

SUSTAINABILITY REPORT (ESG)

This chapter contains the statement regarding the non-financial information of Ackermans & van Haaren ('AvH') in accordance with Article 3:32 § 2 of the Companies and Associations Code, relating to the financial year ending December 31, 2023. ESG topics are also covered in other chapters of the report as a result of the integrated reporting.

1. Your partner for sustainable growth

1.1 Vision

Ackermans & van Haaren (AvH) positions itself as the long-term partner of choice for family businesses and management teams. Its goal is to promote the development of high-performing market leaders who operate with sustainable business models. AvH firmly believes that enduring market leadership goes hand in hand with respect for social and environmental aspects.

AvH aims to increase the resilience of its participations by anticipating potential risks and taking advantage of opportunities systematically incorporating ESG factors in their business models. This approach is applied at both the group and participation levels. The evolution of the key financial and ESG figures of AvH over the longer term clearly demonstrates that AvH is succeeding. With an overall return on equity of 9.8% over the past 10 years, the AvH results show that these efforts, supported by a focus on governance, solvency and prudent accounting, reinforce each other and generate more sustainable earnings.

Despite very challenging and uncertain times, the participations demonstrated resilience in 2023. Notwithstanding the economic and geopolitical context, many group companies continued their investments in environmental areas such as renewable energy, sustainable buildings or agriculture, sometimes facing significant technical and other challenges. Group companies also continued their efforts in the social domain in order to provide an engaging, constructive and safe working environment.

Group companies actively define and reassess their goals outlined in company policies. This is reflected in an increased number of group companies (measured in terms of AuM) with various policies focused on business ethics, innovation and the broader ESG approach. The aim is to create a sound business culture and proper governance, encouraging the involvement of all those working for and on behalf of group companies. The right corporate culture is also key to ensuring that ESG visions are embedded within the company strategy, governance and processes at all levels. Such efforts

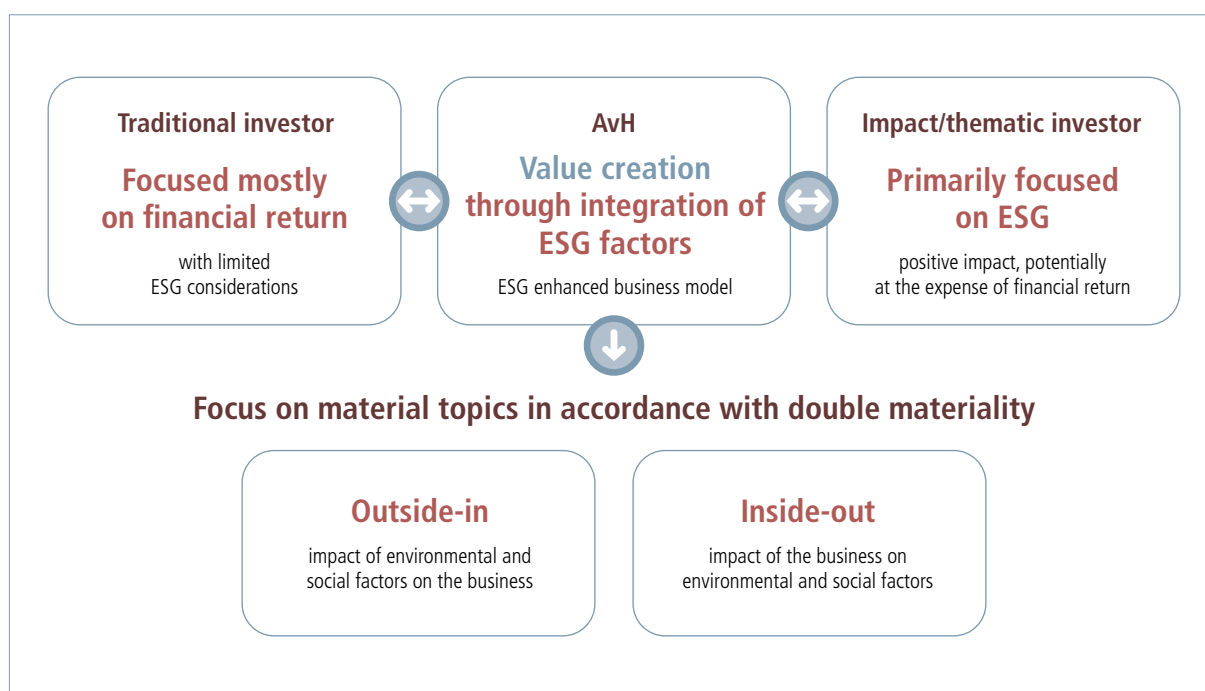
come at a cost, for which payback is not guaranteed. These efforts lead to more innovative and sustainable product offerings. AvH's EU Taxonomy strong alignment underscores this positive impact. This emphasizes that a structural ESG policy makes sense.

AvH integrates its ESG vision into its **responsible investment policy** and into its engagement with the participations as a **responsible and active partner**. Steps are implemented on a continuous basis to discuss ESG strategic topics with the boards of directors to develop appropriate policies. The implementation of these ESG policies in the participations is regularly monitored by AvH and discussed with group companies. Being a **sustainable company**, AvH also acts as a role model by integrating this ESG vision into its own organisation.

1.2 Integration of ESG factors into the business model

AvH systematically integrates strategic ESG topics into its responsible investment policy and its engagement with participations. AvH embeds topics such as corporate governance, business ethics, talent development, and innovation, with the aim of creating long-term return and financial resilience. This approach gradually promotes a better link between financial and ESG

DESPITE VERY CHALLENGING AND UNCERTAIN TIMES, THE PARTICIPATIONS CONTINUED TO DEMONSTRATE RESILIENCE IN 2023, WHICH UNDERLINES THAT A STRUCTURAL ESG POLICY MAKES SENSE.



performance. Bearing in mind the increasing focus on climate change and the drive towards a low carbon economy, due consideration is also given to the carbon footprint and reduction plans. AvH expects that by 2025 most of its participations (> 80% of AuM) will have defined a CO₂ reduction plan for 2030 inspired by the SBTi methodology. AvH actively engages with the highest CO₂ emitters to discuss their CO₂ evolutions.

Any progress made as a result of the rollout of AvH's ESG policy is tracked using quantitative core KPIs, in the tables indicated with **KPI**.

AvH not only invests in companies with a primary focus on sustainability, but more importantly also supports the transition of companies in sectors facing specific ESG challenges. AvH wants to make a difference by investing in companies with a clear ESG policy and agenda, and aims to help them be or become best-in-class with respect to ESG. This sets AvH apart from 'impact' or 'thematic' investors.



Further information on AvH's ESG policy and methodology can be found in the Sustainability report: annex 1. 'AvH's ESG policy and methodology'.

More detailed information on the identified material ESG risks of AvH and its group companies can be found in the section entitled 'Annual report of the board of directors - Risks and uncertainties'.

AvH WANTS TO MAKE A DIFFERENCE IN TERMS OF ESG BY INVESTING IN COMPANIES WITH AN ESG POLICY AND AGENDA, AND TO HELP THEM BE OR BECOME BEST-IN-CLASS WITH RESPECT TO ESG CHALLENGES.

1.3 Focused approach based on materiality

AvH's ESG approach systematically incorporates environmental and social aspects. This is done using a 'double materiality perspective', which considers both the impact of these aspects on the company's results and the impact of the company's activities on society. In order to achieve impact in its portfolio, AvH focuses on material participations and material aspects in its approach and processes. It also involves the other companies, screening whether new material issues for AvH might develop, and helping them to define their own ESG policy.

AvH determines material participations based on several criteria: the size of the group company, the type of ESG legislation applicable, AvH's shareholding percentage in them or the interest of their stakeholders in specific ESG topics. Based on these criteria, AvH considers DEME, Delen Private Bank, Bank Van Breda and SIPEF as material participations from an ESG perspective. Together, they represent 67% of the AuM. When the Corporate Sustainability Reporting Directive (CSRD) comes into force, the criteria for defining material companies will be reassessed.

AvH conducts annual risk analyses of group companies. The goal is to identify potential material ESG issues for the AvH group. All risks and opportu-

nities are analysed pre-mitigation comparing it with a relevant peer group, representing the sector view. This means that risks might actually be much lower thanks to the risk mitigation processes that are followed. The results of these analyses identified that DEME, Delen Private Bank and Bank Van Breda have potentially material ESG risks and opportunities in terms of corporate governance. In the case of DEME this also applies with respect to the environment and social aspects. As for SIPEF, the analyses do not identify any potentially material issues for the AvH group. Other participations and ESG risks and opportunities included in the analyses are, based on current insights, not deemed to have a potential material impact on the AvH group. The results of these analyses are reported to and discussed with the executive committee, the audit committee and the board of directors.



More information on the identified SDGs and a detailed reference table to the GRI Universal Standards can be found in the Sustainability report: annex 2 'Sustainable Development Goals (SDGs)' and 3 'GRI content index'.

1.4 Reporting scope & reference frameworks

In the Sustainability Report, progress in the investment portfolio in terms of ESG is reported using the assets AvH manages (AuM) as the relevant scope in accordance with the UN PRI approach and the way investors look at AvH. Certain key figures do only apply to the investment company itself and the associated (investment) team. In the annex AvH reports on ESG based on its accounting scope.

AvH applies the Sustainable Development Goals (SDGs) as its reference framework and the latest version of the GRI Universal Standards. In the run-up to the implementation of the CSRD, the first steps towards integrated reporting were taken in 2023, linking more closely ESG impacts to the activities reported on.

AvH has identified 4 Sustainable Development Goals (SDGs) as material, being 'Good health and well-being', 'Decent work and economic growth', 'industry, innovation and infrastructure' and 'Peace, Justice and strong institutions'.

Value creation through the integration of ESG factors

Material ESG topics

responsible investment policy - responsible ownership - corporate governance - business ethics
talent development - innovation - financial resilience and long-term return

Responsible investor

('AvH as investor' - section 2)

p52	Long-term value creation
p52	External validation (ESG ratings)
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Responsible and active partner

('AvH as shareholder' - section 3)

p57	Corporate governance
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p58	ESG policy and engagement
p59	CO ₂ emissions
p61	EU Taxonomy
p62	Innovation

Sustainable company (AvH's own ESG policy - section 4)

p62	Corporate governance	p67	Environmental/social impact
p64	Talent development	p67	Contribution to society
p67	Business ethics		

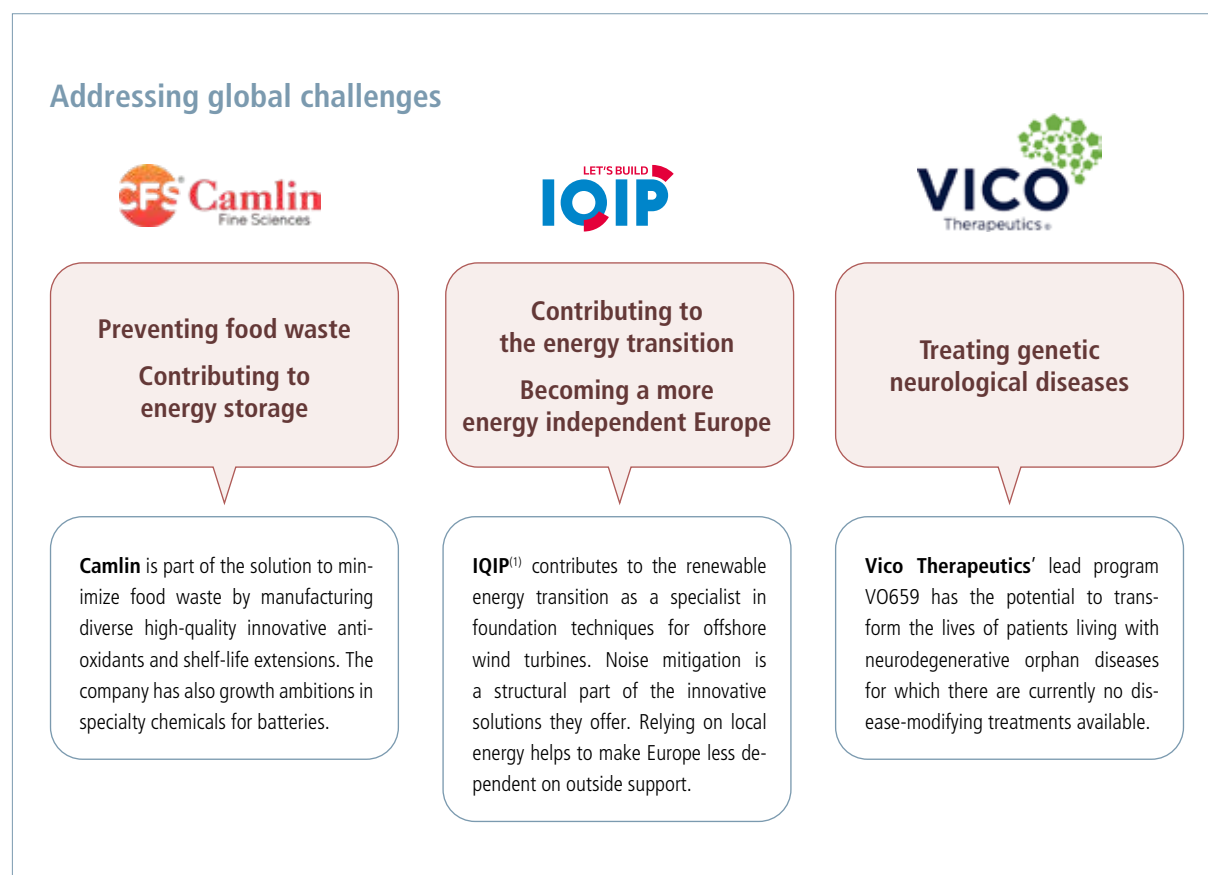
Action plan & data reporting





p68	Action plan 2024	p220	Sustainability Report: Annex (a.o. AvH's ESG policy and methodology, SDGs, GRI-content index,...)
p70	ESG highlights at participations - see 'Activity report'		

