

2. A responsible company

As an investment holding company, with a limited headcount below 50 people and without any production or distribution operations:

- GBL's stakeholders are primarily (i) its employees, (ii) its shareholders, (iii) the portfolio companies, (iv) institutional investors and (v) the communities in which the company is established; and
- GBL's own impact in terms of social and especially environmental factors is limited.

However, responsible management has always been an intrinsic corporate value at GBL.

During the year, GBL focused its efforts on improving and strengthening its Corporate Social Responsibility ("CSR") by incorporating ESG factors in order to further increase awareness of sustainability challenges within the group. Specific commitments have been structured around the three ESG pillars:

Social

- Employee-related matters
- Community involvement
- Human rights

Governance

- Board diversity
- Robust corporate governance
- Ethics & Integrity

Environment

As a result of this review, GBL's CSR Statement has been replaced by an ESG Statement, available at www.gbl.be/ESG_En.

2.1. Social

a) Employee-related matters

Commitment

As an employer, GBL believes that value creation derives, among other things, from its ability to attract and retain talented people with diverse backgrounds, skills and ethical values.

GBL strives to create an environment where people are valued, supported and empowered to be successful both personally and professionally. The group gives individuals the resources to develop their expertise and leadership skills.

The group actively supports a culture of development and performance and recognizes the value of diversity and personal well-being.

Implementation

GBL complies with the relevant labour laws and aims at:

- creating a positive working relationship with its employees;
- providing a diverse and inclusive workplace in which people are treated with mutual respect and dignity as well as fairly;
- providing opportunities for growth in the careers of its employees;
- ensuring a safe and healthy workplace environment.

In practice, GBL provides health insurance to its employees and their families. All employees are given access to the Code of Ethics in order to ensure awareness and adherence to shared corporate values.

The company also supports and provides training opportunities for its employees' development.

GBL's philosophy on ensuring a diverse workforce free of discrimination is furthermore outlined in its Diversity & Inclusion Policy. The diversity criteria included in GBL's policy are taken into consideration in terms of recruitment.

GBL monitors the following key performance indicators in this regard:

% of women in 2017 full time equivalent	45.0 ⁽¹⁾
% of permanent contracts at year-end 2017	97.1 ⁽¹⁾
Average number of training hours per employee in 2017	6.7 ⁽¹⁾
% employees with private health insurance	100
% university-level education background at year-end 2017	57.1 ⁽¹⁾

(1) Source: GBL S.A.'s statutory financial statements at 31/12/2017

GBL's assessment of the risk related to human resources is described in the Risk management section (see page 58 to 65).

b) Community involvement

Commitment

GBL is convinced that it can be successful as a business and create shareholder value only if it seeks to serve all of its stakeholders and create value for them as well. This involves conducting the business in a way that benefits the communities where GBL is established.

Implementation

GBL is committed to making a positive contribution to the communities in which it operates, by way of its sponsorship policy which focuses on the following areas: scientific research, charitable contributions, and culture and education.

In 2017, GBL has allocated the following sponsorships:

Total contributions in 2017	EUR 1.4 million
Number of supported projects	80

in the following areas:

- the medical world: GBL is financially supporting several hospitals and laboratories with the objective of promoting medical research and financing the acquisition of equipment;
- charitable contributions: GBL supports the organisations and persons which are active within the community, notably by helping people suffering from physical, mental or social disabilities;
- culture and education: various private and public organisations have benefited from GBL's support to set up both cultural (artistic and educational) and academic programs.

Illustrations of GBL's community involvement

In the medical world, the Fondation Saint-Luc

Since 1986, the Fondation Saint-Luc, the first private sponsor of Cliniques Universitaires Saint-Luc, has funded high-level clinical research and the training of medical and paramedical teams in renowned centers in Belgium and abroad. It also invests in the acquisition of state-of-the-art equipment and technology. Its actions enable it to contribute actively to the continuous improvement of patient care and to give hospitalization a more human touch.

