



Argenta Bank and Insurance Group, October 2021



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I. Sustainable engagement

We want to be sustainable in everything we do. At Argenta, caring is at the heart of the organisation. It connects us and offers individuality. By consciously embedding it, we are aiming for satisfied customers, happy employees and healthy business results in the long term. Taking responsibility is an integral part of our long-term vision. This is a characteristic that Argenta will carry for many generations to come. It can be as simple as that.

Sustainability is a fundamental part of what Argenta stands for, what it does and how it does it, and is inextricably linked to ethics and integrity. Argenta's sustainability strategy is built on the following pillars:

1. Everyone close

We want to be close to our stakeholders. Argenta has a strong local presence, with an extensive branch network and independent agents who enter into a long-term relationship with their customers. We are close to our customers and are there at important moments in their lives. Our employees are part of the Argenta family. Their commitment makes our organisation strong. By taking care of them, we are building a long-term relationship.

2. A simple and transparent product range

Our products and approach are simple and transparent. We are also close to our customers digitally, with a focus on ease of use and fulfilling customer needs to ensure they can bank easily and quickly.

3. Banking and insurance should not cost trees. We are committed to a lower ecological footprint

We want to reduce our ecological footprint, both at our headquarters and offices and among our partners, and have set ourselves concrete and ambitious targets to achieve this.

4. Positive impact on society: every euro is valuable

As a financial institution, we can make a difference through the financial flows we manage for our customers. Day after day, we are choosing to use these responsibly: There is no place for unethical investments in our investment funds. Through our own investment portfolio, we invest in tangible and local projects. Every euro is valuable and can make a difference. Argenta can count on stable family shareholders, who focus on the long term and reinvest most of the profits in the company. As a result, Argenta has presented excellent capital and liquidity buffers for years. Costs are managed by means of simplicity in all areas.

Argenta chooses the United Nations Sustainable Development Goals ("SDGs") as a general reference framework and focuses on the 5 SDGs where Argenta can make the most impact.





II. Responsible governance is essential to be sustainable

II.1. Our basic principles and focus values



To succeed in our mission, we must take responsibility. Being responsible means managing our organisation effectively. By organising ourselves well, we take care of all our stakeholders and ensure our long-term existence.

Ethics and integrity are essential to Argenta and form the foundations of the sustainability policy.

The specific topics around ethics and integrity are covered in the document:

1. Fair selling methods, fair advertising and product transparency (see III.2)
2. Appropriate and transparent wage policy, no bonus culture (see II.4)
3. Fight against corruption, fraud and money laundering (see II.5)
4. Ethical conduct by Argenta staff (see II.3)

To encourage the desired behaviour among our employees, Argenta introduced the 'DOPE' concept in 2018. This encompasses four focus values that every employee actively promotes in their daily work. These values are:

Accessible

✓ Empathetic

We are open to and understand each other's opinions, even those that differ from our own. We openly share expertise and information with each other and listen attentively.

✓ Helpful

We are always ready to help each other and look beyond the limits of our immediate responsibility. We are constantly alert to situations that require our assistance rather than waiting for the call for help.

✓ Long-term relationships

We also strive to maintain long-term relationships with each other, which are not based on opportunism. We develop sustainable, open and transparent relationships in order to achieve common objectives.

✓ Honest

We do what we say and say what we do. We are honest and reliable and respect each other and Argenta as well.

Enterprising

✓ Identifying and exploring opportunities

We reflect and seize every opportunity to optimise our products and services. We set time aside to discuss opportunities with each other and to jointly investigate possibilities, obstacles and opportunities.

✓ Taking responsibility

We accept responsibility not only for resolving problems quickly and effectively, but also for achieving goals we have set for ourselves.

✓ Determination and perseverance

We work purposefully and promptly to realise our goals and projects. We remove obstacles and keep trying to achieve the best result.



Pragmatic

✓ Good will

We are willing to meet each other half way and to accommodate each other. We act with sincerity, have the courage to respond and to express our opinions. We respect decisions made and act consistently to achieve our goals.

✓ Straightforward

We move directly towards our goal and try to find simple, achievable solutions that enable us to move forward quickly.

✓ Optimally productive

We strive to optimise the ratio between effort and result.

Simple

✓ Plain language

We express ourselves in clear terms and adapt our language use. We avoid using technical jargon and call things by their names.

✓ Focus on essentials

We focus on essentials without getting caught up in irrelevant details. Focusing on what is important enables us to act decisively, efficiently and appropriately.

✓ Without frills

We avoid complicating things. We avoid unnecessary fuss and work on simple solutions in a well thought out manner.

II.2. Corporate governance: simplicity and transparency

Argenta's governance is based on simplicity and transparency. We apply this to the entire company structure, our activities, and the risks that must be in line with the legal and regulatory provisions on governance. For more information, please refer to the [Governance Memorandum](#), the [Corporate Governance document](#) and the [Integrity Charter](#).

The Boards of Directors of the Argenta Bank- en Verzekeringsgroep, Argenta Spaarbank and Argenta Assuranties have a similar composition. They always include members of the management committee from the respective company (or the executive directors), independent directors and directors representing the shareholders, who together form the non-executive directors. None of the three separate groups has a majority. The majority on the Boards are always the non-executive directors.

Members of the Management Board are exclusively natural persons. They have six-year renewable mandates.

For more information on the composition of the Board of Directors and the Executive Committee, please refer to the most recent [activity and sustainability report](#).

Separate audit and risk committees have been established within the boards of directors of Argenta Spaarbank and Argenta Assuranties. The committees are chaired by independent directors who are not members of the board of directors of the other company.

The audit committee supports the board of directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process and the business process for monitoring compliance with laws and regulations.

The risk committee shall assist the board of directors in supervising the execution of the strategy by the executive committee. This includes - in accordance with the [Governance Memorandum](#) - determining the nature, scope, form and frequency of the risk information that the board of directors wishes to receive. The risk committee shall also discuss the advice of the Compliance function regarding remuneration policy.



The fact that the decision-making bodies have to make decisions for several entities pursuing the same objectives, i.e. the interest of the retail customer, encourages overall responsibility and avoids conflicts of interest and culture.

Within Argenta, there is one Group Supervisory Committee, one Remuneration Committee and one Nomination Committee, established within the Board of Directors of Argenta Bank- en Verzekeringsgroep.

The Group Monitoring Committee has a specific advisory task at group level to ensure that the Board of Directors of Argenta Bank- en Verzekeringsgroep always has a consolidated view of the activities of the various Argenta entities and the internal control of these activities.

The Remuneration Committee advises on the remuneration policy for members of the Board of Directors, employees whose professional activities may have a material impact on Argenta and all other employees of the Argenta Group. It monitors the development of remuneration within the Argenta Group, ensures that the remuneration policy promotes a sound risk culture and makes general recommendations to the Board of Directors. It also examines annually whether remuneration behaviour is in line with the remuneration policy.

The Nomination Committee assists the Boards of Directors of the Argenta Group in fulfilling their responsibilities and making the necessary decisions regarding the composition, structure and functioning of the Board and the Executive Committee. To this end, the Committee oversees the performance of the Boards of Directors and Executive Committees of the Argenta Group, as well as the performance of their individual members.

In addition, the board periodically evaluates its functioning, performance as a whole and the performance of the individual directors.

II.3. Ethics and integrity

Ethical and honest management relies heavily on the commitment and dedication of all Argenta employees.

In addition to the strategic objectives, the Board of Directors also defines the integrity policy and the internal codes of conduct in the [Integrity Charter](#). The Charter is binding, at every level and regardless of the nature of the position held. This ensures that the integrity policy is coherent and consistent at group level.