2. AvH as a responsible investor

Being a responsible investor, AvH incorporates ESG factors into its business model and analyses in a structural manner, combining a long-term vision with a focus on strategic ESG risks and opportunities. AvH's responsible investment policy is supported by its exclusion policy and due diligence pro-

cedures, which are in line with its ESG vision. AvH is keen on exploring new investment opportunities which address global challenges, to be part of the solution. Clearly, this depends on whether they can show value creation over the longer term including potential opportunities, comply with AvH's exclusion policy and the due diligence review does not identify unmanageable risks. ESG rating agencies recognise and appreciate AvH's structural and long-term approach.



AvH material topics	SDG	Goal	KPI	Trend	2023	2022	2021
Financial resilience and long-term return		10%	 Value creation - Growth of shareholders' equity ⁽²⁾	✓	9.8%	10.3%	9.4%
		Positive	 Net cash position	✓	517 million euros	499 million euros	78 million euros
Responsible investment policy		Obtaining relevant ESG ratings	Sustainalytics	↗	Negligible risk (7.6)	Negligible risk (9.0)	Low risk (12.5)
			UN PRI	✓	4/5 stars	4/5 stars	-
			CDP	↗	B rating	C rating	-
		ESG part of investment decision	Sector exclusion policy	✓	✓	Informal	
			ESG screening of new investments	100%	100%	100%	
ESG training of investment team	92%	96%	91%				

⁽¹⁾ This transaction is subject to various closing conditions, including regulatory approvals.

⁽²⁾ Growth of shareholders' equity plus dividends paid over 10 years (CAGR 2013-2023, 2012-2022, 2011-2021).

2.1 Long-term value creation

AvH adopts a long-term horizon across the economic cycle in terms of its investment philosophy and evaluates the performance of the portfolio of group companies as a whole. It tracks its value creation based on the **growth of shareholders' equity (including dividends paid) over a 10-year period**. By integrating ESG factors into its business model, it anticipates and mitigates risks, but also positions itself for sustainable growth by enhancing the resilience, competitive advantage and long-term financial performance of its companies. AvH's results confirm that performance goes hand in hand with a strategically focused ESG policy. The overall business culture seems to be an important driver thereof, more than any particular single programme or policy.

AvH aims to always have a **positive net cash position**. The net cash position increased in 2023 to 517 million euros. Moreover, AvH has 280 million euros in confirmed credit lines from several banks with which it has established long-term partnerships. AvH wants to have ample resources at its disposal to invest in new promising, sustainable and innovative companies and to support the growth of its existing participations, beyond strong balance sheets. These factors are key for the financial independence of the group companies.

That is why AvH monitors these 2 metrics which link ESG to its long-term financial performance.

2.2 External validation: ESG ratings and assessments


AvH was included in the **BEL ESG Index** launched by **Euronext** in February 2023. This new sustainability index monitors the 20 Brussels-listed companies with the best ESG practices.


In general, ESG rating agencies seem to appreciate AvH's ESG philosophy and priorities. In line with its objective of committing to **ESG ratings relevant for a quoted investment company**, AvH actively engages with UN PRI, Sustainalytics and CDP. The target is to maintain the current ratings.


The **UN Principles for Responsible Investment (UN PRI)** is a United Nations' framework that oversees the integration of ESG in investment decisions and active involvement in participations. AvH formally subscribed to the principles of UN PRI in 2020. In 2023, AvH confirmed its rating of 4 out of 5 stars.


AvH was able to further improve its **Sustainalytics' 'negligible' ESG risk rating, going from 9.0 to 7.6**. Within the segment of multisector holdings, Sustainalytics ranked AvH in the **upper quartile** (5th percentile on January 3, 2024) among its sector peers. AvH is now included in Sustainalytics' **ESG Global 50 Top Rated 2024** list, being one of the 50 best companies assessed worldwide. ISS also awarded AvH the 'Prime' label, which is comparable to the Sustainalytics' 'Industry Top Rated' label.




PART OF









Active engagement (core rating)		
	4/5 star rating	<p>Maintain</p> <div style="background-color: #4a7c9c; color: white; padding: 2px 5px; border-radius: 3px;">4 star rating</div>
	7.6	<p>Maintain</p> <div style="background-color: #4a7c9c; color: white; padding: 2px 5px; border-radius: 3px;">Negligible risk</div>
	B rating	<p>Maintain</p> <div style="background-color: #4a7c9c; color: white; padding: 2px 5px; border-radius: 3px;">B rating</div>

CDP runs a global environmental information system to measure and manage climate related risks and opportunities. The CDP rating and data are used by many stakeholders in their assessment of non-financial information. Over 2023, AvH improved its rating from a C to a **B rating**.

Other ESG ratings such as **MSCI** (BBB score) apply different methodologies not (entirely) reflecting the ESG risks relevant for an investment company. Engagement is ongoing to update their approach.

2.3 Responsible investment policy

ESG is systematically integrated into AvH's investment policy. A due diligence review is performed for new investments. AvH ensures that the composition of its portfolio evolves in line with long-term challenges in order to achieve a future-proof and resilient investment portfolio. ESG is integrated into every stage of the investment cycle based on the UN PRI framework.

The overview below summarises AvH's responsible investment policy. The outcome of the **ESG assessment** and **due diligence review** is discussed with management and incorporated into action plans. AvH strives for a **best-in-class position for its group companies** in the sectors in which they are active. However, as AvH is often only one of the shareholders, each company defines its own ESG policy, with AvH acting as a partner and providing (pro)active input on relevant ESG challenges. The best-in-class position is determined for each company based on sector relevant standards, indices or benchmarks.

2.3.1 Exclusion policy

Rather than excluding many sectors, AvH believes in active and responsible engagement, even in sectors facing specific but manageable ESG challenges. AvH prefers to exert a positive influence on these companies in the long term and to mitigate any negative aspects of the sectors in question. As a result, the number of 'hard exclusions' is confined to 6 sectors.

AvH is committed to not investing in the following activities:

- **Arms:** development, production or trade in controversial and nuclear weapons and civilian firearms
- **Tobacco:** production of cigarettes, tobacco, e-cigarettes and associated smoking products
- **Narcotics:** production, use of and trade in narcotic drugs and psychotropic substances, unless for medical purposes
- **Pornography:** pornography, porn media, prostitution and other sex industries
- **Gambling:** production and trade of gambling equipment and related products
- **Thermal coal:** activities with a primary focus on extraction and production of thermal coal

Adherence to the exclusion policy by existing participations is monitored on a regular basis.

AvH has developed an internal guideline to support investment teams in the performance of their ESG analysis when assessing new investments or existing participations that are facing specific ESG challenges.

AvH's responsible investment policy

ESG screening

- **Initial ESG assessment** of each investment opportunity
- **Exclusion policy**
 - Controversial arms
 - Tobacco
 - Narcotics
 - Pornography
 - Gambling
 - Thermal coal

Acquisition phase of new investments

- **ESG due diligence**
- Defining an **action plan**, if relevant, based on the conclusions of the ESG due diligence in consultation with management

ESG stewardship

- **ESG, innovation, HR and integrity** regularly discussed at board level
- **Annual ESG sessions** with participations that may have a material impact on AvH
- Facilitation of **exchange of best practices** between participations
- Participations report yearly to AvH on **ESG based on materiality**

Exit from existing participations

- Transfer of the **ESG philosophy and business culture**
- Available **ESG data-points** as part of documentation

2.3.2 ESG due diligence

An ESG due diligence review enables AvH to anticipate risks and to respond to opportunities. The ESG due diligence review, which is an integral step in the evaluation of all potential investments, was performed for all new investment decisions in 2023. ESG is included in the investment memos that summarise the analyses and results of the screening and serve as a basis for an investment decision. The Sustainability Accounting Standards Board (SASB) is used as a reference model when focusing on relevant ESG topics, and complemented by sector relevant frameworks and trends.

Following an initial due diligence review, which takes into account the sector, business model and geographical distribution, a more detailed assessment is made of identified risks and opportunities. Where relevant, the internal due diligence review is supplemented by an ESG due diligence review performed by an external party.

Depending on the investment opportunity and the sector in which it is active, the following topics may be covered in the ESG screening:

- **Environmental factors (E)**, such as climate change (including CO₂ and other emissions), energy consumption, efficient use of raw materials and equipment, prevention and management of pollution, waste, ecosystems, biodiversity and product impact
- **Social aspects (S)**, such as working conditions, work environment, leadership, training, human rights, industrial relations and/or grievance procedures
- **Governance (G)**, such as organisational structure, corporate governance charters, integrity and other policy, risk management and cyber-security

If investments are made through funds, the exclusion policy and the screening and monitoring procedures used by the fund manager is examined before entry into the fund.



Bank Van Breda



DEME

3. AvH as a responsible and active partner

Responsible ownership and ESG are closely intertwined. As an active and long-term shareholder, AvH manages its portfolio in line with its values. Therefore, the focus of its ESG approach is to establish relevant policies through the appropriate governance processes. The group companies actively define and reassess their goals included in these policies with the support of AvH, focusing on the material ESG topics to support their corporate strategy.

AvH interprets ESG in a broad way to drive meaningful change and positive impact. An appropriate corporate culture and governance framework foster ESG integration in the strategy and processes of its participations.

In its role as a responsible and active partner, AvH applies the following principles in order to achieve progress and promote the right focus for the companies in its portfolio:

- **ESG embedded in the corporate culture** promoted by the management at AvH and its participations.

- **Focus on material topics** in line with the strategy and key success factors, based on a double materiality perspective.
- **Substance over form approach and achieving impact in its portfolio** (based on a company's share in the group's consolidated shareholders' equity) by initially focusing on the participations and aspects that are material to AvH and subsequently involving the other companies.

AvH supports its participations in defining and implementing relevant ESG policies tailored to their industry. Given the increasing concern about climate change, the environmental footprint and related CO₂ emissions are given due consideration. Participations have been asked to define a CO₂ reduction plan for 2030 by 2025 inspired by the SBTi methodology. Social factors are another focus area, particularly when it comes to the strength-



Further information on achievements and highlights for 2023 can be found in 'Key events 2023' and in the 'Activity report'.

Responsible ownership in practice

Growth capital

- Integration of ESG factors (e.g. business culture, innovative developments, talent development)
- Active in various sectors such as life sciences, supply chain, clean technology and media

DEME

- Offshore wind (global leader in projects, 144 MWh concessions)
- Environmental remediation, use of renewable energies
- Strong innovation focus (fuel efficient fleet, green hydrogen, etc.)