In 2017, GBL's Sponsor Committee decided to respond to a call for funds launched by the Saint-Luc Foundation to create a new infrastructure for the King Albert II Institute (Cancer and Hematology), entirely dedicated to the fight against cancer and which will bring together researchers, caregivers, patients and family in a single place. This establishment will be set up at the beginning of 2020 at the Woluwé site.

In the culture field, Musica Mundi

Musica Mundi's mission is to develop the musical and human potential of young talents from all over the world by offering them the opportunity to meet their peers and work with other young musicians and some of the greatest pedagogues and artists of our time during internships and summer festivals.

With growing success, Musica Mundi has become aware of the urgent need to provide young talents with a structure enabling them to receive - from 10 to 18 years of age - a quality musical training and general education under one roof.

In 2017, GBL's Sponsor Committee decided to support this educational project which will endow Brussels, as of September 2018, with a pole of excellence that is unique in continental Europe.

In the education field, École 19

École 19 is a private, non-profit, tuition-free and teacher-less computer programming school. It was created in February 2018 with the support of the École 42 (created by French entrepreneur Xavier Niel) for students aged between 18 and 30.

In 2017, GBL's Sponsor Committee decided to support this project which aims at providing coding education to 450 students in the coming 3 years.

c) Human rights

Commitment

As a diversified holding company, GBL recognizes the role it can play in supporting and respecting the universal protection of human rights. It believes that respecting and protecting human rights is fundamental to creating long-term sustainable value.

GBL's commitment to respect human rights is defined in its ESG Statement, its Diversity & Inclusion Policy and its Code of Ethics.

Implementation

As a matter of principle, respect for human rights has always been embedded into GBL's responsible management philosophy. The whole of the company must defend this commitment. Direct and indirect human rights impacts are considered during dealings with business partners and within the investment analysis process, where material and relevant.

Implementation efforts at group level include raising awareness of all employees with regards to corporate values and related human rights aspects.

As a key performance indicator, GBL monitors that access is given to all employees and Directors to the ESG Statement, the Diversity & Inclusion Policy, the Code of Ethics and the Charter as they take office.

GBL's assessment of risks related to human rights is further considered in the Risk management section (see pages 58 to 65) as part of the risk of non-compliance with professional practices and ethics standards as well as the risk related to human resources.

2.2. Governance

a) Board and Executive Management diversity Commitment

GBL is committed to the proper application of the corporate governance provisions. This includes a diverse composition of the Board of Directors and the Executive Management (i.e. the Co-CEOs) contributing to good governance. GBL strives to apply the principle of diversity to the composition of its governance bodies and this notwithstanding the presence of a controlling shareholder.

Therefore, with regards to the selection of new Directors and Co-CEOs, GBL applies diversity criteria and does not tolerate discrimination of any kind.

Accordingly, the Company strives to ensure that members of the Board of Directors and the Executive Management have various complementary backgrounds in the financial, industry and services sectors and from the national and international academic world.

In addition, the Board of Directors ensures the presence and contribution of independent Directors in sufficient number and quality, thus ensuring the respect of all shareholders' interests.

Implementation

For some years now, GBL has gradually strengthened the presence of women in its Board of Directors which counts six women out of a total of eighteen members following the appointment of Laurence Danon Arnaud as Director by the General Meeting of 25 April 2017. GBL thus respects the quota of a third of its Directors of a different gender that of the rest of the Board. GBL thus also complies with the requirements of the law of 28 July 2011, which aims at ensuring diversity within the Boards of Directors of listed companies.

GBL has otherwise also rejuvenated its Board of Directors in recent years, with the average age of Directors falling from 64 years (end of 2013) to 59 years (end of 2017).

b) Corporate governance

GBL believes that sound corporate governance is essential to the ability to generate long-term sustainable returns and is committed to the highest standards of governance. Responsibility for ESG has been assigned to the Board of Directors, which supervises the implementation of the ESG Declaration on the basis of the annual report prepared by the ESG Lead.

