

## TRANSPARENCY REPORT 2023

### 1. Financing of the pension commitments

#### DB Belgium Compartment

Due to overfunding of the DB Belgium compartment, the financing plan provides for a holiday of the employers' contributions for the three Defined Benefit plans (Union, Seric and Sociale Kas) for the period 2023, 2024 and 2025.

As mentioned in the plan rules, the employee contribution to the fund is equal to 1.5% on salary tranche I (51.581 EUR on 1/1/2023) and 6% above the salary tranche.

There are no active members anymore in the Seric and Sociale Kas pension plans.

#### DB Ireland Compartment

Due to the overfunding of DB Ireland Compartment at 2023 year end, employer contributions are suspended for 2024. The situation will be assessed on an annual basis and if the funding situation changes to a large extent, this decision may be adjusted in future years.

The employee contribution is 7% on salary between a lower level (20.693 EUR on 1/1/2023) and a higher level (78.351 EUR on 1/1/2023).

#### DB Netherlands Compartment

Due to the overfunding of DB Netherlands compartment at 2023 year end, employer contributions are suspended for 2024. The situation will be assessed on an annual basis and if the funding situation changes to a large extent, this decision may be adjusted in future years.

There are no active members in this Compartment.

#### International Compartment – Defined Contribution (DC)

The plan is financed by Employer contributions consisting of the following:

- (1) The Employer contributions as defined in the Plan Rules per member section.
- (2) Employer contributions to cover the cost (see below).
- (3) Employee contributions and Additional Voluntary Contributions where relevant.

Administrative costs :

A charge of 20 bps per annum is made to the Accumulated Account of each Participant. This is to cover the costs of the administering the plan. The Employer pays an additional contribution to the plan to cover the remaining costs.

## 2. Investment strategy

### DB Belgium Compartment

The strategic asset allocation is in place since 1 January 2021 and is currently under review. Changes will be made in 2024.

	SIP	2023
Equity	24%	24,82%
Fixed Income	69%	67,53%
Real estate	4%	3,69%
ESG impact investment	2%	2,72%
Cash	1%	1,23%
<b>Total</b>	<b>100%</b>	<b>100%</b>

At the end of 2023, the asset allocation was in line with the strategic asset allocation.

The weight of equity is 24,82% compared to the strategic allocation of 24%. The weight of fixed income 67,53% is slightly underweighted compared to the strategic allocation of 69%.

### DB Ireland Compartment

The strategic asset allocation is in place since 1 August 2022 and has been continued after the transfer to Belgium in November 2023.

	SIP	2023
<b>Return seeking assets</b>	<b>15%</b>	<b>14,67%</b>
Global Developed Equities	5%	4,98%
Diversified Income Funds (DIF)	10%	9,69%
<b>Liability Matching assets</b>	<b>85%</b>	<b>85,33%</b>
Global Sovereign Bond Fund	10%	8,81%
Global Sustainable Credit Bonds	35%	34,95%
LDI (Fixed Income and Swap Overlay)	40%	40,66%
Cash	0%	0,91%
<b>Total</b>	<b>100%</b>	<b>100%</b>

At the end of 2023 the asset allocation is in line with the strategic asset allocation.

## DB Netherlands Compartment

The strategic asset allocation is in place since 1 August 2022 and has been continued after the transfer to Belgium.

	SIP	2023
<b>Matching</b>	<b>50%</b>	<b>47,32%</b>
Global Developed Sovereign Bonds	10%	8,55%
Global Credit	40%	38,77%
<b>Growth</b>	<b>50%</b>	<b>52,68%</b>
Global equities	20%	21,85%
Diversified Income Funds (DIF)	20%	19,74%
Emerging Market Equities	5%	5,00%
Emerging Market Debt	5%	5,91%
Cash	0%	0,18%
<b>Total</b>	<b>100%</b>	<b>100%</b>

At the end of 2023, the Matching assets are slightly underweighted with an allocation of 47,32 % compared to the strategic allocation of 50%. The weight of the Growth assets was overweighted, ending with 52.68% compared to the strategic allocation of 50%

## International Pension Plan - DC

	2023
<b>Growth / Equity fund options</b>	<b>75,31%</b>
Growth	48,08%
Cautious Growth	9,94%
Global Equity	16,25%
Emerging Market Equity	1,02%
Real Assets	0,03%
<b>Wealth preservation / bond / cash fund options</b>	<b>24,69%</b>
Global Corporate Bond	1,23%
Annuity proxy	2,33%
Cash	21,13%
<b>Total</b>	<b>100%</b>

As this is a DC Compartment where members have investment choice from the range of funds and lifecycles offered, there is no strategic benchmark. The table above shows the % of assets invested in each of the white-labelled funds on offer.