SIPEF

- Sustainable RSPO palm oil production
- High rating on ESG indices

Sagar Cements

- Continuous investments in energy efficiency, circular and renewable energy

Nextensa

- Sustainable buildings and urban development

CFE

- Sustainable and innovative construction
- Energy efficient buildings
- Rail infrastructure

Deep C Holding

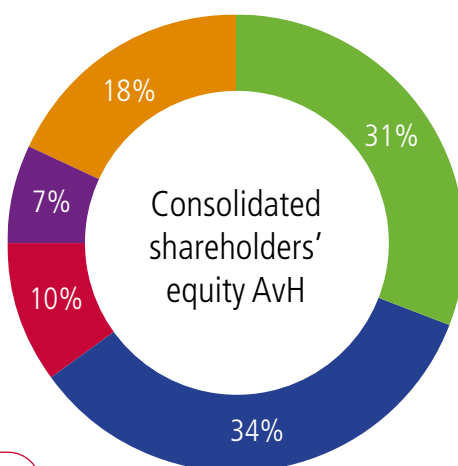
- Integration ESG factors in port development (e.g. renewable energy)
- Alternative for global supply chain risks

Delen Private Bank

- Responsible investment policy (SFDR article 8, 4/5 star rating from UN PRI)
- Business culture focused on high client satisfaction

Bank Van Breda

- Safe harbour (high solvency, high client satisfaction level, etc.)
- Strong business culture (Great Place to Work, etc.)



- Marine Engineering & Contracting
- Energy & Resources
- Private Banking
- AvH & Growth Capital
- Real Estate

ening or diversification of the skill sets of the management teams of the participations. This includes topics such as leadership, innovation and digital transformation. Health and well-being also receive significant focus, as a safe environment, autonomy, competence, and engagement are considered important.

ESG aspects that are considered as material are listed in the table on the following page along with AvH's objectives:

- **ESG policy:** annual discussion at board level of the policy pursued relating to environmental, social and governance material topics, with related ambitions, action plans, goals and KPIs to monitor progress.
- **Innovation strategy:** annual discussion at board level of the inno-

vation initiatives pursued, and whether it is in line with the business strategy across various time horizons. AvH considers innovation an essential factor to mitigate risks, capitalise on opportunities and make the best use of limited resources. This relates not only to environmental aspects, but to all domains that promote sustainable growth, such as assessing innovative product/market combinations, digitising or improving operational processes, or looking for new partnerships (e.g. with universities, governments, customers or suppliers).

- **Corporate governance:** organisation of the decision-making processes formalised in a charter adapted to sector specific standards. This charter defines, for instance, the matters to be discussed at the board or executive management level.

Selection of ESG achievements in 2023

> DEME

- EU Taxonomy: 33% of turnover aligned and 49% of capex aligned (i.e. modernising its fleet in a sustainable way)
- Increase of consumption of low carbon fuels to 10.3%



DEME

> CFE

- Delivery of sustainable and smart buildings, including Wood Hub, CFE's new headquarter office
- Awarded Top Employer



SIPEF

> Nextensa

- An action plan was drawn up to move towards a fossil-free portfolio



Nextensa

> SIPEF

- Defined its carbon footprint target to reduce 28% of its emissions intensity by 2030 (compared to the 2021 baseline)

> Sagar Cements

- Developed ESG roadmap (e.g. CO₂, energy, environment, water, health and safety) with targets in line with the Science Based Targets initiatives (SBTi) for 2030, i.e. a reduction of 28%, and to become net zero by 2050

> Growth Capital

- Despite difficult context, scaling-up of Bioelectric's activities led to profitability after substantial investments in the past
- Significant progress at Biotallys in manufacturing its protein-based biocontrol Evoca, strengthening the prospects for safe, sustainable biocontrol products
- Concession obtained for the expansion of Van Moer Logistics' container terminal in the Port of Brussels, supporting the transition to sustainable transport modes

- **Risk management (by audit and/or risk committees):** identification and monitoring of potential material risks adapted to sector specific conditions, with appropriate processes.
- **HR policy (by remuneration committees):** discussing the HR policy pursued and the composition and functioning of the management (including attention to succession planning and attracting and retaining diversified talent).
- **Business ethics:** an integrity code (description of values and appropriate rules of conduct) adapted to sector-specific conditions and underpinned by relevant compliance procedures (e.g. anti-corruption), programmes (e.g. training, annual confirmation) and reporting to relevant board levels.

3.1 Governance

AvH considers **corporate governance** and **business ethics** fundamental principles of its ESG philosophy. These principles guide strategic decisions and operational processes based on the right set of values. Having the right culture is not just an add-on, but a fundamental requirement for the successful roll-out of sustainable business models. AvH consequently aims to have the right supervision processes in place for a substantial part of the assets under management. AvH is glad to report that more than 95% of the AuM is covered across these dimensions.

AvH material topics	SDG	Goal	KPI	Trend	2023	2022	2021	
Responsible ownership	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	ESG engagement with participations						
		> 80% of portfolio	KPI	ESG policy⁽¹⁾	↗	94%	91%	91%
				Individual strategic ESG sessions		77%	78%	83%
	3 GOOD HEALTH AND WELL-BEING	CO₂ emissions investment portfolio						
				Scope 3 emissions - investment portfolio (tonnes of CO ₂ equivalents ⁽²⁾)		1.4 million	1.2 million	1.2 million
				Scope 3 emissions - investment portfolio ⁽¹⁾		97%	93%	89%
		> 80% of portfolio (in 2025)	KPI	CO₂ ambition and reduction plan⁽¹⁾	↗	61%	50%	-
	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	EU Taxonomy⁽³⁾						
				% eligible Turnover EU Taxonomy		49%	43%	46%
				% aligned Turnover EU Taxonomy		27%	21%	15%
			% eligible Capex EU Taxonomy		56%	56%	39%	
			% aligned Capex EU Taxonomy		43%	47%	25%	
			% eligible Opex EU Taxonomy ⁽⁴⁾		-	-	-	
Innovation	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	> 80% of portfolio	KPI	Innovation strategy⁽¹⁾	✓	85%	84%	77%
		16 PEACE, JUSTICE AND STRONG INSTITUTIONS	> 80% of portfolio	KPI	Corporate governance charter⁽¹⁾	↗	99%	98%
	KPI		Audit and/or risk committee⁽¹⁾	✓	96%	96%	96%	
	KPI		Remuneration committee⁽¹⁾	✓	98%	99%	94%	
Business ethics	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	> 80% of portfolio	KPI	Integrity code⁽¹⁾	✓	97%	97%	92%

⁽¹⁾ Expressed as a % of the consolidated shareholders' equity of AvH.

⁽²⁾ Scope 3 emissions relating to the investment portfolio include scope 1 & 2 emissions of its participations with the largest CO₂ footprint, as known on the date of publication and weighted according to the shareholding percentage. The CO₂ footprint of the participations of the Growth Capital segment will be completed in the next years.

⁽³⁾ The proposed EU Taxonomy template includes ratios relevant for non-financial institutions.

⁽⁴⁾ The opex as defined in scope of the EU Taxonomy includes a restrictive list of non-capitalised costs. As the participations prepare their financial statements on the basis of IFRS, these are largely already included in the capex.

3.2 ESG policy and engagement

AvH considers it important that an ESG policy is aligned with the corporate strategy. **Focusing on material topics and discussing the status and action plan at board level** are, therefore, important tools when it comes to rolling out an ESG policy.

All participations are requested to complete an annual **ESG questionnaire**. They report in a manner that is relevant to AvH’s materiality, the size of the company, their economic life cycle stage and the sector they operate in. This enables AvH, and in particular the investment managers, to review the ESG performance status and progress and support the participations where needed. One-on-one sessions are organised upon request and AvH engages with a significant number of group companies on a regular basis. All participations are asked to present their ESG questionnaire to their board of directors and/or audit committee to facilitate ESG monitoring. Based on the information gained from these questionnaires AvH formulates its recommendations going forward.

As in previous years, numerous **workshops** were organised in 2023 for participations. These workshops concentrated on clusters of group companies with the same ESG maturity, materiality for AvH, or specific types of material topics.

Individual **ESG strategic sessions** were organised for DEME, Delen Private Bank, Bank Van Breda, Nextensa and SIPEF. These sessions are attended by the investment managers who sit on the board of directors of the

participation, the ESG teams, and members of the executive committees. The purpose of these ESG strategic sessions is to evaluate progress on material ESG matters, including the ESG policy and its current status, relevant action plans, progress of metrics and data collection, review of relevant stakeholders, etc. These sessions are held in preparation for discussions at board level.

AvH also organised various workshops in 2023 to prepare the participations for the upcoming ESG disclosure standards within the context of the **Corporate Sustainability Reporting Directive (CSRD)**.

A workshop was organised for the ESG teams of the participations and the investment managers to brief them on the implications of the CSRD. Another workshop was attended by the ESG teams and **CFOs** of the participations regarding setting up appropriate ESG data processes and incorporating ESG reporting into the reviews performed by audit committees.

A **pilot project** was carried out with DEME, CFE and Delen Private Bank to provide individual guidance and knowledge sharing on the interpretation of double materiality (i.e. ‘financial materiality’ and ‘impact materiality’), the performance of a gap analysis and the formulation of a CSRD roadmap. Bank Van Breda and Nextensa also participated in the knowledge sharing sessions. **Multidisciplinary teams** were set up to roll out the CSRD.

A dedicated **HR workshop** on the financial impact of investing in talent was organised with various group companies, at which multidisciplinary teams (HR, ESG and Finance) discussed the topic.



Lessons learnt from the pilot project and dedicated workshops are shared with the other participations during annual review workshops to ensure that the AvH group is ready by the time the legislation's requirements come into force.

A programme was hosted in 2020 and 2021 based on the '10 Types of Innovation' by Larry Keeley. A follow-up workshop was organised in 2023 to discuss the governance and metrics of the **innovation** strategies executed and the lessons learnt. Although the percentage of portfolio companies with an innovation strategy remained stable compared to last year, a distinct improvement in the quality and monitoring of the strategies was noted.

Innovation workshops focusing on topical subjects such as AI and cybersecurity were also organised.

3.3 CO₂ emissions








KPI	61%	of portfolio has CO₂ ambition and reduction plan for 2030
	1.4 mio	tonnes of CO ₂ equivalents scope 3 emissions - investment portfolio (coverage 97% of portfolio)
	98%	emissions of investment portfolio was SBTi tested

The transformation towards a low-carbon economy triggered by the urgency to tackle climate change goes hand in hand with AvH's approach to sustainable business models. Despite contributing to climate solutions and/or reducing the CO₂ intensity of activities, increased turnover can nevertheless result in an increase in CO₂ emissions.

AvH has adopted a '**fit for purpose**' approach to find out to what extent CO₂ ambitions and action plans match the **Science Based Targets** initiative (SBTi) and **sector-specific transition pathways** (e.g. 1.5°C and 2°C scenarios in the Paris Climate Agreement). By starting to focus on reducing the **emission intensity**, AvH aims to achieve an absolute emission reduction in the long term. Three examples of how its participations are working on emission reduction are highlighted on page 60.

Participations are requested to establish by 2025 a carbon reduction plan for 2030. In 2023 AvH actively engaged with the largest emitters, which

CO₂ emissions of AvH investment portfolio (scope 3) in tonnes of CO₂ equivalents

	2023			2022			2021		
	CO ₂ absolute emissions	Shareholding percentage	CO ₂ emissions weighted according to the shareholding percentage ('share AvH')	CO ₂ absolute emissions	Shareholding percentage	CO ₂ emissions weighted according to the shareholding percentage ('share AvH')	CO ₂ absolute emissions	Shareholding percentage	CO ₂ emissions weighted according to the shareholding percentage ('share AvH')
	3,217,391 ⁽¹⁾	20%	643,478 ⁽¹⁾	2,486,023	20%	488,255 ⁽¹⁾	1,929,030	22%	421,493 ⁽¹⁾
 DEME	733,500	62%	454,770	653,000	62%	405,643	832,800	62%	517,169
 Sipef	651,512 ⁽²⁾	39%	254,090 ⁽²⁾	608,769 ⁽²⁾	37%	224,088 ⁽²⁾	681,769 ⁽²⁾	35%	239,505 ⁽²⁾
 cfe	15,283	62%	9,476	15,309	62%	9,510	16,489	62%	10,240
 VAN MOER Logistics	42,679	22%	9,389	40,752	22%	8,859	35,565	22%	7,731
 DELEN PRIVATE BANK	1,378	79%	1,089	1,361	79%	1,072	1,713	79%	1,348
 Bank VanBreda	1,376	79%	1,087	1,470	79%	1,158	1,388	79%	1,093
Other	22,131	-	8,158	8,165	-	4,905	4,903	-	3,380
Scope 3 emissions - participations	-	-	1,381,536	-	-	1,143,749	-	-	1,202,189

⁽¹⁾ Sagar's CO₂ footprint for 2023 is based on Sagar's accounting year 2022/2023. The CO₂ footprint for 2022 is based on Sagar's accounting year 2021/2022. The CO₂ footprint for 2021 is based on Sagar's accounting year 2020/2021.