The charter incorporates the focus values (DOPE) as well as the deontological standards for the integrity of the banking and insurance sectors. More specifically, this concerns the following areas: the special mechanisms, the law on preventing the use of the financial system for money laundering and the financing of terrorism, the code of ethics, the law on privacy, the law on combating discrimination, and MiFID. As regards preventing money laundering and the financing of terrorism, Argenta follows the [recommendations of FATF](#) and the [Wolfsberg Principles](#).

The Charter sets out how Argenta should act in a spirit of integrity and commitment with all of its stakeholders. It is important for employees to maintain their personal integrity. As a role model, the management imposes strict rules of conduct on itself and sets a good example ('tone at the top').

Transparency is also essential to encourage integrity. That is why Argenta has an open organisational culture in which employees feel free to raise issues that go against integrity or to appreciate good examples with a compliment. Everyone is expected to give each other feedback and to be open to receiving it. Anyone who notices a breach of ethics is expected to report it, regardless of whether the breach was committed by the employee himself, a customer, another employee, or an external party. Argenta also offers digital training courses on ethics and integrity.



The Integrity Charter also includes a whistle-blower's charter. This ensures that (attempted) illegal, immoral or illegitimate practices controlled by Argenta are brought to light. It is a channel for employees to report observations or findings of (alleged) irregularities within the company without having to follow the hierarchical path. The anonymity of the whistle-blower is always guaranteed.

The Compliance Directorate enforces the established policy. It has a coordinating and initiating role in the implementation of the integrity policy and reports on this to the executive committee and the board of directors. It does so by assisting other management teams with information and by monitoring compliance with the integrity policy.

II.4. No bonus culture

There is no bonus culture among Argenta's management and employees. No variable remuneration, shares, share options, entry-level bonus or deferred remuneration is awarded. In other words, the ratio of variable versus fixed remuneration is 0%. Not awarding variable remuneration is a deliberate governance choice to avoid pursuing short-term objectives at the expense of Argenta's longer-term objectives.

For directors and designated staff (staff whose professional activities can materially influence the risk profile of an institution), the remuneration principles are the same as for other positions. For them, too, remuneration consists solely of a fixed amount. As a result, the remuneration policy ensures that there are no material conflicts of interest for staff in control positions and that excessive risks are not taken. At the Argenta Group, individual objectives are formulated in such a way that they cannot hinder the independent operation or materially affect the risk profile of the institution. This was established in the internal charter 'Key Officer Eligibility', which sets out the governance and framework that Argenta has put in place to ensure the suitability of key officers.

Suitability means that the person concerned is competent and professionally reliable (fit & proper), as defined in the NBB Circular of 2 October 2018 on the standards of competence and professional reliability for members of the executive committee, directors, persons in charge of independent control functions and effective leaders of financial institutions. They are directors or supervisory directors, members of the executive committee, effective leaders and those responsible for the internal control functions.

The remuneration of office-holders, in combination with the product framework, is designed with a view to the long-term customer relationship and Argenta's overall strategy.

At Argenta, the individual objectives are defined in a way that cannot impede the independent operation. For more information on Argenta's remuneration policy, please refer to the [pillar 3 report](#).

II.5. Fight against corruption, fraud and money laundering

Fraud, corruption and money laundering undermine Argenta's sustainability, both financially and non-financially. In the [anti-fraud policy](#), Argenta declares to apply a zero-tolerance policy. The [AML policy line, customer acceptance, sanctions and embargoes](#) defines how Argenta combats money laundering. This is also linked to the focus values ('DOPE'), as the generally accepted standards in the banking and insurance sector.

The Argenta Group applies the following principles:

- Identification and verification of the identity of the customer and the ultimate beneficiaries (UBO) and retention of supporting documents for five years after the end of the customer relationship;



- Drawing up the customer profile in accordance with the "Know your Customer" principle;
- Retention of all transaction documents and/or statements for a minimum of 10 years in order to accurately reconstruct the execution of the transactions;
- Drafting and application of a customer acceptance policy. Here, the identification, verification and updating rules are more or less stringent depending on whether the customer is a high or low risk. The AML policy integrates the entire AML lifecycle from the initiation of a customer relationship, through the execution of a transaction, to follow-up during the customer relationship;
- Constant vigilance with the aim of detecting atypical transactions and unusual behaviour, both in first-line supervision through direct contact with the customer and in second-line supervision maximised through an automated monitoring system.
- Reporting to the Financial Intelligence Unit (FIU), in Belgium the CFI, in the Netherlands the FIU, in Luxembourg the CRF, of any suspicion or knowledge of money laundering and any failure to identify, verify or exercise the duty of vigilance;
- Specific attention is also drawn to the detection of any act whereby a person, by whatever means, directly or indirectly, unlawfully and intentionally provides or collects funds for the purpose of financing terrorism or other criminal activities and, where appropriate, this is reported to the FIU;
- Within the framework of Belgian legislation, we also respect the application of Article 505 of the Criminal Code, which is the repressive part, condemning the receipt of stolen goods in the broad sense, including a criminal offence of money laundering;
- The Argenta Group requires all employees to take the specific training modules (including e-learning) on anti-money laundering legislation and customer acceptance policy each year and - in accordance with their position - to pass the corresponding tests;
- Argenta does not itself set up any constructions, mechanisms or any other type of services that organise tax fraud or that it knew or should have known were involved in organising it. Argenta does not help its customers set up such structures either. Argenta does not have any subsidiaries or branches in jurisdictions with a zero tax regime or in jurisdictions with a corporate tax regime that is unfavourable to the company. Argenta does not provide financial services, nor does it invest in companies in tax havens;
- Integrating these topics in risk mapping and reporting them structurally provides a clear picture of fraud, corruption and money laundering within Argenta. Argenta prepares a money laundering report for all its group entities on an annual basis.

The Non-Financial Risk Management (NFRM) & Supervisory Office departments enforce the fraud policy. The Fraud Consultation Group formulates recommendations that may be addressed to the management teams and parties involved in managing contractual relationships. The Sanctions Committee decides on the extent of the response in the event that fraud is detected;

There is a separate team responsible for combating money laundering and terrorist financing headed by the Anti Money Laundering Compliance Officer (ALMCO).

To combat phishing, Argenta introduced the 3D Secure payment. This is an online payment with extra security, whereby there are checks to ensure it is really the customer who makes the payment. Customers are frequently made aware of the dangers and methods of fraud and phishing. Argenta informs them about the possibilities of protecting themselves against such practices. Argenta provides this information via online banking, the app, social media and newsletters. If a customer does fall victim to fraud, Argenta will do everything possible to recover the funds for the customer.



II.6. Conflicts of interest and market abuse

The conflict of interest policy was formalised in the [policy on conflicts of interest](#). The policy is aimed at avoiding conflicts of interest (internal and external) as far as possible. Just like any other financial service provider, Argenta can be faced with actual and potential conflicts of interest resulting from these various activities. Protecting the customer's interest is the primary concern here.

Potential conflicts of interest are identified in a conflict of interest inventory. The actual conflicts of interest are registered in the conflict of interest register and then managed by Compliance. If it is not reasonably possible to manage the conflicts of interest without prejudice to the interests of clients, they shall be provided with appropriate information. The policy applies to all services and all employees and agents of Argenta.

Argenta is not involved in any political involvement or lobbying, nor does it make any financial contribution to this. Interest representation is limited to professional organisations such as Febelfin, the umbrella federation of the Belgian financial sector, and Assuralia, the umbrella organisation of the Belgian insurance sector. Employees involved in political parties are obliged to report this as an ancillary activity and receive explicit permission to do so.

In order to prevent conflicts of interest and corruption, strict rules apply with regard to gifts, business gifts and invitations.

Based on European and Belgian regulations, Argenta must comply with the obligations concerning the prevention of market abuse. As part of the integrity policy, the [Market Abuse policy](#) aims to safeguard Argenta's reputation and ensure compliance with the legal and regulatory obligations concerning market abuse. This policy also applies to all Argenta entities and their employees and offices. Employees must attend annual training sessions on integrity, privacy and market abuse.

