nuclear weapons** to the entire range of DPAM strategies;
- Specifically for our sustainable strategies, we have updated our position on **alcohol**. Following in-depth reflections, we have decided to exclude **alcohol producers** which fail to uphold a responsible commercial policy (i.e. whose commercial practices insufficiently warn consumers against the risks associated with the improper consumption of alcohol). This is done following systematic engagement with companies' managements, in a way to give companies a chance to improve and adopt best-practices.

**Hugo Lasat**, CEO of DPAM, comments on the decision: *"Over the years we have witnessed a growing concern over involvement in a range of contentious activities. Investments in these activities are increasingly incompatible with our long-term risk/return objectives and our sustainability targets. Fully excluding tobacco and nuclear weapons from our mainstream investments is part of our commitment and shows our ambition of being a sustainability leader."*

We are glad with and proud of the evolution we have been through and will continue to invest in resources, knowledge and strategies, in the best interest of our clients and society as a whole.

We will continue to uphold our commitment to a more sustainable and responsible financial industry.

Sincerely,

Hugo Lasat  
CEO

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Responsible Investment Strategist

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Degroof Petercam Asset Management (DPAM) is an independent **active asset management** firm part of a family owned group with its origins in 1871. DPAM is a **sustainable investor**, pioneer and innovative in responsible and sustainable investing. The firm integrates ESG across asset classes and themes and it is an active owner. DPAM has a strong focus on **research** with a proprietary in-house fundamental and quantitative analyst teams (credit, equity and responsible investment) that interact with each other, supporting the firm asset management activities. The company manages investment funds as well as discretionary mandates on behalf of institutional clients, and currently manages over 33 billion euros, with over 135 investment professionals.