⁽²⁾ Sipef has, according to ISO 14064, slightly adjusted the calculation methodology for scope 1 and scope 2 emissions. The CO₂ footprint according to the adjusted methodology for 2022 would have been 658,271 tonnes CO₂ eq, weighted 243,560 tonnes CO₂ eq and for 2021, 728,762 tonnes CO₂ eq, weighted 255,067 tonnes CO₂ eq. Sipef considers net emissions in line with the GHG protocol.

Case studies regarding GHG intensity: DEME, SIPEF and Sagar Cements

In the case studies, the metrics and reference years were used as reported by the participations in their respective sustainability reports and annual reports available on their websites.



> DEME

Reduction percentage of GHG intensity

DEME has set a target to **reduce GHG intensity by 40% by 2030** (compared to 2008), in line with the decarbonisation trajectory set out by the International Maritime Organization (IMO). By the end of 2022 DEME had already achieved a GHG intensity reduction of 27%⁽¹⁾. DEME aims to attain climate neutrality by 2050.

⁽¹⁾ Data of 2008 and 2022 verified by Lloyd. Verification of the data of 2023 is pending.

> Way forward

- Operational efficiency (e.g. fuel saving)
- Technical and technological efficiency (e.g. heat waste recovery systems)
- Connection to shore power & bunkering of LNG and blends of biofuels

> SIPEF

Net GHG intensity (scope 1 & 2) per tonne of palm oil produced (CPO)

SIPEF has set a target to **reduce GHG intensity by 28% by 2030** (compared to 2021). In 2023, SIPEF has already achieved a reduction of 10%. There was a slight increase in 2023 (compared to 2022), due to lower production levels, an increase in production area and refinements in the calculation methodology.

> Way forward

- Methane capture
- RSPO new planting procedure

> Sagar Cements

GHG intensity (scope 1 & 2) per tonne of cementitious production

Sagar Cements has set a target to **reduce GHG intensity by 28% by 2030** (compared to 2020) notwithstanding the core of its activities is performed in India. This target is in accordance with Sagar's plan of working towards the Science Based Targets initiative (SBTi), with the aim of attaining **net zero by 2050**, which will a.o. require a change in customer behaviours.

> Way forward

- Reduction clinker ratio
- Use of alternative fuels
- Greater share of green energy
- Energy efficiency
- Alternative raw materials
- Partnering with academic institutions and research centres

represent 98% of the emissions from the investment portfolio, further challenging their CO₂ strategy and action plans. The discussions focused on available and utilized operational and technical levers for improvement, market willingness to pay for products and services with lower carbon intensity, expected carbon footprint costs, and the impact of related operational costs and investments.

Looking at AvH as an **investment company**, scope 1 and 2 (186 tonnes of CO₂ equivalents) are the direct and indirect CO₂ emissions related to energy consumption in its own offices. Scope 3 emissions are attributable to two sources. On the one hand, there are scope 3 emissions that relate to its own activities (249 tonnes of CO₂ equivalents), i.e. business travel.

On the other hand, there are scope 3 emissions that relate to the investment portfolio (1.4 million tonnes of CO₂ equivalents). Scope 3 emissions of the investment portfolio include the scope 1 and 2 emissions from the companies in the portfolio, weighted according to the shareholding percentage. For an investment company such as AvH, the majority of the emissions can be attributed to scope 3 emissions caused by its investment portfolio.

The overall CO₂ emissions (in CO₂ equivalents of scope 1 and 2) based on the accounting scope amounted to 754,749 tonnes of CO₂ equivalents in 2023 (see Sustainability Report: Annex 4 at the back of the annual report). It remains very difficult to get reliable figures on scope 3 emissions for group companies. A pragmatic approach based on business sense taking into account the underlying drivers thereof, remains the best way forward the coming years. AvH considers reporting as an investment company, in a voluntary way, more meaningful for its stakeholders.

The investment portfolio's CO₂ footprint increased from 1.2 to 1.4 million tonnes of CO₂ equivalents in 2023 relative to 2022. This CO₂ footprint covers the core sectors as well as Growth Capital participations that are potentially active in CO₂ intensive industries. AvH's CO₂ footprint may change substantially, depending on its investment and divestment decisions or those of its group companies.

Sagar Cements acquired Andhra Cement in January 2023, which resulted in an increase in absolute CO₂ emissions. It has incorporated an action plan to tackle CO₂ emissions in its overall strategy. DEME's increase in total greenhouse gas emissions is caused by a slightly higher occupation of the offshore fleet and the deployment of a number of cutter suction dredgers in more energy-intensive projects. The increase in CO₂ emissions of SIPEF can be explained by lower production levels and an increase in production area in 2023, as well as refinements in SIPEF's calculation methodology.

In 2023, the CO₂ footprint of the investment portfolio reported to AvH became more comprehensive, covering 97% of the portfolio (AuM). However, at the time of publication of this report, the data for some participations is either unavailable or not uniformly established. Based on current knowledge, these factors are not expected to have a significant impact at AvH level. Nevertheless, AvH encourages all relevant participations to initiate or refine these measurements so that they can be incorporated in future reporting.



Further information on the individual CO₂ emissions and targets of AvH as a company can be found in section '4.4 Direct impact on environment and social aspects'.

3.4 Alignment with EU Taxonomy

The EU Taxonomy is part of the EU's Green Deal approach and defines a classification system for environmentally sustainable activities, with the aim of facilitating sustainable investments and avoiding the risk of 'green-washing'.

The EU Taxonomy system sets high standards in terms of technical screening criteria. Notwithstanding these high standards, the AvH group already reaches substantial percentages. By contrast, many activities that actually make a positive contribution to the climate are not considered 'aligned'. This does not prevent AvH from supporting such activities if they contribute to a low-carbon environment.

AvH and its participations adopted a conservative approach as regards the reporting of alignment with EU Taxonomy. A sanity check was carried out on the used methodology and interpretations by the participations, also to avoid the risk of double counting.

AvH reports on the following two elements based on its **accounting consolidation scope**:

- **Eligible:** determining which economic activities are covered by the EU Taxonomy and contribute to the environmental objectives.
- **Aligned:** checking against EU Taxonomy criteria such as the technical screening criteria (TSC), without having a significant negative impact (Do not significantly harm, DNSH) on the other goals defined within the EU Taxonomy system.

AvH's group companies have a significant potential to make a positive impact on climate change. AvH's strong EU Taxonomy alignment underscores its positive impact. The AvH group stands out thanks to the substantial portion of its turnover (27%) and investments (43%) which is already 'aligned' with this framework. These figures show the financial impact of initiatives taken by the AvH group from an ecological perspective, whereby the capex figure clearly demonstrates its commitments to, and belief in, the future.

DEME's activities in offshore wind are considered both eligible and largely aligned. Rail infrastructure projects were screened as well. DEME's eligible activities expanded in 2023 to also include parts of its environmental activities. **CFE's** eligible activities primarily relate to construction and renovation, electrical installation, rail infrastructure and real estate development. The aligned turnover mainly relates to BPI's project development and CFE's construction projects. **Nextensa's** eligible activities are primarily related to real estate development and the letting of real estate from its own investment portfolio. The aligned turnover is mainly generated from rental income and the sale of apartments (Park Lane). The EU Taxonomy reporting for **Delen Private Bank** and **Bank Van Breda** is included in their respective sustainability reports and annual reports available on their websites.

A summary of the EU Taxonomy figures for 2023 are included in the table. The complete tables as required by the regulations are included in the Sustainability Report: Annex 5 at the back of the annual report.

EU Taxonomy alignment 2023		
	Eligible	Aligned
Turnover		
AvH group	49%	27%
DEME	42%	33%
CFE	79%	20%
Nextensa	97%	32%
Capex		
AvH group	56%	43%
DEME	49%	49%
CFE	87%	19%
Nextensa	100%	20%
Opex⁽¹⁾		
AvH group	-	-
DEME	-	-
CFE	-	-
Nextensa	-	-

⁽¹⁾ The Opex, as defined in the scope of the EU Taxonomy, comprises a restrictive list of non-capitalised costs. As the participations prepare their annual financial statements on the basis of IFRS, they are already to a large extent included in the Capex. AvH chooses to focus on Turnover and Capex.

3.5 Innovation

Sustainable business models are shaped by constant innovation. Innovation is key when it comes to enhancing a company’s resilience in a continuously evolving business landscape. By defining an appropriate innovation strategy, businesses are better equipped to diversify their products and services, explore new markets and optimise operations. Moreover, innovative solutions often lead to increased operational efficiency, cost savings and improved customer experiences, all of which strengthen a company’s competitive position.

As a responsible and active partner, AvH encourages its participations to make innovation part of their corporate strategy. Efforts are focused on the strategic drivers that can deliver the most significant impact over the long term. This commitment ensures that resources are aligned with goals and that results are evaluated on a regular basis. That is why AvH encourages its participations to **formalise an innovation strategy and related processes**, and to evaluate them annually at board level. This process is monitored via the ESG questionnaire.

Each participation is responsible for its innovation strategy. AvH’s role consists of (1) providing and mutually exchanging cross-sectoral methodologies and best practices (e.g. through the workshops already mentioned), and (2) monitoring the supervision of the innovation strategy at board level.

4. AvH as a sustainable company

AvH is committed to fostering a sustainable and responsible business environment focused on the material topics of corporate governance, talent development and a culture of values (e.g. integrity). They define and shape the quality of AvH’s portfolio. These are consequently the ESG metrics that AvH closely monitors with clearly defined ambition targets.

4.1 Corporate governance


Corporate governance is a cornerstone in AvH’s ESG philosophy to define strategies and steer processes. It provides a framework that ensures accountability, fairness and transparency.






AvH has defined an **ESG governance** structure to ensure strategic alignment. Since 2019, AvH’s ESG policy has been coordinated by a member of the executive committee (André-Xavier Cooreman). Twice a year, the **ESG steering committee**, composed of the two co-CEOs, the CFO, the Secretary-general and the member of the executive committee responsible for ESG, evaluates the ESG policy, the progress made and the ambitions and priorities.

An ESG working group meets on average every three months and is in charge of the operational rollout of the ESG policy. The ESG working group is coordinated by the Head of ESG and is composed of the member of the executive committee responsible for ESG, representatives of the investment team, the Chief Human Capital Officer (CHCO), legal, investor relations and finance.

The full executive committee approves these evaluations from the ESG steering committee and reports at least once a year to the audit committee, remuneration committee and the board of directors. In 2023 a session was held on ESG policy and its strategical ambitions for the board of directors and a session on ESG reporting was made for the audit committee. The scope of these discussions includes AvH (group level, own operations and investments) and the participations’ ESG policy.

Participations are encouraged to set up their own ESG governance structure and to report at least once a year to their own board of directors (on which AvH is represented), and having their audit committees reviewing their ESG reporting. Since the information gathered at the participations is crucial, AvH makes substantial efforts to have qualified ESG teams in the companies that are supported by their respective management teams.

 Further information concerning the approach and implementation of corporate governance can be found in the section entitled ‘Corporate governance statement’.

AvH material topics	SDG	Goal	KPI	Trend	2023	2022	2021
Corporate governance			ESG policy		✓	✓	✓
			AvH corporate governance charter		✓	✓	✓
			AvH audit committee		✓	✓	✓
			AvH remuneration committee		✓	✓	✓
Talent development		5 days	KPI Average number of training days per person	✓	11.1	8.3	9.7
			Training cost (as % of general costs)		693,139 euros (2.5%)	518,771 euros (2.1%)	534,204 euros (2.8%)
	> 10 years	KPI Average number of years of relevant experience per person in the investment team	✓	19.2 years	19.8 years	19.5 years	
		< 10%	KPI Average employee turnover in the investment team (excluding intra-group and retirement, over 3 years)	✓	2%	3%	1%
			Average employee turnover (excluding intra-group and retirement, over 1 year)		0%	5%	0%
		90%	KPI Performance review	✓	100%	100%	100%
Business ethics		Business ethics part of corporate governance	Integrity policy		✓	✓	✓
AvH's CO ₂ emissions as an investment company		30% reduction	CO ₂ reduction (scope 1 & 2)		28%	-	-
		(scope 1 & 2, base year 2022 - in 2030)	Scope 1 emissions - direct emissions (tonnes of CO ₂ equivalents) ^(1, 2)		183	202	197
			Scope 2 emissions - indirect emissions (tonnes of CO ₂ equivalents) ^(1, 3) - market based		3	57	32
			Scope 2 emissions - indirect emissions (tonnes of CO ₂ equivalents) ^(1, 3) - location based		56	57	32
			Scope 3 emissions - business travel (tonnes of CO ₂ equivalents) ^(1, 4)		249	210	7
Philanthropy		Contribution to society			368,000 euros	366,000 euros	251,000 euros

⁽¹⁾ The emission factors originate from DEFRA and Ember - (yearly electricity data per country) in accordance with the GHG protocol methodology.