II.7. Equal opportunities, diversity and anti-discrimination

Argenta subscribes to the [Universal Declaration of Human Rights](#) and supports the right to equal opportunity and non-discrimination, the right to safety of persons, the rights of employees and respects national sovereignty and human rights as well as consumer and environmental protection obligations. These principles are part of the [UN Global Compact](#) which Argenta also subscribes to.

As a bank-insurer, Argenta is committed to providing basic banking services free of charge for everyone, treating every customer with respect, protecting personal data, promoting financial literacy, ensuring diversity and equal opportunities in the recruitment of staff, etc

As stipulated in the [Anti-discrimination policy](#) Argenta applies Belgian and Dutch (and in a broader sense European) anti-discrimination legislation as the principle of its anti-discrimination policy. These regulations prohibit discrimination on the grounds of age, sexual orientation, disability, religion or belief, marital status, birth, gender, wealth, political opinion, trade union membership, language, current or future health condition, a physical or genetic characteristic, and social, cultural or ethnic origin.

Diversity and equal opportunities are essential for a healthy business environment. Through the [charter on diversity](#) we provide information about the gender diversity within the boards of directors, the executive committee and the effective management. Argenta strives for a minimum of 30% male/female representation for the Executive Committee and the effective management. By 2025, we want to increase this figure to 33%. To lend force to this ambition, Argenta signed the [Gender diversity charter in the financial sector](#), an initiative by 'Women in Finance' that advocates greater equality between men and women, in 2019. In terms of age (younger/older than 50), we are also aiming for 33% older people.



The equal opportunities policy applies to both the recruitment and promotion of employees. Candidates are assessed on competences, talents, knowledge and experience. Reference salaries are used according to the specific functions and the degree of difficulty. Responsibility, level of competence, experience and the required specialisation for the job play a role in determining the salary. Other issues such as gender or age play no role whatsoever. All functions within Argenta are grouped within a job description matrix. There is a uniform process for applying the feedback and rating cycle. Variable remuneration is not an issue at Argenta. Neither executives nor managers nor employees receive any form of variable remuneration (bonus).

Argenta's workforce consists of a healthy mix of male and female employees of different ages, origins and religions. For current figures on the male/female ratios and respective ages, please refer to the [integrated activity and sustainability report](#).

II.8. Privacy, data management & security

Respecting everyone's privacy is an important basic value for Argenta. The right to privacy is recognised as a fundamental right at both European and national level. As a supplement to the regulatory framework, the [privacy policy](#) describes the goals Argenta aims to achieve when implementing its privacy policy.

The first four principles are overarching for Argenta's entire privacy policy:

1. Argenta strives to demonstrate that it acts in line with the right to privacy and the applicable regulations. For this, both legal and social expectations are our benchmark, but neither is an absolute test terms of extremities;
2. To achieve a good privacy policy, the impact on and care for the customer must be the focus;
3. To realise a good privacy policy in the use of personal data in professional relationships in accordance with market practice;
4. Argenta pursues a neutral reputation in dealing with privacy, which ideally does not even attract the customer's attention.

The other principles set out Argenta's position on various facets of the privacy regulations when processing customers' personal data in more detail.

Information security is an integral aspect of everyone's role, so that ultimately everyone is responsible for the information security aspects within their function or responsibility. All Argenta employees and outsourcing partners must therefore act in accordance with the information security policy and the information security code of conduct. The degree of protection to be provided depends on the content of the information, and is determined by assessing the degree of confidentiality, the importance of integrity and the necessity or availability of the information. Based on a risk assessment of the above elements and legal obligations, measures are determined to adequately protect the information. The information security policies are based on the ISO 27002 standard ("Code of practice for information security controls").

Various functions have been designated to support information security, provide insight into the risks, report on them, ensure their appropriate handling and to promote the effectiveness of the control measures.

The Chief Information Security Officer (CISO) is a member of the executive committee and reports to all executive and non-executive board and management committees (such as board of directors, audit committee, risk committee...). The CISO determines the information security policy and monitors both the business and ICT aspects of security.

The Information Security Officer (ISO) is located in the CRO board and focuses on compliance with the information security policy in the operational processes across the organisation. He



guides the business in the translation of the policy to the specific directorates and, as second line of defence, supervises the application.

The ICT Security Officer (ITSO) has a first line responsibility within ICT as the ISO. The ITSO guarantees the elements within information security that are specific to the ICT organisation.

The Data Protection Officer (DPO) is located in the Compliance and Integrity Directorate and is responsible for ensuring that the privacy of our customers and employees is respected. This deals specifically with the protection of natural persons in relation to the processing of personal data, including the transport and storage of such personal data. The DPO must be able to provide independent advice and oversight at all levels of the organisation to ensure compliance with applicable privacy regulations.

The Data Management Office (DMO) is responsible for developing and maintaining the information policy in line with business objectives and applicable legal and regulatory requirements, as well as for maintaining the information management process.

CISO, ISO, ITSO, DPO, a representative of the DMO and a representative of the Executive Committee are all represented within the Information Management Committee (IMC). This committee monitors, evaluates and reacts appropriately to evolutions in the information management landscape. Risks relating to information security and management are assessed and adjusted, and measures are taken where necessary.

Data & information management concerns the whole range of activities aimed at organising data in a careful, logical, business-like and responsible manner. Effective data management must meet at least the following objectives:

- Ensuring data quality;
- Providing a stable data infrastructure that supports the data management objectives;
- Setting up clear data governance;
- Ensuring compliance with regulations.
- The responsibility for Data & Information Management lies with the Chief Data & Analytics Officer (CDAO). It focuses on standardisation of implementation, allocation of roles and responsibilities, cohesion and consultation. The Data Governance Committee monitors all major data management initiatives. The Data & Information Management policy outlines the framework on which Argenta builds integrated data management.
- Employees are required to attend annual training on GDPR, privacy and Information Security Awareness. With regard to security awareness, information campaigns are regularly conducted to further strengthen awareness in the organisation. Internal and external audits are also carried out on data privacy and cyber security.

II.9. Reporting complaints

Customers have the opportunity to report complaints. A central Complaints Management department has been set up within the Customer Support Department. Customers, agents and third parties can approach this department with complaints about Argenta's products and services.

The policy on complaint management and the process for handling complaints was formalised in the Complaint Management Policy.

Anyone who is not satisfied with Argenta's Complaints Management Department can apply to Ombudsfin (Argenta Spaarbank: the mediation service Banks - Loans - Investments), to the Insurance Ombudsman (Argenta Assuranties) or to Kifid (Argenta Nederland).



III. Pillars of a sustainable policy

Corporate governance is fundamental to sustainable business. Through its sustainability policy, Argenta focuses on four thematic areas. For each of these areas, ambitions were set with the aim of achieving a tangible impact for our stakeholders:



1. **Everyone close**
2. **A simple and transparent product range**
3. **Positive impact on society: every euro is valuable**
4. **Banking and insurance should not cost trees**



III.1. Everyone close

III.1.1. Close to our customer

Argenta's **mission** is to help families and individuals in a simple, fair and local manner to live in a financially healthy way.

Our **vision** also reflects inherent sustainability, as Argenta wants to be the first bank-insurer for individuals and families who value no-frills, sustainable financial advice.