### 3. Performance of the fund

#### DB Belgium Compartment

The investment result of the compartment was 9,89% for full year 2023.

Performance	2023	Benchmark
Equity	18,84%	18,08%
Fixed income	6,57%	7,01%
Real estate	19,63%	17,96%
ESG impact investment	9,69%	9,96%
Cash	-	-
<b>Total</b>	<b>9,89%</b>	<b>10,15%</b>

#### DB Ireland Compartment

The investment result of the compartment was 5,26 % in Dec 2023 (period after transfer of assets to Belgium).

Performance	2023	Benchmark
<b>Return seeking assets</b>		
Global Developed Equities	3,80%	3,61%
Diversified Income Funds (DIF)	0,65%	0,45%
<b>Liability Matching assets</b>		
Global Sovereign Bond Fund	3,65%	3,47%
Global Sustainable Credit Bonds	3,83%	3,58%
LDI (Fixed Income and Swap Overlay)	3,66%	4,51%
Cash	-	-
<b>Total</b>	<b>5,26%</b>	<b>6,05%</b>

#### DB Netherlands Compartment

The investment result of the compartment was 3,27% in Dec 2023 (period after transfer of assets to Belgium).

	2023	Benchmark
<b>Matching</b>		
Global Developed Sovereign Bonds	3,65%	3,47%
Global Credit	3,83%	3,58%
<b>Growth</b>		
Global equities	4,27%	3,61%
Diversified Income Funds (DIF)	0,65%	0,45%
Emerging Market Equities	2,72%	2,77%
Emerging Market Debt	3,18%	3,24%
Cash	-	-
<b>Total</b>	<b>3,27%</b>	<b>2,89%</b>

#### International Pension Plan – DC

An overall fund return is not appropriate for this plan as members have a choice of investments from the options below (or using a pre-defined investment strategy using one of the lifecycles). International section members also have the choice of investing in Euro and/or USD priced options. The returns below are only in respect of the Euro priced fund options. The investment return for each member will therefore be determined by their investment choice.

31-Dec-23	Performance (Euro terms)
<b>Growth / Equity fund options</b>	
Growth	6,6%
Cautious Growth	5,8%
Global Equity	7,0%
Emerging Market Equity	3,2%
Real Assets	6,1%
<b>Wealth preservation / bond / cash fund options</b>	
Global Corporate Bond	7,0%
Annuity proxy	7,0%
Cash	1,0%
<b>Total</b>	<b>N/A</b>

#### Minimum guaranteed return applicable for the Belgian section

To limit the investment risk for members, the Belgian law introduced a minimum return guarantee. The law imposes an obligation on the sponsoring company to ensure that upon retirement or transfer of their reserves, employees receive back at least the contributions paid, capitalized at a legally determined interest rate. In case of change of interest rate, the method used to calculate the minimum guaranteed amount is the so called 'vertical method': the new interest rate applies both to the new contributions and to the further capitalization of past contributions.

#### **4. Costs and profit sharing**

The costs can be found in the Income Statement under the heading "expenses".

Due to the overfunding in the DB Compartments, costs are born by the respective compartment and no additional contribution is requested from the sponsoring companies. This is part of the Financing plan but will be reviewed by the Committees and the Board on a yearly basis.

For the DC Compartment, there is no profit sharing given the nature of the pension commitment. The costs are born by the employer and by the employee as explained in section 1 above.

#### **5. Sustainable investing**

ESG considerations are taken into account in the selection, retention and realisation of investments to the extent that they are relevant in assessing the future prospects of specific investments. The Committees and Board do not take any non-financial matters (i.e., matters relating to the ethical and other views of members and beneficiaries, rather than considerations of financial risk and return) into account in the selection, retention and realisation of investments.

Corporate governance activities have been delegated to the Plan's investment managers with the understanding that they will exercise voting rights in the best long-term financial interests of the assets that they manage. The Committees and Board may consider appointing a specialist ESG engagement organisation depending on the underlying funds/investment managers it appoints in the future, The Committees and Board may, from time to time, ask the Plan's investment managers or (specialist ESG engagement organisation if appointed) to explain their corporate governance policy and practices, and review voting activities.