⁽²⁾ Scope 1 emissions are direct emissions from heating, vehicle fuel consumption and coolant leakage.









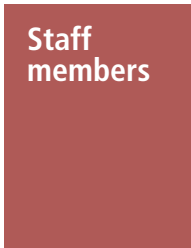













⁽³⁾ Scope 2 emissions are indirect emissions from the production of electricity that is purchased and consumed.

⁽⁴⁾ Scope 3 emissions relating to the investment company are indirect emissions from business travel.

4.2 Talent development

An investment company's success is defined by the skills, engagement and experience of its staff. As an employer, AvH creates a work environment with an emphasis on ethical and respectful conduct and continuous talent development. AvH aims to develop teams with a diversity of skills and experience to be able to offer the best support to the participations' manage-

ment teams active in a vast array of sectors. Low staff turnover ensures that the staff members propagate AvH's values to maximum effect. In 2023, 11 people joined the team. Therefore, special attention went to onboarding new colleagues and ensuring a smooth integration into the AvH culture and practices.

 <p>Executive committee</p>	 <p>John-Eric Bertrand co-CEO - co-Chairman of the executive committee</p>	 <p>Piet Dejonghe co-CEO - co-Chairman of the executive committee</p>	 <p>Tom Bamelis Member of the executive committee - CFO</p>	 <p>Piet Bevernage Member of the executive committee - Secretary-general</p>	 <p>André-Xavier Cooreman Member of the executive committee - ESG</p>	
	 <p>An Herremans Member of the executive committee</p>	 <p>Koen Janssen Member of the executive committee</p>	 <p>Staff members</p>	 <p>Ivo Berckmoes IT support</p>	 <p>Isabelle Bernaerts Management assistant</p>	
	 <p>Ann Bex Management assistant</p>	 <p>Heleen Boonen Legal counsel</p>		 <p>Bart Bressinck Accountant - Controller</p>	 <p>Gloria Burihabwa Reception</p>	 <p>Emmanuel Carlier Investment manager</p>
	 <p>Quinten Dumont de Chassart Investment associate</p>	 <p>Peter Florus Tax officer</p>	 <p>Sarah Franssens Management assistant</p>	 <p>Ann Frans HR assistant</p>	 <p>Michaëla Goelen Office manager</p>	 <p>Nele Govaert Senior legal counsel</p>



Hilde Haems
Chief Human Capital Officer



Miro Halfon
Management assistant



Philip Heylen
International relations & public affairs officer



Thijs Hoste
Investment manager - Group controller



Gilles Huyghebaert
Group controller



Yuliya Leysen
Reception



Bruno Maes
Controller



Lydie Makiadi
Management assistant



Anne Mampaey
Accountant



Christophe Maters
Investment director



Iris Meirlaen
Paralegal



Robin Muller
Management assistant



Subin Oswal
Analyst



Filip Portael
IT manager



Hari Rajmohan
Investment manager



Melissa Slabbaert
Sustainability expert



Brigitte Stockman
Management assistant



Garry Suy
Maintenance



Thomas Ternest
Investment director



Petra Van de Velde
Management assistant



Jeroen Vangindertael
Investment manager



Jens Van Nieuwenborgh
Investment director



Bart Vercauteren
Head of ESG



Julie Wouters
Investment associate

4.2.1 Growth through training and evaluation

Creating and taking advantage of opportunities are central to AvH's HR policy. Hence, AvH focuses on providing opportunities, feedback loops, mentoring and development. Career prospects are actively supported by establishing whether there are internal candidates for each vacancy. Opportunities within the participations are also screened.

Year-end performance reviews are intended to assess how each staff member can grow, as a person and as a professional, in line with AvH's strategic ambitions. There are a variety of areas in which colleagues have grown in 2023: empathic communication, priority setting, smarter working by using software applications more efficiently, negotiating, personal coaching, role as director, presentation and communication techniques, languages, team development, stakeholder management, corporate finance skills, strategic decision-making and understanding global trends. Moreover, the AvH Academy provides updates on various legal, financial, HR and ESG domains.

AvH complies with the applicable sectoral Collective Labour Agreements and goes beyond the minimum requirement of 4 personal training days. Staff members participated in 11 training days on average in 2023.

4.2.2 Diversity, equity and inclusion

AvH's policy on diversity, equity and inclusion (DEI) focuses on broadening the perspectives from which diversity is viewed, at the level of both the investment company and the participations.

AvH is taking measures to improve the diversity of the inflow of new employees. These measures include gender-neutral job vacancies ensuring that the intake of applicants for a vacancy is evenly divided between men and women, as well as diversity searches.

AvH has adopted a broader view on diversity in its investment team by also taking educational, cultural and professional backgrounds into consideration, which was also reflected in the appointment of the three new non-executive board members, i.e. two women and one man joining the board of directors. They bring a wealth of experience and ESG expertise, as well as a connection to Indian culture. AvH believes in the value of diversity since it drives innovation and promotes empathy and a broader outlook.



Further information relating to the ESG competencies of the board of directors can be found in the section entitled 'Corporate governance statement, 2. Board of directors - 2.1 Composition'.

KPI		2023	2022	2021	
AvH staff members (in headcount)	Total number of staff members	49⁽¹⁾	38	37	
	Belgium	47	36	36	
	India & South-East Asia	2	2	1	
	Diversity men/women	27/22	21/17	20/17	
	Belgium	25/22	19/17	19/17	
	India & South-East Asia	2/0	2/0	1/0	
AvH investment team (in headcount)	Total number of staff members	26	22	23	
	Diversity men/women	20/6	17/5	17/6	
	Belgium	18/6	15/5	16/6	
	India & South-East Asia	2/0	2/0	1/0	
	Diversity by degree				
	Economic	49%	43%	43%	
	Legal	19%	15%	23%	
	Science/Engineering	24%	33%	23%	
	Other	8%	9%	11%	

⁽¹⁾ 2023: 40 FTE: 22 men, 18 women (employees only)

4.2.3 Well-being

AvH is committed to protecting the mental and physical resilience of its staff. The company keeps its finger on the pulse via its annual 'Looking back and forward' process and structurally provides a wide range of options to support employee resilience (e.g. healthy lunches, sport, yoga, meditation, individual coaching, a meeting and e-mail hygiene policy and personalised support). The work environment, teleworking and the flexible timetables policy also help to enhance people's work-life balance and well-being.

A concrete action plan, derived from the 2022 survey, was implemented and has already shown encouraging results during 2023.

4.3 Business ethics

The AvH integrity code, which was last updated in 2022, sets out the ethical standards for AvH's staff and board of directors. The code provides guidelines to assist the investment team when making investment decisions. Members of the investment team are expected to consider whether group companies act in accordance with relevant legislation and international standards regarding human rights, the environment, anti-corruption and working conditions. Where the applicable rules might be breached, companies are urged to set targets and introduce measures to ensure compliance within a reasonable time frame.

The integrity code is inspired by the 10 key principles of the 'UN Global Compact' that are derived from the Universal Declaration of Human Rights (1948), the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work (1998), the Rio Declaration on Environment and Development (1992) and the United Nations Convention against Corruption (2003).

Staff members and directors are required to acknowledge annually that they are familiar with, understand and will comply with the Integrity and Dealings code (part of the Corporate governance charter). A training course focused on business ethics and an in-depth anti-trust analysis were organised in 2023 as part of the AvH Academy scope. Follow-up training is planned for 2024.

4.4 Direct impact on environment and social aspects

AvH's activities as an investment company only have a limited impact on the environment and are not material (no in-house production nor service activities). The company also has a limited headcount. AvH upholds human rights as stipulated in the Universal Declaration of Human Rights. Aiming to act as a role model, AvH makes sustainability an integral part of its business operations. The group encourages its workforce to make the same commitment.

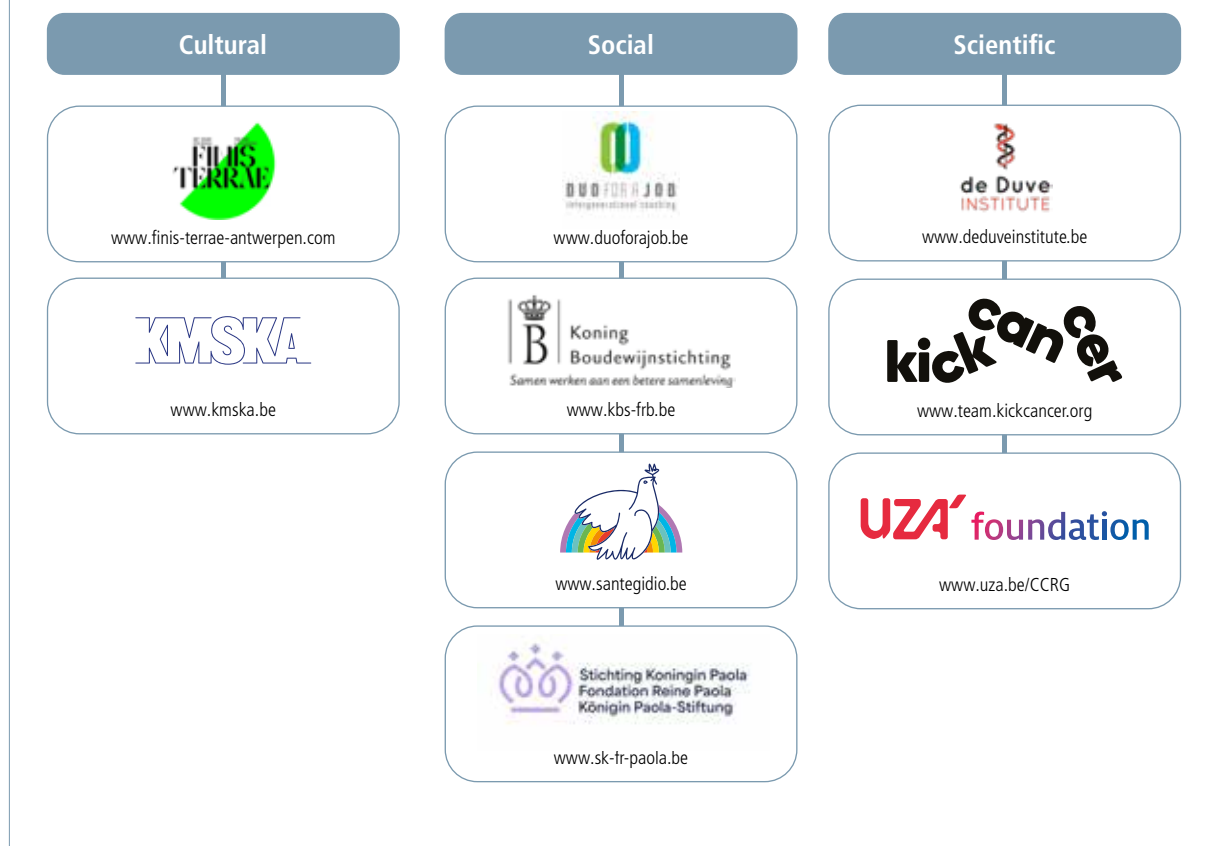
In view of AvH's desire to set an example, a CO₂ reduction target for its own activities as an investment company was set in 2022. AvH is committed to **reducing its CO₂ emissions by 30% by 2030** (scope 1 and 2 - base year 2022). In 2023, the CO₂ footprint already decreased by 28%, the lowest level since the start of the measurements. This reduction is the result of the electrification of AvH's fleet, employees making use of the mobility budget and the purchase of green electricity. A new reduction target will be defined during 2024. AvH intends to continue to reduce with a focus on:

- Raising awareness around electricity consumption and heating.
- Sustainable mobility based on further electrification of the vehicle fleet, by offering a mobility budget instead of a car and by promoting alternatives (virtual meetings, lease bikes, etc.).
- Using green electricity based on guarantees of origin (exploring the possibility of installing solar panels on the roof of the building).
- Sustainable heating by evaluating the options available to make the building's heating system more green.