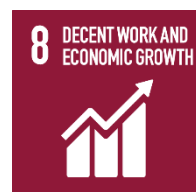
We translate this mission and vision into our customer proposition, which represents the core of our services and product range:

 <p>Straightforward</p> <ul style="list-style-type: none"> ✓ Argenta offers simple and fair products and services for the office as well as online. ✓ Argenta provides all common digital applications, without having to be the first to do so. 	 <p>Price-conscious</p> <ul style="list-style-type: none"> ✓ Day-to-day banking with Argenta is free of charge. Argenta strives to offer all other products and services as cheaply as possible. ✓ There are no unexpected costs at Argenta. Our focus is on simplicity and transparency. 	 <p>Trusted partner</p> <ul style="list-style-type: none"> ✓ Argenta focuses on personal and long-term relationships. ✓ Argenta provides tailor-made advice and your Argenta agent plays a crucial role in this. ✓ Argenta is there for you at key moments. 	 <p>Sustainability</p> <ul style="list-style-type: none"> ✓ Argenta is not quoted on the stock exchange and does not distribute bonuses. ✓ Argenta is a Belgian, locally anchored bank. ✓ Argenta invests in sustainable customer projects - not in oil, coal or weapons.
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The branch network is of crucial importance in providing personal advice to customers. We are strongly committed to proximity and personal contact, not only physical but also digital, by being there for our customers at the important moments in their lives. These range from under-18s with pocket money to older people looking to enjoy a carefree retirement. The importance of an optimal customer experience was also incorporated into our central structure. Customer experience and customer journey experts examine our products and services entirely from the customer's point of view. Expectations and needs are addressed accordingly. To listen to our customers, we launched the customer panel '[My Thoughts](#)'. In this way, we will continue to challenge ourselves and look for improvement. For more information on our services and product offerings, please refer to [III.2](#).

The fact that our personal service formula works is demonstrated by the high NPS scores and awards for being most customer-friendly bank and insurance company as well as the high customer satisfaction scores with [Test Procurement](#) or from the [Global Customer Experience Excellence survey](#) conducted by KPMG in 2020 on customer experience following COVID-19 and in which Argenta was rated as best Belgian brand.

III.1.2. Close to our employees



Argenta's growth is inextricably linked to the strength of its people. Their commitment makes Argenta strong. They are the best ambassadors for putting values such as integrity, simplicity and transparency into practice.

Argenta can only grow as an organisation if it allows its talented personnel to grow too. Conversely, talent can only grow if the organisation grows. So there is a strong connection between organisation and talent. That is why the HR department at Argenta is called 'Organisation & Talent'.



These values are also reflected in the personnel policy, which is based on a number of abiding principles:

- Argenta endorses the [UN Global Compact Principles](#). One of the ten principles is based on the [International Labour Organisation's Declaration on Fundamental Principles and Rights at Work](#). Respect for labour rights is an important basic principle of the policy. Dialogue between employer and employee takes place within the works council and the committee for prevention and protection at work. Since 2018, all employees have been covered by the Joint Committee of Banks and Savings Banks (310). The management concluded a collective labour agreement with the trade unions, as a result of which this last joint committee now fulfils the anchor role for all employees of the companies in Belgium. With this new collective labour agreement, every Argenta employee has equal working conditions, even if he or she works for a different legal entity.
- The wage policy is based on four foundations: sustainability, market conformity, net purchasing power and transparency. The interaction between these foundations is crucial.
- There is no bonus culture at Argenta, neither for employees nor for executives. Cooperation is more important than short-term gain and self-interest. For further information, please refer to [II.4](#).
- Discrimination has no place at Argenta, either in the working environment or in recruitment. Diversity and equal opportunities are essential for a healthy business environment. For further information, please refer to [II.7](#).
- Argenta pays attention to a balanced relationship between work and family. For example, employees have the option of working part-time and parents with school-age children are given priority for leave. In 2018 Argenta signed the [family-friendly organisation charter](#). In response to the COVID crisis in 2020, Argenta expanded its teleworking policy and further eased work organisation. Employees with a work schedule of at least 80% will now work structurally at home 2 days a week. This was also regulated by a new collective agreement.
- Through the Healthy Growth Programme, Argenta focuses on various themes aimed at providing an inspiring working environment where employees can fully develop their talents and grow on a personal level. There is an extensive range of training and development (internal, external and digital) and leadership development programmes are also offered (according to the Impeccable Leadership model).
- Argenta actively promotes safety, health and welfare for employees. Compliance with legislation and safe working conditions are part of the basic hygiene of every organisation, including Argenta. The guarantee of healthy and safe working conditions is therefore the first priority.
- In addition, we are convinced that healthy and happy employees really make the difference. We actively pursue a sustainable policy on welfare and vitality. We not only try to reduce long-term absence but also to strengthen reintegration so that every employee can return to work healthy and happy. We do this together with all employees to ensure leadership and responsibility around safety, well-being and vitality in all layers of the organisation. In this way, we strengthen the balance between workload and load capacity so that we can all meet the challenges of this rapidly changing and uncertain society we live in. In more concrete terms, employees have the option to follow yoga and mindfulness sessions during their lunch break, and there is a wide range of offers on vitality: stress management, ergonomics, nutritional advice, fruit at work, burn-out prevention, smoking cessation counselling, etc.

Since 2015, Argenta has organised an annual anonymous staff survey via an online Employee Opinion Survey (hereinafter "MOO"). The MOO covers five key elements: engagement, employee NPS (ambassadorship), motivational climate, and well-being. In addition, the DOPE experience and the extent to which DOPE is applied in practice within the teams is also mapped



out. Since the first measurement, company-wide priorities have been identified and systematically acted upon. By measuring annually, we are able to adjust where necessary and respond to the rapidly evolving needs and expectations of our customers and employees.

Together with the '[Next Generation Work](#)' expertise centre at Antwerp Management School (AMS), we are working on the 'Argenta Passport', a new guideline for the development of competencies, skills and knowledge required in order to meet the challenges of the future in a sustainable way. The Argenta Passport focuses on three domains: (i) the context and challenges within the financial sector, (ii) Argenta's values and (iii) the distinct competencies that we consider necessary to be 'future proof', such as customer-oriented thinking and acting, result-oriented and flexible working and digital eagerness.

Finally, we also want to attract new committed employees through our recruitment strategy. For example, with the '[101 reasons to work for Argenta](#)' campaign, our employees explain why they deliberately chose to work at Argenta.

III.1.3. Close to our offices



Argenta's success is historically linked to its distribution model of (exclusive) independent agents. This model appeals to the dynamics of local, independent entrepreneurialism and, in turn, ensures high customer loyalty through committed personal contact within the immediate vicinity and experience of the customer.

Despite the increasing importance of digitalisation, our customers' demand for personal advice still justifies the physical presence of our offices. The importance of being close to our customers is also confirmed time and again in the stakeholder surveys. Our office holders are extremely important ambassadors because they are the very embodiment of our corporate values.

The focus on Argenta's values is covered at an early stage, for example in the recruitment of new agents and in specific training for agents and their staff.

Each office holder determines their own policy on sustainable business. This may be reflected in the layout of the office, staff policy, customer relations, etc. There are also many offices that are committed to charities and local causes.

From the headquarters, we try to support our offices as much as possible. In essence, a sustainable product range is simple and transparent and meets the needs of customers. By conducting targeted marketing research, we are able to better understand their needs. And translate them into the appropriate services and products. Furthermore, we are taking initiatives to reduce the carbon footprint of our offices by focusing on digitalisation and process simplification to reduce paper usage. In the concrete elaboration of the sustainability policy, a number of office holders are closely involved as ambassadors within the sustainability committee.

III.1.4. Close to our shareholders

Argenta has been able to count on the loyalty of the same family majority shareholder Investar for over 60 years.

The second shareholder is Argen-Co, a recognised cooperative society. Cooperative enterprise is a form of sustainable business, wealth creation and income generation. A partner in a cooperative realises this along with like-minded people. At Argen-Co, these are all Argenta customers and agents.



Both Investar and Argen-Co see their shareholding as a long-term relationship in which sustainable growth is central. Every year, a large part of the profit is reinvested in the company. As a result, Argenta has strong equity and is one of the best-capitalised banks in Europe.

