

## 3. A responsible investor

### Commitment

As a patrimonial and active investor, GBL recognizes that the effective management of ESG aspects can have a positive impact on the company's long-term performance and ability to create value in a sustainable manner. It consequently embeds ESG at all stages of its investment process and portfolio monitoring.

### Investment process

In practice, this translates into in-depth analysis of new investments notably under the ESG angle as part of GBL's strategic investment criteria (refer to the Strategy section in pages 10 to 15).

GBL takes a prudent approach to risk and incorporates the analysis of ESG aspects into its investment process which leads to invest in companies with sustainable business models. Responsible investing is a mean to mitigate potential risks and identify valuable investment opportunities. ESG aspects indeed strengthen and enrich the analysis performed by GBL's investment team of trends and sectors, by contributing to the identification of opportunities in different areas such as energy, recycling, etc. ESG aspects also allow for a more comprehensive understanding of the risks and value creation opportunities of a potential investee company, as GBL believes that ESG compliance and commitments are drivers of long-term value creation and sustainable growth for the portfolio companies.

### Portfolio monitoring

GBL takes an active ownership approach in the companies in which it invests and ensures through their governance bodies that its investments are managed in a manner consistent with its responsible management philosophy, including its Code of Ethics and its ESG Statement. GBL thus invests in companies that share its principles and commitment with regards to the imperative need to (i) behave responsibly and ethically and (ii) serve the whole of the community.

The portfolio companies and the difficulties and opportunities they present are diverse. Each company remains responsible for developing its own policies and programs. GBL believes, however, that it is necessary to promote common guidelines on sustainable development and responsible management within its various shareholdings. ESG issues are addressed by the management teams during the Board meetings. GBL also follows a series of key performance indicators (see below).

### Implementation

ESG aspects are embedded at all stages of:

- **The investment process, which is an integral part of GBL's strategic investment criteria:**  
The investment team plays a direct role in assessing investment opportunities and in regularly updating and monitoring portfolio companies. It ensures that ESG factors are also an integral part of due diligence and research reports provided by external specialists during the investment process.
- **The monitoring carried out on participations of the portfolio:**  
As an active shareholder and through its representation on the Board of Directors of the major investments, GBL further exercises its role through regular engagement with other board members and Executive Management of its portfolio companies. This is notably carried out on the basis of a questionnaire (i) sent yearly to the portfolio companies by GBL's representatives on their Board of Directors and (ii) which covers a broad range of ESG topics and whose content may evolve over time.

Key performance indicators for responsible investment are:

1. GBL employees involved in the investment process and portfolio monitoring participate to annual ESG awareness training over the 2017-2018 period.
2. For all listed portfolio companies:
  - a CSR/ESG strategy has been defined;
  - regular CSR/ESG standardised reporting is in place;
  - ESG aspects are integrated within annual financial reports;
  - efficient governance bodies are and remain in place, including the Audit Committee, through which GBL seeks appropriate disclosure on ESG issues by the investee companies.

### Key ESG commitments of portfolio companies

As highlighted before, the portfolio companies identify and address their ESG impact and associated risks within the framework of their own internal control.

Summarised below are their strategic commitments and objectives in the ESG field, as well as their CDP scoring (when available). The CDP (formerly Carbon Disclosure Project) is a not-for-profit organisation which supports companies and cities to disclose their environmental impact with the aim of building a more sustainable economy through in-depth understanding and measurement of environmental impacts. The CDP is recognized as a leading and powerful tool used by investors and analysts when assessing environmental performance and sustainability programs put in place by companies.