4.5 Contribution to society

AvH aims to contribute to a dignified and cultured society through its patronage policy. In Antwerp, art and entrepreneurship have gone hand in hand since the time of Rubens, Stevin and Plantin. Galleries, museums, artists and scientists have made enormous contributions to society. AvH also strives to increase the number of opportunities available to everyone in society. In 2023 AvH contributed 368,000 euros (excluding efforts in that area through the participations) in support of projects focused on culture, scientific research, the fight against poverty and human rights. AvH colleagues were actively involved in a selection of these projects through board membership, as a volunteer or otherwise, underlining AvH's commitment to these causes. The main projects are shown in the overview.

Contribution to society



5. Review on 2023 and 2024 action plan

In 2023 AvH, and its participations, continued to focus strategically on material ESG topics and on incorporating them within all organisations, covering topics such as talent management, wellbeing, carbon footprint, innovation, cybersecurity and integrity. Special efforts were made to involve more group companies than those considered material, with also a focus on India. Moreover, initial steps were taken and heavy efforts made to prepare the group for the new ESG disclosure reporting standards within the context of the Corporate Sustainability Reporting Directive (CSRD). The remuneration committee confirmed that all ESG relevant targets had been reached in 2023.

The action plan for 2024 will primarily focus on (1) preserving and continue the progress that has been made to date in the current action plans (e.g. regarding carbon reduction plans), and on (2) strategically leveraging the CSRD to further promote AvH's sustainability efforts going forward. Setting the right priorities in the materiality mapping, and capturing the right data and appropriate assurance methodologies, will be the main challenges to address.

A clear commitment of the executive committee exists in supporting this action plan, as shown by the relevance of it as part of their bonus.

THE ACTION PLAN FOR 2024 WILL PRIMARILY FOCUS ON (1) CONTINUING TO MAKE PROGRESS REGARDING THE ACTION PLANS THAT ARE WORKED ON TO DATE AND ON (2) STRATEGICALLY LEVERAGING CSRD TO FURTHER DRIVE OUR SUSTAINABILITY EFFORTS FORWARD.



Further information concerning the ESG parameters part of the variable remuneration of the executive committee can be found in the section entitled 'Remuneration report, 2.4 Remuneration components'.

2024 action plan ESG

AvH as a responsible investor

Responsible ownership

Disclosure - rolling out CSRD	Prepare ESG disclosure in line with CSRD applying the European Sustainability Reporting Standards (ESRS)
Expert consultation	Organise expert consultation to assess impact materiality of ESG topics
ESG rating agency	Maintain the current Sustainalytics, CDP and UN PRI ratings

AvH as a responsible and active partner

ESG

Disclosure - rolling out CSRD	Support participations with rollout of upcoming European Sustainability Reporting Standards (ESRS)
-------------------------------	--

Environment

Carbon reduction strategy	Assess feasibility to align with Paris Agreement and pathway to net zero for AvH's fully consolidated companies
	Monitor action plan to define carbon reduction plans for mature companies
Climate resilience	Determine framework to assess climate risk exposure for AvH's fully consolidated entities
EU Taxonomy	Monitor implications of new delegated acts for AvH's fully consolidated entities

Social

Talent development	Organise workshops for CEOs and/or members of management teams
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Governance

Corporate governance	Fine-tune role and actions of remuneration committees regarding talent management
	Monitor cybersecurity strategy
Business ethics	Monitor action plan to roll-out a relevant integrity programme

AvH as a sustainable company

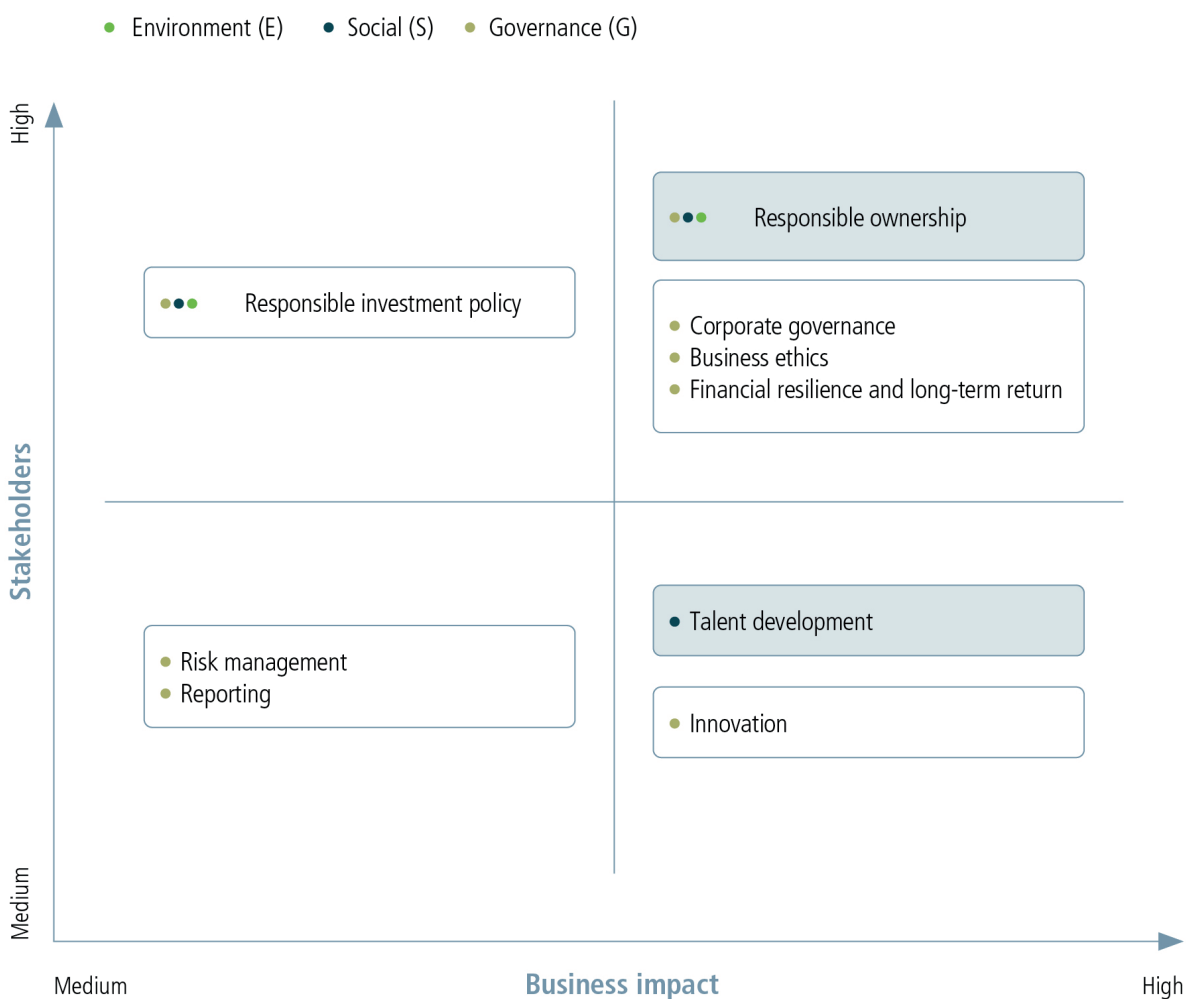
Environment

CO ₂ emissions of AvH as an investment company	Define new CO ₂ ambition level
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Social

Talent development	Assess well-being and maintain on the same level as 2023
	Continue AvH Academy
Business ethics	Organise integrity training (AvH Academy)

Materiality matrix at the level of AvH as an investment company⁽¹⁾



(1) approved by the board of directors on October 4, 2022.





Stakeholder survey (2021/2022):

Stakeholders	Dialogue
Participations	<ul style="list-style-type: none"> Involved in AvH’s ESG stakeholder consultation CEO sounding boards HR sounding boards, innovation, ESG, legal and finance workshops ESG questionnaire (annual) for all participations ESG strategic sessions with participations ESG sector initiatives for real estate and financial institutions
Investment team (including executive committee)	<ul style="list-style-type: none"> Involved in AvH’s ESG stakeholder consultation (investment team) Annual ESG training and awareness sessions Bimonthly information sessions (AvH What’s Up)
Board of directors	<ul style="list-style-type: none"> Involved in AvH’s ESG stakeholder consultation ESG explained annually in the audit committee and discussed and approved by the board of directors
Shareholders	<ul style="list-style-type: none"> Selection involved in AvH’s ESG stakeholder consultation Feedback to broader shareholder groups
Investors	<ul style="list-style-type: none"> Financial institutions (bankers and analysts) involved in AvH’s ESG stakeholder consultation AvH presentations to investors

AvH as a responsible and active partner

The material ESG-related risks of the AvH group are situated at the level of the participations. This means that an ESG risk or opportunity in a participation can potentially also have a major (positive or negative) impact on the consolidated shareholders' equity or net result of AvH, taking into account the shareholding percentage owned by AvH and the asset value managed (AuM approach). A long-term perspective is adopted in this respect. To monitor its portfolio from an ESG perspective, AvH conducts an annual risk analysis of the companies in its portfolio. This analysis, of which the procedure is described in the first visual in this annex, is based on (1) the available materiality matrix of the participations, combined with data from (2) AvH's ESG questionnaire, (3) available external ESG ratings (retrieved from the ESG questionnaire) and (4) knowledge of the investment team about the participations and the sectors in which they operate. All risks are analysed pre-mitigation. The results of all those analyses are reported to and discussed with the executive committee, the audit committee and the board of directors.

The table below summarises the results of this risk analysis (taking into account the shareholding percentage and the asset value managed (AuM approach)). The results of these analyses revealed that three participations have a potential material ESG risk as regards corporate governance, but that only DEME has a potential ESG risk and opportunity regarding the environment and a risk regarding social aspects. As for SIPEF, the analyses do not reveal any material issues for AvH group from an ESG perspective. Participations as well as ESG risks and opportunities other than those mentioned are included in the analyses. Based on current insights, they are not deemed to have a material impact on the AvH group.

ESG risks and opportunities that are material to the AvH group				
Participation	Environment	Social (including human rights)	Governance (including anti-corruption)	
	Climate and energy	Health and safety	Business ethics	Sustainable innovation
	n.m.	n.m.	Asset protection	Responsible investment policy
			Business ethics	Protection of data and privacy
	n.m.	n.m.	Safe harbour	Protection of data and privacy
			Business ethics	
	n.m.	n.m.	n.m.	

n.m.: (not material): no material ESG risk at AvH level, measured by the impact on AvH's consolidated shareholders' equity and net result, and taking into account the shareholding percentage of AvH in the participation

1. Sustainable Development Goals (SDGs)

AvH uses the international ESG standard 'Sustainable Developments Goals' (SDGs) of the United Nations to structure its sustainability reporting. Based on the materiality analyses that was performed, AvH focuses, as an investment company, on 4 SDGs, in particular SDGs 3 (good health & well-being), 8 (decent work & economic growth, 9 (industry, innovation and infrastructure) and 16 (peace, justice

and strong institutions). The participations were also asked to map their ESG policies to the SDGs and 4 SDGs were identified as common ground over the participations: 3 (good health & well-being), 8 (decent work & economic growth, 13 (climate action) and 16 (peace, justice and strong institutions).



2. GRI content index

AvH has reported the information cited in this GRI content index for the period January 1, 2023 to December 31, 2023 with reference to the GRI Standards (cfr. GRI 1: Foundation 2021).