III.1.5. Close to Argenta Netherlands

Argenta has had a branch office in Breda since 2003. Argenta Nederland provides mortgages and also offers savings options. Since 2018, Argenta Nederland has been one of the top 10 mortgage lenders in the Netherlands. For Argenta, the Netherlands is thus a second home market and an important growth market.

III.1.6. Close to Argenta Luxembourg

Argenta Asset Management ('AAM') is a wholly owned subsidiary of Argenta Spaarbank NV and belongs to the Argenta Group. The AAM team is based in Luxembourg and is responsible for managing funds under Luxembourg law that are marketed by Argenta Spaarbank via the branch network.

Because the AAM team manages the funds exclusively for Argenta, they can fully dedicate themselves to the needs of customers and are also 'close to' Argenta in this way.



III.2. A simple and transparent product range



At Argenta we are convinced that being straightforward, price-conscious, trustworthy and sustainable are the best ingredients for offering our customers a strong product range and service.

Integrity and transparency are the basic principles of product policy:

- Our products and services meet the needs of our customers;
- We put maximum effort into the customer experience across all channels;
- The offer must be comprehensible, clear and simple;
- All products and services comply with laws and regulations;
- We develop and produce our products and services in a cost-conscious and profitable manner;
- We open up the right distribution channels according to customer needs;
- We remain sufficiently innovative to continue to serve market and customer needs;
- We recognise the relevant (financial and non-financial) risks;
- We ensure that processes, applications and systems are adapted to processing and accounting for the products and services in a timely and correct manner.

Argenta's product policy is based on responsibility and care. In addition to complying with laws and regulations, we consider customer experience and the need to show leadership. It is the central tenet of our value proposition and brand promise. Argenta aims to be there for its customers at the important moments in their lives. Customer experience and customer journey experts examine our products and services entirely from the customer's point of view. The customer is offered solutions based on his needs, not an individual product. This ensures a more complete service is offered.

Each product is subject to a Product Approval and Review Process (PARP). The offer must be clear and functional. Simplicity means that the product is stripped of all complexity so it is easy for the customer to understand. Argenta aims to apply no-nonsense and sustainable methods in order to dominate on price and distinguish itself in its personal approach and trust.

We also endeavour to conduct communication with customers and marketing activities in a responsible manner. Argenta is a member of the Union of Belgian Advertisers (UBA) and is committed to sustainable communication through the '[Socially Responsible Communication](#)', '[Unstereotyped Communication](#)' and '[A marketer's approach to diversity and inclusion](#)' charters. Argenta actively applies these principles in its communication to customers and prospects.

We distinguish four product groups within Argenta's offering: banking, savings and investment, lending and insurance.

III.2.1. Banking

Our customers should be able to bank easily and safely. The offering from Argenta is simple and limited. Internet banking and the mobile app are free and make it even easier for our customers to manage their banking online or on their mobiles.

Argenta tries to make a difference through small things, such as offering free basic banking services for everyone, increasing financial and digital literacy through information evenings and lectures, responding more quickly to changing customer needs, etc

For more information about banking with Argenta, please refer to our [website](#).



III.2.2. Savings and investments

At Argenta we believe that saving and investing should be simple and accessible to everyone. That is why we make investing personal, understandable and cost-conscious. We choose a simple offer, keep the costs as low as possible and ensure that the customer invests in the most suitable option. Each customer has a personal investment advisor who acts as their first point of contact.

Those who invest via Argenta are also choosing sustainability. Argenta aims to make the entire range of funds under its own management sustainable by 2023. For further information please refer to [III.3.2.](#)

For more information on saving and investing with Argenta, please visit our [website](#).

III.2.3. Borrowing

Argenta also wants to encourage its customers to live a financially healthy life through its credit offerings. This means we inform our customers as best we can about the practical and financial issues involved and advise them about the various financing options.

Customers can also come to Argenta to finance their sustainable projects. This could range from sustainable building and renovation to opting for sustainable mobility. Argenta gives its customers an extra push to opt for sustainability through interesting rate discounts. This is linked into our overall ambition to contribute to the SDGs, the Paris Climate Agreement and the European Greenddeal.

Argenta provides a rate reduction for renovation projects in which at least half of the financing is used to save energy or make the home safer. Customers can take out loans for new heating installations, heat pumps, insulation materials, rainwater recovery, energy audits, security and fire detection, solar boilers, geothermal heating, thermostatic valves, ventilation, green roof installation, wind turbines, solar panels, high-efficiency glazing, room thermostats with time switch, home automation and home batteries.

Argenta also applies a rate reduction to the purchase of sustainable homes or new builds. These are houses with a maximum EPC/PEB/CPE value of 100 kWh/m². Sustainable building or renovation is on the rise, with as many as one in five customers already taking advantage of the sustainable discount. In the future, the importance of sustainable credit will increase further. Argenta will therefore focus on promoting and reporting on its efforts to offer sustainable loans.

Our customers can also enjoy an interesting discounted rate to buy a sustainable car, such as an electric or hybrid car, or bicycles. Electric bikes and speed pedelecs are automatically insured via the family insurance.

For more information on borrowing from Argenta, please visit our [website](#).

III.2.4. Insurance

Taking care of our customers means that they must be adequately protected in case of misfortune. Through our fire, family and vehicle insurance policies, we ensure that our customers have peace of mind in the event of a loss. Customers who want to fully protect their vehicle benefit from the discount 'safety features'.

Customers can secure their future with life insurance and endowment insurance.

For more information on insurance at Argenta, please refer to our [website](#).



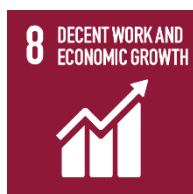
III.3. Positive impact on society: every euro is valuable

As a financial institution, we can make a difference through the financial flows we manage for our customers. Every euro is therefore valuable. Responsible management of those resources is inextricably bound up with ethics and integrity, the crucial elements of good management.

Argenta wants to make a positive impact on various levels:

1. As a company, we want to be financially sound while keeping an eye on the long term;
2. We invest on the basis of sustainable principles;
3. Sustainability plays an important role in the selection of partners and suppliers;
4. We are working together for a good cause.

III.3.1. A safe and sound bank



Responsible handling of our customers' resources means that must be financially sound and secure too. This provides stability for our customers, who can rest assured that money is managed safely, and job security for the numerous employees.

Argenta is an unlisted bank-insurer owned by the Van Rompuy family and the recognised cooperative company Argen-Co. Long-term growth is the number one priority for our shareholders. Every year, a significant share of our profits is reinvested in the business. As a result, Argenta possesses substantial equity, making it one of the best-capitalised banks in Europe.

As a retail bank and insurance company, Argenta operates a strict risk policy, meaning economic crises have less of an impact on the volatility of its results. Savings and income from insurance contracts are mainly converted into mortgages for individual customers in Belgium and the Netherlands. Our remaining assets are conservatively reinvested with a focus on liquidity and stable returns. Costs are managed by means of simplicity in all areas.

For more information about Argenta's financial health, please refer to the most recent [Pillar 3 disclosures](#) with an explanation of the capital adequacy and the risk report.

III.3.2. Sustainable investment



Sustainability is also important in our investment policy and portfolio. Argenta is guided by a number of sustainable basic principles:

1. Simplicity and transparency in our product range and management policies are essential. The customer knows what he/she is investing in. Argenta supports the customer with clear advice;
2. Investment decisions are made carefully. Sound investment with a balanced risk/profit ratio is paramount;
3. There is no place for unethical investments. Argenta aims to avoid negative impact as much as possible and applies a strict exclusion policy for all direct investments;
4. We want to generate a positive impact for society by investing in sustainable businesses;



5. We focus on the climate. We chart the ecological footprint of our investment funds and aim to keep it as limited as possible (see also [III.4.4](#)).