The rules of conduct for the members of GBL's Board of Directors and of its specialised Committees, as well as the rules governing the functioning of these bodies, are laid out in the Charter (see page 149).

The composition of GBL's Board of Directors reflects the Company's controlling shareholder structure, that is controlled by Pargesa Holding S.A. (through its wholly-owned subsidiary Pargesa Netherlands B.V.). Pargesa Holding S.A., incorporated under Swiss law, is itself controlled by Parjointco N.V., incorporated under the laws of the Netherlands and equally controlled by the Frère and Power Corporation of Canada groups.

At 31 December 2017, out of a total of eighteen members, GBL's Board includes ten representatives proposed by the controlling shareholder, Pargesa Holding S.A. This control situation also justifies the presence of representatives proposed by the controlling shareholder, Pargesa Holding S.A., on the Audit Committee (two members out of five) and the Standing Committee (ten members out of thirteen).

Finally, GBL's corporate governance footprint is strengthened by the assessment of both its Board of Directors and its Executive Management:

- In accordance with its internal rules and regulations, the Board of Directors assesses its own performance every three years based on an individual questionnaire. This questionnaire concerns the size, composition and collective performance of the Board of Directors, as well as the actual contribution of each Director and the Board of Directors' interaction with the Executive Management.
- The internal rules and regulations do not stipulate any specific procedures for assessing the performance of the Executive Management. This assessment occurs on an ongoing and informal basis within the framework of meetings of the Board and its Committees and more formally through the triennial assessment of the Board of Directors' performance. Furthermore, the non-executive Directors meet annually, in the absence of the Executive Management, to review the interaction between the non-executive Directors and the Executive Management.

c) Ethics & Integrity

Commitment

GBL is committed to carrying out its business worldwide ethically and in accordance with all applicable laws. This includes a prohibition on the use of corrupt and illegal practices, including bribery, to obtain or retain a commercial advantage.

Accordingly, GBL does not tolerate any corruption and bribery within GBL's business activities. GBL's core values and business principles are specified in the Code of Ethics which further indicates who all employee can refer to should any question or insecurity arise.

Implementation

Implementation efforts at group level include raising employee awareness to GBL's corporate values and related anti-corruption practices.

As a key performance indicator, GBL monitors that access is given to all employees and Directors to the ESG Statement, the Diversity & Inclusion Policy, the Code of Ethics and the Charter.

The Code of Ethics indicates limits and elements to be considered for the full compliance to local regulations as well as anti-corruption practices supported by the group.

In practice, GBL will organize yearly training courses for its employees to raise their awareness and encourage them to comply with this policy.

GBL's assessment of risks related to ethics and integrity is further considered in the Risk management section (see pages 58 to 65) as part of the risk of non-compliance with professional practices and ethics standards.

2.3. Environment

Commitment

As a holding company without any production or distribution activities, GBL has a limited direct environmental impact. In spite of this limited environmental footprint, GBL recognizes its role in:

- promoting environmental values in its operations and in limiting any negative impact within its own scope, and
- acting as a professional investor by embedding in its investment cycle all ESG aspects and notably the environmental one at the level of the portfolio, as described in section 3.

GBL is committed to complying with applicable environmental laws and regulations, and to assess and address, where relevant and applicable, the foreseeable environmental impacts associated with its activities.

Over the years, GBL has focused its efforts on resource conservation, energy efficiency and waste management. It remains committed to continually reducing its low direct impact on the environment by looking for available improvements and supports the environmental management initiatives of the companies in the portfolio (as described in section 3).

Implementation

All employees of GBL are expected to be mindful of the environmental impact of the company and to respect the commitments made in this area. They are expected to act in respect of the company's environmental commitment and corporate values.

In addition, GBL promotes leading energy efficiency and waste management practices at its head office. As an illustration, its premises in Brussels and Luxembourg have been fully renovated in 2013 to reduce their energy consumption.