GRI standard	Disclosure	Location
GRI 2: General Disclosures (edition 2021)	2-1 Organizational details	<u>Legal name</u> : Ackermans & van Haaren (See 'Cover') <u>Nature of ownership</u> : listed on Euronext Brussels (BEL20) and with solid family ties (See 'Mission') <u>Legal status</u> : Public limited company (See 'Cover' at the back – reference to 'NV') <u>Location head office</u> : Antwerp (See 'Cover' at the back) <u>Countries of operation</u> : See '2023 at a glance - Economic footprint of the AvH group', operations in Europe, India and Southeast Asia
	2-2 Entities included in the organization's sustainability reporting	<u>Reporting perimeter</u> : See 'Sustainability report: 1.4 Reporting scope and reference frameworks'
	2-3 Reporting period, frequency and contact point	<u>Reporting period</u> : identical to financial reporting (= 2023, See 'Cover') <u>Frequency</u> : annually <u>Contact person</u> : See 'contact' on last page
	2-4 Restatements of information	No 'restatements' for the previous reporting period
	2-5 External assurance	No
	2-6 Activities, value chain and other business relationships	<u>Sector</u> : independent, diversified group (See 'Mission') <u>Description value chain</u> : - See 'Sustainability report: 1. Your partner for sustainable growth' - See 'Activity report' with overview per segment and company - See 'Note 2 from the Financial Statements: Subsidiaries and jointly controlled subsidiaries' - See 'Note 3 from the Financial Statements: Associated participating interests' <u>Other business relations</u> : See 'Note 27 Related parties' <u>Significant changes compared to previous reporting period</u> : See 'Note 4 from the Financial Statements: Business combinations & disposals'
	2-7 Employees	See 'Sustainability report: 4. AvH as a sustainable company' (total headcount at end of the reporting period, by region & m/f)
	2-8 Workers who are not employees	- Members of the executive committee have a status as self-employed - Two consultants (Filip Portael & Jan Suykens) work on an independent basis
	2-9 Governance structure and composition	See 'Corporate governance statement: 1. General information and 2. Board of Directors'. There is no presence of underrepresented social groups on the Board of Directors.
	2-10 Nomination and selection of the highest governance body	See 'Corporate governance charter: 2.3.2. (Re)nomination procedure': https://www.avh.be/sites/avh/files/2023-05/avh-corporate-governance-charter-2022-uk.pdf See 'Corporate governance statement: 5. Nomination committee' See 'Corporate governance statement: 2. Board of Directors - 7. Diversity policy'
	2-11 Chair of the highest governance body	See 'Corporate governance statement: 2. Board of Directors - 2.1 Composition'
	2-12 Role of the highest governance body in overseeing the management of impacts	See 'Corporate governance statement: 2. Board of Directors - 2.4 Activity report'
	2-13 Delegation of responsibility for managing impacts	Not applicable
	2-14 Role of the highest governance body in sustainability reporting	See 'Sustainability report: 4.1 Corporate governance'
	2-15 Conflicts of interest	See 'Corporate governance statement: 2. Board of Directors - 2.5. Code of conduct regarding conflicts of interest'






	2-16 Communication of critical concerns ('whistleblower')	See 'Corporate governance statement: 2. Board of Directors - 8.3.1 Control assessment'
	2-17 Collective knowledge of the highest governance body	See 'Sustainability report: 4.1. Corporate governance'
	2-18 Evaluation of the performance of the highest governance body	See 'Corporate governance charter: 2.10. Assessment': https://www.avh.be/sites/avh/files/2023-05/avh-corporate-governance-charter-2022-uk.pdf See 'Corporate governance statement: 2. Board of Directors'
	2-19 Remuneration policies	See 'Remuneration report: 7.4. Pay gap and 7.5. Gender pay gap'
	2-20 Process to determine remuneration	See 'Corporate governance charter: 2.9 Remuneration policy, 3.3. Remuneration committee and 4.6. Remuneration policy executive committee': https://www.avh.be/sites/avh/files/2023-05/avh-corporate-governance-charter-2022-uk.pdf See 'Remuneration report' See minutes 'Annual General Meeting'
	2-21 Annual total compensation ratio	See 'Remuneration report'
	2-22 Statement on sustainable development strategy	See 'Sustainability report: 1. Your partner for sustainable growth'
	2-23 Policy commitments	The following policy commitments have been approved at board level: - Investment exclusion policy: See 'Sustainability report: 2.3. Responsible investment policy – Exclusion policy' and link: https://www.avh.be/sites/avh/files/2023-02/avh-exclusion-policy-uk.pdf - Integrity code: See 'Sustainability report: 4.3. Integrity' and link: https://www.avh.be/sites/avh/files/2023-02/avh-integriteitscode-2022-uk.pdf - ESG policy: See 'Sustainability report: Annex 1. ESG policy and methodology of AvH'
	2-24 Embedding policy commitments	Idem 2-23
	2-25 Processes to remediate negative impacts	See Integrity policy: https://www.avh.be/sites/avh/files/2023-02/avh-integriteitscode-2022-uk.pdf
	2-26 Mechanisms for seeking advice and raising concerns	See Integrity policy: https://www.avh.be/sites/avh/files/2023-02/avh-integriteitscode-2022-uk.pdf
	2-27 Compliance with laws and regulations	No fines or non-monetary sanctions
	2-28 Membership associations	Belgian Venture Capital & Private Equity Association (BVA), Invest Europe and UN PRI (AvH NV)
	2-29 Approach to stakeholder engagement	See 'Sustainability report: Annex 1. AvH's ESG policy and methodology'
	2-30 Collective bargaining agreements	See 'Sustainability report: 4.2. Talent development': AvH complies with the applicable sectoral CLAs and even goes further in certain respects
GRI 3: Material Topics (edition 2021)	3-1 Process to determine material topics	See 'Sustainability report: 1.2 Integration of ESG factors into the business model, 1.3 'Focused approach based on materiality and annex 1. 'AvH's ESG policy and methodology'
	3-2 List of material topics	See 'Sustainability report: 1.2 Integration of ESG factors into the business model, 1.3 'Focused approach based on materiality and annex 1. 'AvH's ESG policy and methodology'
	3-3 Management of material topics	See 'Sustainability report: 1.2 Integration of ESG factors into the business model, 1.3 'Focused approach based on materiality and annex 1. 'AvH's ESG policy and methodology'
Material topic - Responsible ownership		
ESG policy at portfolio companies	No relevant GRI indicators	See 'Sustainability report: 3. AvH as a responsible and active partner'
GRI 305: Emissions (edition 2016)	305-3 Other indirect (Scope 3) CO ₂ emissions (= companies in investment portfolio)	See 'Sustainability report: 3.3. CO ₂ emissions'
	305-5 Reduction of CO ₂ emissions	Idem 305-3
Material topic - Corporate governance		
Corporate governance charters and relevant portfolio companies	No relevant GRI indicators	See 'Sustainability report: 3.1 Governance'
Corporate governance AvH NV and subholdings	See GRI indicators 2-9 to 2-18 above	Idem 2-9 till 2-18

Material topic - Business ethics		
GRI 205: Anti-corruption (edition 2016)	205-2 Communication and training about anti-corruption policies and procedures	See 'Sustainability report: 4.3 Integrity'
Material topic - Financial resilience and long-term return		
GRI 201: Economic Performance (edition 2016)	201-1 Direct economic value generated and distributed	See 'Sustainability report: 2. AvH as a responsible investor'
	201-2 Financial implications and other risks and opportunities due to climate change	See 'Annual report of the Board of Directors - II. Consolidated annual accounts – Risks at the level of Ackermans & van Haaren'
Material topic - Talent development		
GRI 401: Employment (edition 2016)	401-1 New employee hires and employee turnover	See 'Sustainability report: 4. AvH as a sustainable company' See 'Sustainability report: 4.2 Talent development'
GRI 404: Training and Education (edition 2016)	404-1 Average hours of training per year per employee	See 'Sustainability report: 4. AvH as a sustainable company' (expressed in days) See 'Sustainability report: 4.2 Talent development'
	404-2 Programs for upgrading employee skills and transition assistance programs	See 'Sustainability report: 4. AvH as a sustainable company' See 'Sustainability report: 4.2 Talent development'
	404-3 Percentage of employees receiving regular performance and career development reviews	See 'Sustainability report: 4. AvH as a sustainable company' See 'Sustainability report: 4.2 Talent development'
GRI 405: Diversity and Equal Opportunity (edition 2016)	405-1 Diversity of governance bodies and employees	- See 'Corporate governance statement: 7. Diversity policy' - See 'Sustainability report: 4.2 Talent development'
Material topic - Innovation		
Innovation policy at portfolio companies	No relevant GRI indicators	See 'Sustainability report: 3.1 Innovation'
Other		
GRI 305: Emissions (edition 2016)	305-1 Direct (Scope 1) CO ₂ emissions	See 'Sustainability report: 4. AvH as a sustainable company' See 'Sustainability report: 4.4 Direct impact on environment and social aspects'
	305-2 Energy indirect (Scope 2) CO ₂ emissions	See 'Sustainability report: 4. AvH as a sustainable company' See 'Sustainability report: 4.4 Direct impact on environment and social aspects'
	305-5 Reduction of CO ₂ emissions	See 'Sustainability report: 4.4 Direct impact on environment and social aspects'

3. CO₂-footprint

The table below summarizes AvH's CO₂ footprint according to the accounting consolidation perimeter. This includes AvH (including its sub holdings) and the fully

consolidated participations. For more information, see Note 2 to the Consolidated Financial Statements - section 1 Fully consolidated subsidiaries.

CO ₂ footprint scope 1 & 2 (in ton CO ₂ eq) - Based on the accounting consolidation scope									
	2023			2022			2021		
	Scope 1	Scope 2	Total	Scope 1	Scope 2	Total	Scope 1	Scope 2	Total
	183	3	186	202	57	259	197	32	229
	733,000	500	733,500	652,000	1,000	653,000	832,000	800	832,800
	14,055	1,228	15,283	13,914	1,395	15,309	14,570	1,919	16,489
	1,336	40	1,376	1,455	15	1,470	1,372	16	1,388
	105	2	107	110	6	116	128	0	128
Other	2,338	1,960	4,298	1,848	790	2,638	1,323	66	1,389
Total CO ₂ emissions	751,016	3,733	754,749	669,529	3,263	672,792	849,590	2,833	852,423

4. EU Taxonomy

The tables below show the information to be disclosed in the context of the EU Taxonomy reporting obligation according to the accounting consolidation

perimeter. Turnover, Capex and Opex were determined according to generally accepted accounting principles.

4.1 Turnover

Economic activities (€ 1,000)	Codes	Absolute turnover	Substantial contribution criteria							DNSH criteria ('Does Not Significantly Harm')							Taxonomy-aligned % of turnover, year N	Taxonomy-aligned % of turnover, year N-1	Category (enabling activity or)	Category (transitional activity)
			Proportion of turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards				
2023			%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%			
A. Taxonomy-eligible activities																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Electricity generation from wind power	D35.11	1,008,819	19.7	19.7	0.0					Y	Y	Y	Y	Y	Y	19.7	15.1			
Construction of new buildings	F41.1	230,147	4.5	4.5	0.0					Y	Y	Y	Y	Y	Y	4.5	3.6			
Infrastructure for rail transport	F42.12	59,719	1.2	1.2	0.0					Y	Y	Y	Y	Y	Y	1.2	0.9	E		
Electricity generation from bioenergy	D35.11	18,974	0.4	0.4	0.0					Y	Y	Y	Y	Y	Y	0.4	0.3			
Renovation of existing buildings	F41	18,477	0.4	0.4	0.0					Y	Y	Y	Y	Y	Y	0.4	0.2		T	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	F42	16,968	0.3	0.3	0.0					Y	Y	Y	Y	Y	Y	0.3	0.4	E		
Acquisition and ownership of buildings	L68	12,553	0.2	0.2	0.0					Y	Y	Y	Y	Y	Y	0.2	0.1			
Installation, maintenance and repair of renewable energy technologies	F42	7,057	0.1	0.1	0.0					Y	Y	Y	Y	Y	Y	0.1	0.1	E		
Installation, maintenance and repair of energy efficiency equipment	F42	3,619	0.1	0.1	0.0					Y	Y	Y	Y	Y	Y	0.1	0.1	E		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	F42	1,103	0.0	0.0	0.0					Y	Y	Y	Y	Y	Y	0.0	0.0	E		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		1,377,436	26.8	26.8	0.0											26.8	20.7			