These principles are part of the ESG investment policy and are applied at three levels within the Argenta Group:

1. The investment portfolios of both our bank (Argenta Spaarbank nv) and our insurer (Argenta Assuranties nv). Argenta Assuranties's ESG investment policy can be found [here](#). Information on the integration of sustainability risks into Argenta Spaarbank's investment advice can be found [here](#);
2. The Argenta funds that are offered to customers and are fully managed in-house (Argenta Asset Management). Argenta Asset Management's ESG investment policy can be found [here](#);
3. The Arvestar funds offered to customers by Argenta and managed by Degroof-Petercam Asset Management (DPAM). Arvestar's ESG investment policy can be found [here](#).

Sustainability is set to play an even more central role in Argenta's investment policy in future. It is our ambition to make the entire range of funds under our management sustainable by 2023. Sustainability will also be fully integrated into decision-making processes within the company's own investment portfolio.

Strict criteria are also imposed on the funds we distribute for external fund managers. The external fund managers must at least exclude companies that are linked to the production of controversial weapons and they must respect the [six principles of UNPRI](#) (United Nations Principles of Responsible Investment). This means that environmental, social and governance issues must be considered when investigating companies.

III.3.3. Sustainability in partners and suppliers



For many years, Argenta has pursued a policy of building long-term relationships with strategic suppliers. There is a focus on both quality and safety. Suppliers are questioned about their policy on GDPR, data security, audits, etc. The cross-company approach, whereby various departments check whether suppliers and partners are compliant with

Argenta standards, is also a strength of the procurement policy.

In the future, Argenta wants to focus even more on a sustainable supplier policy, both by integrating sustainability criteria into the purchasing process and by focusing on more uniform management of supplier contracts.

At present, every supplier is asked to sign the [sustainability charter](#). As a minimum, these require respect for and adherence to the principles of human rights, child labour, discrimination, corruption, environmental awareness and environmentally friendly technologies [UN Global Compact Principles](#). In the future, Argenta will pay even more attention to the ecological impact generated by its suppliers and will consciously opt for environmentally friendly solutions, for example in green ICT and the circular economy. Simplicity and cost-awareness remain important principles.



III.3.4. Warm Argenta



Every year, both employees at Argenta headquarters and agents organise numerous initiatives in the context of Argenta's Warmest Week (Music for Life). Thanks to these actions, Argenta has been able to donate to various projects, such as Cunina, Moeders voor Moeders, To Walk Again, Villa Clementina, Stichting tegen Alzheimer, Kom op tegen Kanker, Clinicoders and many others.

III.4. Banking and insurance should not cost trees



In 2015, the United Nations set global climate targets and, with Agenda 2030, a framework was developed around 17 Sustainable Development Goals (SDGs) that should contribute to a better world. Europe is aiming to be the first carbon-neutral economy by 2050.

Argenta welcomes these initiatives and is committed to making a significant contribution to the global sustainability ambitions. Argenta has formulated ambitions with regard to its business activities. But also indirectly, through our investment and supplier policies, we want to function as an active stakeholder and further reduce the ecological footprint.

III.4.1. Direct impact

<p>Scope 1 emissions:</p> <ul style="list-style-type: none"> • heating (direct emissions) • home-to-work commuting by company car • cooling gases (air conditioning) 	<p>Scope 2 emissions:</p> <ul style="list-style-type: none"> • purchase of electricity 	<p>Scope 3 emissions:</p> <ul style="list-style-type: none"> • home-to-work commuting (excluding the company car fleet) • heating (indirect emissions) • paper consumption • waste production • business travel
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Since 2017, the ecological footprint of Argenta's head office in Belgium and the offices in Luxembourg and the Netherlands has been mapped. An inventory is drawn up in accordance with the GHG Protocol. The scope is aligned with the scope of Argenta's financial reporting and includes three areas:

Compliance with all legal and other environmental obligations is the bare minimum. Argenta wants to go much further.

Ambitious goals were set for the 2017 launch: by 2023 Argenta wants to reduce its ecological footprint by no less than half. Argenta wants to be carbon-neutral by 2030.

In order to halve the ecological footprint by 2023, the annual target is to reduce it by 10%.

Since Argenta is a service company, the direct ecological impact is relatively limited. Nevertheless, we are taking several initiatives to reduce the footprint of our buildings, to promote sustainable mobility among employees and to strive towards a paperless organisation.

For example, during the renovation of the new head office in Antwerp, a deliberate choice was made to apply sustainable techniques, such as heating and cooling via geothermal energy, solar panels, LED lighting, automatic sun blinds, etc. Outdoor areas are equipped with green



oases and green walls to encourage local biodiversity. Sustainability was also chosen in terms of building layout.

We also focus on sustainable mobility. Sustainable commuting is promoted by increasing the bicycle allowance for employees, but also by offering (electric) bicycles via the cafeteria plan. The 300-space bicycle shed is fully equipped with electrical charging points, drying racks and showers. Employees who come by public transport have their season tickets fully reimbursed and can choose an upgrade via the cafeteria plan (e.g. from 2nd to 1st train class). Every year Argenta treats employees who come to work sustainably to a free breakfast during sustainability week and provides a free bicycle repair service.

About half of the employees already come to work in a sustainable way. Strict emission standards are imposed on employees who are entitled to a company car (only for management or field service) or who choose a car via the cafeteria plan. For example, emissions may not exceed 125 grams of CO₂, and diesel cars are resolutely excluded. Those who choose sustainable cars can count on attractive conditions.

Argenta also encourages working from home in order to further reduce CO₂ emissions from commuting. Investments have also been made in the necessary IT infrastructure to facilitate home working. In 2020, the agreements on homeworking were also embedded in a new CLA. Employees with a work schedule of at least 80% of full-time working hours are expected to work from home two working days per week on an ongoing basis. Employees working less than 80% can work from home one day a week. Argenta contributes to the costs associated with working from home via flat-rate expense allowances.

Finally, Argenta also closely monitors waste flows and paper consumption. For example, all waste is separated, water bottles with plastic cups have been replaced by drinking taps and glasses, and cups have been provided for the coffee machines. Argenta has set ambitious goals for paper consumption: by 2023 we want to be able to work completely paper-free at the head office. The processes will be reviewed in relation to digitalisation and banning the use of paper. In addition, awareness among employees will be raised and the number of available printers will be drastically reduced. The introduction of the 'paperless flex desk', i.e. moving away from fixed workstations and the provision of smaller personal lockers, has already had a positive impact on printing behaviour. In two years, paper consumption was reduced by half.

Argenta also wants to reduce paper consumption for its customers: by 2023 all documents for customers must be available digitally. Customers will still be able to choose their preferred channel (digital versus paper), but Argenta will actively promote the digital channel. Argenta Nederland is also working on expanding the online banking environment for customers who will then be able to manage their mortgage themselves digitally.

For the current figures on Argenta's carbon footprint, please refer to the [activity and sustainability report](#).

III.4.2. Impact of investments

The Argenta Group also wants to commit to a climate-neutral world through its investment funds and investment portfolios. The European Green Deal will set in motion a major transitional wave in the financial sector. Investors will be encouraged to move their capital flows from non-sustainable projects to sustainable projects. Through far-reaching transparency obligations, consumers will be much more aware of their investment choices, which will drive the shift towards sustainable investment even further.

Since 2018, Argenta has mapped out the ecological footprint of its investment funds. The data for these measurements are provided by the research company Vigeo Eiris and for the underlying fund investments by the respective managers. In each case, this concerns the direct CO₂ emissions (scope 1 and 2) of a company in relation to the invested amount. We note that



the coverage of our reporting continues to increase. This shows that more companies are transparent about the footprint they generate. European measures will further reinforce this trend in the future.