Economic activities (€ 1,000)	Codes	Absolute turnover	Substantial contribution criteria							DNSH criteria ('Does Not Significantly Harm')									
			Proportion of turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy- aligned % of turnover, year N	Taxonomy- aligned % of turnover, year N-1	Category (enabling activity or)
2023			%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	☐	☐	
A. Taxonomy-eligible activities																			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Construction of new buildings	F41.1	569,662	11.1																
Remediation of contaminated sites and areas		127,091	2.5																
Renovation of existing buildings	F41	107,480	2.1																
Electricity generation from wind power	D35.11	90,589	1.8																
Sorting and material recovery of non-hazardous waste	E38.32	77,440	1.5																
Infrastructure for rail transport	F42.12	59,767	1.2																
Acquisition and ownership of buildings	L68	49,475	1.0																
Computer programming activities	J62.01	25,307	0.5																
Transmission and Distribution of Electricity	D35.12	7,180	0.1																
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1,113,991	21.7																
Total (A.1 + A.2)		2,491,427	48.5												26.8	20.7	1.7	0.4	
B. Taxonomy - non-eligible activities																			
Turnover of Taxonomy-non-eligible activities (B)		2,640,696	51.5																
Total (A + B)		5,132,122	100.0																

4.2 Capex

Economic activities (€ 1,000)	Codes	Absolute capex	Substantial contribution criteria							DNSH criteria ('Does Not Significantly Harm')							% Taxonomy-aligned % of capex, year N	% Taxonomy-aligned % of capex, year N-1	E Category (enabling activity or)	T Category (transitional activity)
			% Proportion of capex	% Climate change mitigation	% Climate change adaptation	% Water and marine resources	% Circular economy	% Pollution	% Biodiversity and ecosystems	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N	Minimum safeguards Y/N				
2023																				
A. Taxonomy-eligible activities																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Electricity generation from wind power	D35.11	252,961	38	38	0						Y	Y	Y	Y	Y	Y	38	45		
Renovation of existing buildings	F41	10,707	2	2	0						Y	Y	Y	Y	Y	Y	2	0	T	
Infrastructure for rail transport	F42.12	9,886	1	1	0						Y	Y	Y	Y	Y	Y	1	0	E	
Construction of new buildings	F41.1	6,988	1	1	0						Y	Y	Y	Y	Y	Y	1	1		
Acquisition and ownership of buildings	L68	3,809	1	1	0						Y	Y	Y	Y	Y	Y	1	1		
Electricity generation from bioenergy	D35.11	837	0	0	0						Y	Y	Y	Y	Y	Y	0	0		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	F42	397	0	0	0						Y	Y	Y	Y	Y	Y	0	0	E	
Installation, maintenance and repair of renewable energy technologies	F42	165	0	0	0						Y	Y	Y	Y	Y	Y	0	0	E	
Installation, maintenance and repair of energy efficiency equipment	F42	85	0	0	0						Y	Y	Y	Y	Y	Y	0	0	E	
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	F42	26	0	0	0						Y	Y	Y	Y	Y	Y	0	0	E	
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		285,861	42.6	42.6	0.0												42.6	47.4		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Acquisition and ownership of buildings	L68	36,545	5.4																	
Renovation of existing buildings	F41	24,440	3.6																	
Construction of new buildings	F41.1	14,959	2.2																	
Infrastructure for rail transport	F42.12	5,589	0.8																	
Computer programming activities	J62.01	4,494	0.7																	
Sorting and material recovery of non-hazardous waste	E38.32	724	0.1																	
Transmission and Distribution of Electricity	J62.01	363	0.1																	
Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		87,114	13.0																	
Total (A.1 + A.2)		372,975	55.5														42.6	47.4	1.6	1.6
B. Taxonomy - non-eligible activities																				
Capex of Taxonomy-non-eligible activities (B)		298,551	44.5																	
Total (A + B)		671,526	100.0																	

Lexicon

ESG terminology

- **BACA (Belgian Alliance for Climate Action):** a platform for Belgian organisations that want to reduce their CO2 emissions, show climate ambition and use SBTi (Science Based Targets initiative) to define their goals.
- **BREEAM** (Building Research Establishment Environmental Assessment Method): international sustainability benchmark and standard for the optimal realisation (new construction) or renovation (buildings in use) and exploitation of buildings with a minimal environmental impact, based on scientifically substantiated sustainability metrics and indices encompassing a range of environmental issues, such as energy and water use assessment, the impact on health and well-being, pollution, transport, materials, waste, ecology and management processes.
- **Circularity:** the reuse of raw materials, components and products after their useful life so that their value can be preserved.
- **CSRD** (corporate sustainability reporting directive): EU ESG disclosure legislation that enters into force as of 2024. This directive modernises and strengthens the rules concerning the social and environmental information that companies have to report. The new rules will ensure that investors and other stakeholders have access to the information they need to assess the impact of companies on people and the environment to assess financial risks and opportunities arising from climate change and other sustainability issues.
- **CO2 emissions – scope 1:** all direct emissions from sources that are owned or controlled by the company (e.g. combustion of fuel and natural gas).
- **CO2 emissions – scope 2:** all indirect emissions from the production of electricity that is purchased by the company. Scope 2 emissions physically occur in the installation where the electricity is generated.
- **CO2 emissions – scope 3:** indirect emissions from activities of a company, such as emissions from the production of sourced products (upstream) or from products, services or projects sold by the company (downstream).
- **Contributed capacity (DEME):** calculated counting total number of foundations installed by DEME during the reporting period (between January 1 and December 31), and multiplying by the corresponding turbine capacity. The turbine capacity is also called the rated power of the turbine. It is the power that the turbine generates for wind speeds above the 'rated' level. Each installed turbine has a specific rated power, expressed as a number of MW.
- **Corporate governance:** organisation & processes of the managing bodies that define the strategy and monitor its implementation.
- **Diversity, equity & inclusion or DEI:** this relates to the involvement of different views and avoiding discrimination, by promoting diversity in various areas, such as gender, religious beliefs or background, and to the implementation of a policy of inclusion.
- **DNSH (Do No Significant Harm):** the concept of 'avoiding significant harm' that is used in the EU Taxonomy as one of the conditions to classify an activity as 'green'.
- **ESG:** Environment, Social & Governance.
- **ESG policy:** statement setting out the company's approach to environmental, social and governance aspects, along with the plan to accomplish this mission, as well as the indicators used to measure progress made.
- **ESG material participation:** there are four ESG material participations (DEME, Delen Private Bank, Bank Van Breda and SIPEF) which are closely monitored from an ESG perspective within the ESG policy pursued by AvH.
- **ESG stewardship:** the influence that investors exert on participations to maximise the overall long-term economic, social and environmental value.
- **ESRS (European sustainability reporting standards):** Companies subject to the CSRD will have to report according to European Sustainability Reporting Standards (ESRS). The standards are tailored to EU policies, while building on and contributing to international standardisation initiatives.
- **EU Taxonomy:** regulations that determine which investments can be classified as 'green' and which contribute to the realisation of the EU Green Deal. The classification is based on technical screening criteria (TSC) and minimum criteria for the avoidance of significant harm (DNSH).
- **Financial resilience and long term return:** healthy balance sheet structures, with business plans and strategies that make it possible to achieve a fair return in the long term and enable the investments required for that purpose.
- **GRI (Global Reporting Initiative):** an international organisation that draws up guidelines for sustainability reporting.
- **Human rights:** the rights as defined in the Universal Declaration of Human Rights.
- **Innovation strategy:** statement setting out a company's innovation approach, and how it seeks to achieve objectives, taking into account their long-term impact on profitability.
- **Integrity code:** statement that may comprise the following integrity aspects: anti-corruption policy and procedures, human rights policy, whistle-blower policy and procedures, compliance policy and practices (e.g. where relevant antimoney-laundering, know your customer (KYC), etc.).
- **KPI:** Key Performance Indicator.
- **Low carbon fuels:** combine the fuels for which the CO2 emissions are lower compared to conventional fuel (marine gas oil). This category includes fuels such as LNG (Liquefied Natural Gas) and blended biofuels.
- **Material** (in materiality matrix): an aspect that (i) can have a significant positive or negative financial impact on the activities or the shareholders' equity of a company, of which (ii) a stakeholder expects that it is carefully managed with high priority.
- **NPS (Net Promoter Score):** this can be determined by putting one question to the client: How likely are you to recommend us to a friend or colleague? The respondent can reply by assigning a score from 0 to 10. The scores are divided into three groups: Promoters: respondents who gave a score of 9 or 10; Neutrals: respondents who gave a score of 7 or 8; Critics: respondents who gave a score of 0 to 6. The score is calculated as follows: $NPS = \% \text{ promoters} - \% \text{ critics}$.
- **Reporting:** relates to financial and non-financial reporting, with emphasis on material aspects.
- **Responsible investment policy:** investing with a view to a sustainable mix of activities. This means that investments are first examined in terms of whether

the company is active in a sector that AvH wishes to invest in, whether in sensitive sectors it scores well on relevant ESG aspects, and whether it is active in a sector that has a positive impact on ESG goals. It may also lead to divestments from companies.

- **Responsible shareholding:** structured monitoring as a shareholder of ESG aspects in participations (e.g. defining and monitoring an ESG strategy and related processes).
- **Risk management:** structured handling of risks (by audit & control, procedures, manuals, committees, etc.).
- **RSPO (Roundtable on Sustainable Palm Oil):** an independent organisation that develops global standards for the production of sustainable palm oil.
- **SASB (Sustainability Accounting Standards Board):** an international organisation that sets guidelines for businesses on relevant sustainability reporting to investors
- **SBTi (Science Based Targets initiative):** an initiative that defines best practices in the area of CO2 emission reductions and targets in line with the goals of the Paris Climate Agreement.
- **SDGs (Sustainable Development Goals):** Sustainable Development Goals of the United Nations that constitute a call for action to promote prosperity and at the same time protect the planet against climate change. They encompass strategies that support economic growth and address social needs (education, health, social protection and employment, etc.).
- **SFDR (Sustainable Finance Disclosure Regulation):** regulation concerning the disclosure of information on sustainability in the financial sector. The idea is to improve the disclosure of information to investors on the sustainability impact of investment policies and investment decisions.

Financial and legal terminology

- **Cost-income ratio:** the relative cost efficiency (cost versus income) of the banking activities (EBA definition).
- **Common Equity Tier1 capital ratio (CET1):** the regulatory core capital buffer held by banks to offset any losses.
- **EBIT:** Earnings before interest and taxes.
- **EBITDA:** EBIT plus depreciation and amortisation on fixed assets
- **ESEF:** the European Single Electronic Format is an electronic reporting format in which issuers on EU regulated markets must prepare their annual financial reports.
- **Rental yield based on fair value:** rental yield is only calculated on buildings in operation, excluding the projects and the assets held for sale.
- **Net financial position:** cash & cash equivalents and short-term investments minus short- and long-term financial debt.
- **Net result:** Net result (group share)
- **(% of) Shareholders' equity:** calculation method to indicate what percentage of the assets managed by AvH meet certain standards of the ESG policy. It involves determining what share the assets in question represent in the consolidated shareholders' equity of AvH (group share).
- **Talent development:** taking care of the human capital needed for the proper functioning of the company concerned (recruitment, training, personal development, appraisal, well-being, etc.), where the talents of staff members can emerge and be used in the best possible way.
- **TSC (Technical Screening Criteria):** technical screening criteria defined for each economic activity in the EU Taxonomy, and used to determine whether a particular activity can be classified as 'green'.
- **UN PRI (United Nations Principles of Responsible Investment):** framework of the United Nations that focuses on a responsible investment policy as shareholder, where ESG factors are taken into account in order to achieve proper returns by managing risks and opportunities.
- **Value creation:** the average growth (CAGR) of the consolidated shareholders' equity (group share), including dividends, measured over a certain period of time (i.e. in case of AvH 10 years)
- **Worldwide LTIFR (DEME):** The Worldwide Lost Time Injury Frequency Rate is the metric reflecting accidents of DEME employees and DEME temporary employees involving work incapacity (≥ 24 hours or ≥ 1 shift) multiplied by 200,000 and divided by the number of hours worked. The 'Worldwide' method is a risk-based method that combines 'risk level rate' (= event that resulted in the injury) and 'injury rate' (= type of injury). To determine if an incident scores as 'Worldwide', the 'risk level rate' and 'injury rate' are multiplied.
- **Return on equity (ROE):** the relative profitability of the group, more particularly the amount of net income returned as a percentage of shareholders' equity.
- **SPV (Special Purpose Vehicle):** a company in which a project or part of a project is contained.
- **TLTRO (Targeted longer-term refinancing operations):** an ECB instrument that encourages banks to provide loans to businesses and consumers.
- **Real estate portfolio:** the outstanding capital employed equals the sum of the shareholders' equity and the net financial debt of the real estate division.
- **CCA:** Code of Companies and Associations.
- **XBRL:** An electronic language, specifically designed for the exchange of financial reporting over the Internet.