The average footprint per fund is falling. This is linked to the stricter requirements we have for companies in the utility sector. Companies that use coal in the generation of electricity are excluded. Companies that produce fossil fuels are also excluded.

One of the principles of a sustainable investment policy is that Argenta wants to aim for a lower ecological footprint for its investments in the coming years, in line with the recommendations of the Task Force on Climate related Financial Disclosures (TCFD). In 2019 Argenta joined the PCAF initiative (Platform for Carbon Accounting Financials). This platform uses a universal methodology for calculating the carbon impact of credit and investment portfolios. In addition to reporting realised emissions, the PCAF methodology also maps out 'avoided emissions' and the effects of investments that contribute positively to the climate (for example, the planting of trees).

In addition to mapping out the ecological footprint, it is important for Argenta to take into account the risks associated with the effects of climate change as part of monitoring the general portfolio quality (see also [IV.4](#)).

III.4.3. Impact of suppliers

Argenta is looking into how its suppliers can also contribute to reducing the indirect ecological impact created by buying services from them.

A pathway was mapped out to further integrate sustainability into the purchasing process, see also [III.3.3](#).

Argenta is already working with suppliers who commit to planting trees based on the purchases Argenta makes. For example, more than 5,500 fruit trees were planted in Malawi in 2019 as part of the contract for the purchase of fruit baskets for the employees.

IV. Our sustainability operation

The [UN Global Compact Principles](#) provide a guiding framework for sustainable business practices by addressing human rights, labour standards, the environment and anti-corruption. These principles are reflected in Argenta's governance, as was also explained in Chapter [II](#).

The United Nations' [Sustainable Development Goals](#) (also called 'SDGs') form an important framework for Argenta's sustainability policy and action plan.

Our policy is laid down by the Executive Committee and ratified by the Board of Directors. The Executive Committee has appointed the CEO as Chief Sustainability Officer (CSO). His task consists of making sure that sustainability takes up a prominent position within all of Argenta's business lines. The CSO is supported by a Sustainability Manager, who is jointly responsible for the implementation of our policy.

As sustainability is a topic that concerns every department, we have opted for a centralised and cross-company approach, as this offers the best guarantee of success. The Group Sustainability Committee oversees the various elements of sustainability at group level to achieve consistent and coherent coordination, supervision, follow-up, raising awareness, adjustment and policy drafting in terms of sustainability. The Committee's mission is to systematically make Argenta more sustainable through knowledge management, change management, project work, innovation and reporting. The Group Sustainability Committee is chaired by the CSO and consists of members with specific expertise on ESG topics, in terms



of both the various business lines (Loans, Insurance, Investments, Banking) and climate risks and other sustainability risks. The Group Sustainability Committee meets every three months.

The sustainability action plan is drawn up for a period of four years at a time. Every two years, a stakeholder survey is organised and actions are adjusted based on the results. We report on our efforts through the Integrated Annual and Sustainability Report. Finally, Argenta's general sustainability policy is monitored via internal risk mapping.

The Investment Exclusion Committee gives effect to the desire to implement a consistent and coherent exclusion policy across all Argenta entities. This exclusion policy forms part of a sustainable investment policy, in which the Argenta Group seeks to manage the portfolios of its customers and its own investment portfolios in a responsible manner (see also Chapter [III.3.2](#)).

The exclusion criteria are based on controversial activities on the one hand and controversies on the other. This results in an exclusion list that is updated every quarter within the risk tolerance set by the exclusion policy. Well-substantiated exceptions are only possible subject to escalation to the Executive Committee.

Twice a year, the Investment Exclusion Committee can make a formal decision to adjust the exclusion criteria depending on current trends, regulations and market practice. The Investment Exclusion Committee reports to the Executive Committee, and more generally to the Risk Committee in relation to climate risks. As an advisory entity to the Board of Directors, the Risk Committee makes sure that the Board of Directors is always properly informed in terms of climate risks.

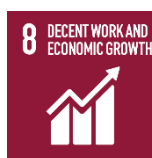
IV.1. Sustainable development goals

In recent decades, there has been an increasingly intense global concern about the future of our planet and its people. Various initiatives have come about, in order to map sustainability and identify and develop sustainable actions. Sustainability was more clearly defined and global standards were set. With the 2030 Agenda for Sustainable Development, the United Nations has committed itself to developing our planet and society in a sustainable manner. With this frame of reference, sustainability actions can be defined and implemented more easily.

[The 17 Sustainable Development Goals](#) are universal for all countries and all people. The objectives include the economic, social, political and environmental aspects of sustainability. Every citizen, government, company, school or organisation can contribute.

The [Belgian SDG Charter for International Development](#) outlines the commitment of the Belgian private sector, civil society and the public sector based on the five Ps from the SDGs: "People, Planet, Profit, Peace and Partnerships". Argenta signed this charter and incorporates the relevant themes in the implementation of its strategy.

Argenta focuses on five development goals out of the conviction that we can offer the most added value:



- ✓ Argenta offers a wide range of training opportunities to increase the knowledge, welfare and commitment of its employees.
- ✓ Argenta converts customer savings into local loans and thus stimulates economic growth.
- ✓ Argenta wants to empower its employees through sustainable entrepreneurship programmes, among other things.



- ✓ With its investment policy, Argenta mainly wants to ensure local impact in accordance with the Argenta value proposition.
- ✓ Argenta increases this impact even more through sustainable investment projects.



- ✓ Argenta encourages staff to print as little as possible in order to limit paper use.
- ✓ Argenta is increasingly focusing on paperless contracts and is implementing the necessary innovations for this.
- ✓ Argenta is strengthening and expanding its sustainable product range.
- ✓ Argenta produces less and less waste.



- ✓ Argenta has a strict plan to limit its ecological footprint.
- ✓ Argenta questions its largest suppliers about their ecological footprint.
- ✓ The new head office complies with the current building regulations on sustainability and focuses on sustainable techniques: solar panels, climate ceilings and geothermal energy to reduce the use of fossil fuels as much as possible.



- ✓ Argenta applies strict exclusion criteria for investments. Argenta does not invest in the arms industry, the nuclear sector, the gambling industry, the tobacco industry, producers of dangerous chemicals, the 'adult entertainment' industry and companies that mistreat animals.
- ✓ Argenta has a robust complaints policy and aims to deal with customer complaints in the shortest possible time.
- ✓ Argenta is actively fighting phishing and other fraud.

IV.2. Sustainability survey

To make an impact for our customers, prospects, office holders, employees and shareholders, we need to understand their needs. So, every two years, we organise a stakeholder survey in which we gauge sustainable topics. To this end, we cooperated with the independent research agency Profacts in 2019.

The results of the survey feed into the sustainability policy. Priorities are regularly adjusted and incorporated into the sustainability action plan.

In 2019, the survey was completed by 1,163 customers, 135 office holders and their employees, 368 employees at the head office, 1 interest group and 9 directors. In addition, 1,000 prospects were surveyed for the first time.



The results are shown in a materiality matrix that compares the importance for Argenta customers and prospects with the importance for Argenta employees and agents. The most recent survey shows that Argenta is appreciated by all stakeholders as a sustainable bank. The priorities indicated by the different target groups are also very similar.

For more details of the most recent stakeholder survey, please refer to the integrated [activity and sustainability report](#).

IV.3. Sustainability Action Plan 2020-2023

The targets set in the sustainability action plan 2016 - 2020 were achieved thanks to the continuous efforts of many employees. For an overview of these realisations, we refer to the recent [activity and sustainability report](#).

Argenta wants to make further efforts in the period 2020-2023. The European Green Deal, which will bring about a radical transition within the financial sector, will play a major role in this. Financial institutions will be further encouraged to shift their capital flows from unsustainable to sustainable projects and must take into account sustainable and climate-related risks.

Argenta welcomes these initiatives and undertakes to make a significant contribution to the European sustainability ambitions in the areas of investment, lending and insurance.

In 2020, the sustainability charter was drawn up. The charter contains Argenta's vision of sustainability and sets the ambition level within the sustainability pillars. The charter thus forms the basis for the 2020-2023 sustainability action plan that was drawn up with all Argenta departments via various workshops. Argenta's ambitions include:

- Achieving the SDG Champion certificate;
- Investing impactfully to support local and sustainable initiatives even more;
- Going completely paperless at head office by 2023;
- Continuing to focus on simplicity and transparency to support customers' financial literacy;
- Making the investment offering fully sustainable by 2023;
- Further promoting sustainable entrepreneurship in the organisation;
- Further reducing the carbon footprint;
- Drawing up a data ethics charter in which the protection of personal data and security are central;
- Further rolling out the Argenta Passport in the organisation;
- Drawing up an action plan to further support the financial health of the client;
- Permanently focussing on sustainable mobility by encouraging employees to commute to work in a healthy, sustainable way;
- Committing to making the loan portfolio more sustainable through various incentives;
- Developing a vision around green ICT and sustainable partnerships.



IV.4. Integrating sustainability into risk management



Not being aware of the importance of sustainability is considered a risk at Argenta. The topic has therefore been integrated into risk management; this forces us to monitor and assess our performance on a regular basis.

The risk management policy is formally the responsibility of the board of directors. The Board determines the risk appetite, risk tolerance and risk policy for the various operational and business activities and closely monitors the situation to ensure that Argenta's strategic, capital and financial plans are aligned. The Board is closely involved in monitoring the development of Argenta's risk profile and the management of all significant risks, and is advised by the Risk Committee and the Audit Committee in this regard. The Board is also supported in its supervision by the independent risk management function which, together with the compliance and actuarial function, forms the second line of control within the "3 lines of defence" model of governance.

The Risk Management Charter defines the status of the independent risk management function and also addresses rights and prerogatives, resources, tasks and responsibilities as well as reporting obligations. For more information on risk policy, please refer to the [Pillar 3 report](#).

The risk mapping is updated annually, whereby all relevant financial and non-financial risks for Argenta are identified and assigned to the operational activity lines and independent control functions within the framework of the "3 lines of defence" model, in order to obtain appropriate risk ownership.

Argenta has opted to make a clear distinction within the risk chart between (i) climate as a financial risk and (ii) sustainability as a non-financial risk.

The risks from risk mapping are incorporated into the Risk Appetite Framework (RAF), whereby a risk profile for each risk type is prepared and reported.

(i) Climate risk

By climate risk we mean the probability of impact as a (in)direct consequence of changes in the climate. We distinguish physical risks (floods, heat, water scarcity, long-term changes in weather patterns, sea level rise) and transitional risks (due to changes in market behaviour, policy, technology and legislation) as the main financial risk factors.

Climate risk is classified under financial risks because of its strong link to a number of other linked and already included financial risks, mainly market, credit, liquidity and underwriting risks. For example, climate risk can generate a crucial impact on the credit quality of counterparties through transitional risk due to changes in technology or legislation. Consequently, we monitor these risks within the credit, insurance and proprietary investment portfolios as well as within the investment funds.

The embedding of climate risks is based on a four-pillar approach in accordance with the perspectives of the international TCFD recommendations (Taskforce for Climate-related Financial Disclosures). There is a focus on the development of appropriate governance, the definition of strategy, the establishment of adequate risk management and the definition of and reporting on a number of key figures or indicators related to climate risk.

- (a) In terms of governance, we have opted for monitoring by the committees, where the other financial risks linked to climate risk are also monitored and reported. These are mainly the "Asset and Liability Committee" (ALCO) for market risk and credit risk in the investment portfolio, the "Credit Risk Committee" (KRECO) for credit risk linked to the retail business, the "Insurance Risk Committee" (VRC) for insurance-related risks such as underwriting and



reinsurance, and the Investment Consultation Committee for the risk asset management framework for the investment funds.

- (b) As far as risk management is concerned, common methods such as sensitivity analyses and stress tests are used, among others, and will be targeted and further developed.
- (c) Climate risk management is also closely linked to Argenta's strategy of making a significant contribution to the 17 United Nations SDGs, the Paris Climate Agreement and the European Green Deal. Argenta's commitment is translated into the Sustainable Commitment set out in chapter I of this document. On the basis of this commitment, Argenta wants to make efforts to significantly reduce its ecological footprint at entity and product level. Argenta, for example, will focus on more sustainable mobility among employees, but will also make efforts to offer energy-efficient loans. Attention will also be paid to monitoring the portfolio quality and risk sensitivity of the proprietary investment portfolio and investment funds in the light of managing transitional risk. Monitoring catastrophe risk within the insurance business is another important focus of climate risk management.
- (d) A number of indicators (KPIs) were included within the Risk Appetite Framework (RAF), framed within the customary and comprehensive periodic risk reporting.

(ii) Sustainability risk

Sustainability risk relates to the likelihood of impact as a (in)direct consequence of strategic/business decisions, their implementation and/or internal and external influences on them. The fact that sustainability is defined as a risk within risk mapping stems from Argenta's Sustainable Engagement, as defined in chapter I of this document.

Sustainability risk is placed under non-financial risks together with topics such as compliance, legal risk, human resources, sourcing, image, process, project, fraud & cybersecurity, data risk, physical assets, information security and business continuity risk.

Within risk mapping, the ESG structure (ESG stands for "Environmental, Social & Governance") is used for the definition of sustainability. This enables Argenta to adequately measure and monitor the progress of its efforts with regard to ecological, social and governance aspects. The action plan sets out, in concrete terms, what efforts need to be made in order to make progress.

The progress of Argenta's efforts to control climate and sustainability risks is measured and monitored quarterly.

IV.5. Sustainable partners

Argenta considers it important to engage with organisations that focus on sustainability and social responsibility.

For example, Argenta is a member of the board of directors and the advisory committee of [Cifal Flanders](#), an affiliated training centre of UNITAR, the United Nations Institute for Research and Training. Cifal aims to promote UN standards and principles. A special method was developed (Action Learning for Sustainability) to strategically embed these objectives in the policies of companies and governments.

Cifal regularly assists Argenta by organising practical workshops on the SDGs. In 2018 Argenta received official UNITAR certification as an SDG Pioneer.

In 2018 Argenta became a partner of '[Sign for my Future](#)'. This is a politically neutral citizens' initiative with partners in the media, the business world and civil society that aims to give the politicians of Belgium a positive mandate to conduct a bold climate policy. Argenta supports this



initiative and opened up its channels to the 'Sign for my Future' campaign. With this, Argenta aims to highlight the need for a transition to a CO2-neutral Belgium. The efforts as a society will lead to a better world for the coming generations and to a stronger and more sustainable economy.

The city of Antwerp wants half of all journeys in Greater Antwerp to be made by public transport, on foot or by bike by 2020. Argenta, as a major employer in the centre of Antwerp, is doing its bit through the partnership that was concluded in 2018 with '[Smart to Antwerp](#)'.

[Straatvinken](#) is a citizen science project that stems from the commitment of the Flemish government, the city of Antwerp and citizens' movements to improve mobility and quality of life in the Antwerp region. As a major employer in Antwerp, Argenta is actively committed to seeing fewer cars on the streets of Antwerp by 2030 in favour of sustainable mobility. Argenta's employees almost achieve the 'Straatvinken' target, as just under 50% of trips are sustainable.

IV.6. Transparency and reporting

Since 2012, Argenta has reported on its sustainable activities via the integrated [activity and sustainability report](#) which, together with the sustainability action plan, is audited by the company auditor. Sustainability reporting is linked to the [United Nations Sustainable Development Goals](#) (SDGs), and is based on the [GRI reporting standards](#) (option 'Core').