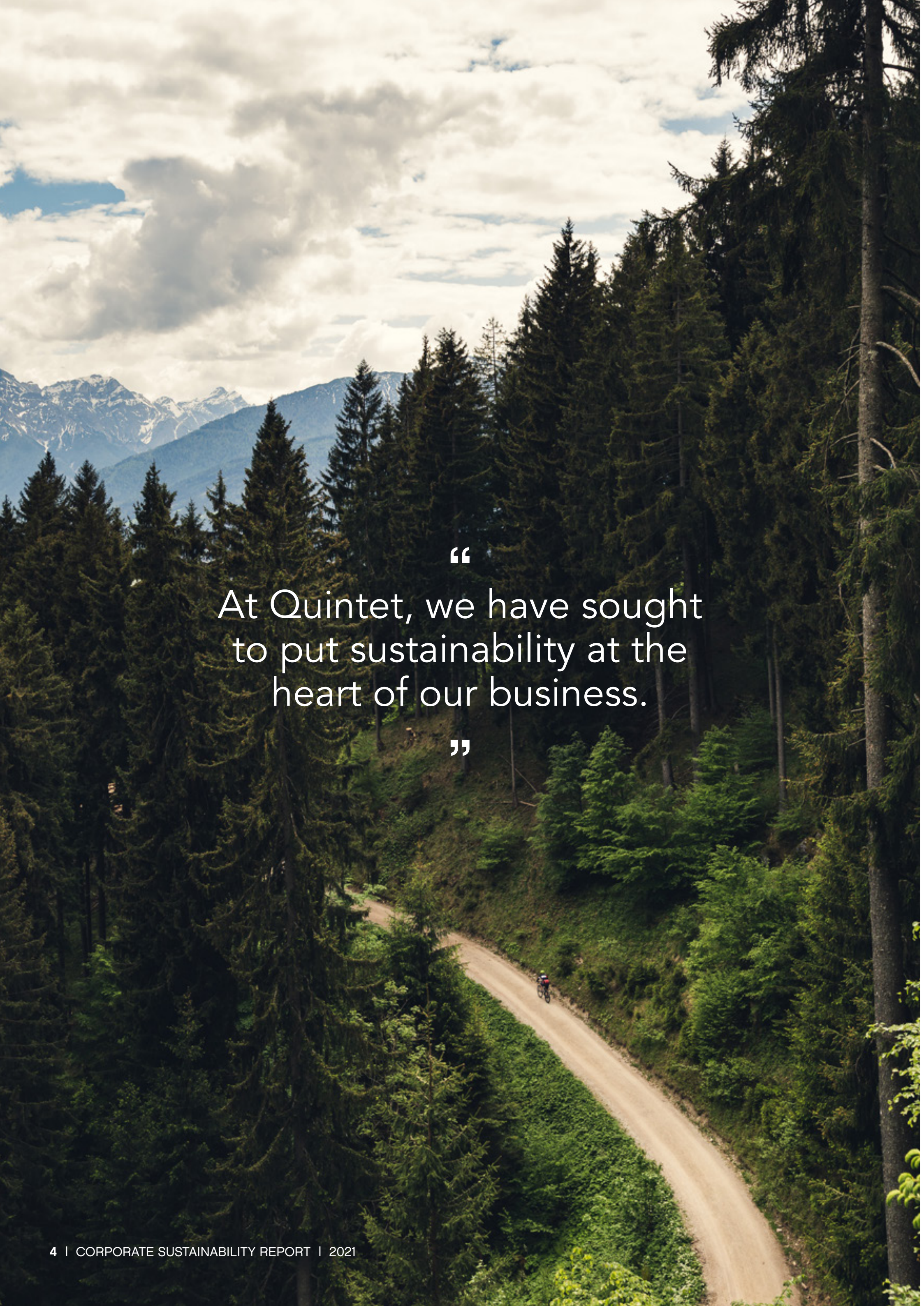
QUINTET
PRIVATE BANK

CORPORATE SUSTAINABILITY REPORT 2021

Contents



Letter from the Group CEO

It is with pride that I introduce Quintet Private Bank's first Corporate Sustainability Report. Since 2019, at Quintet, we have sought to put sustainability at the heart of our business.

We do this because we strongly believe that we can advance the interests of our stakeholders, including our clients, our colleagues and our shareholder. Of course there are strong moral and societal benefits arising out of sustainability. And that is important. But for sustainability to be viable in a corporate environment, it must create tangible benefits for all stakeholders. That is true in so many ways. Companies with a strong sustainability agenda can be more resilient. Sustainable investment products can, over time, exhibit better risk/return relationships than more traditional investment products. The sustainable part of our asset base is more likely to remain with Quintet than to be transferred to competing firms. Employee engagement around sustainability creates excitement and cohesion on an important topic that underpins a commitment to important values.

Sustainability is a win-win-win.

At Quintet, these thoughts about sustainability have contributed strongly to our purpose. We aspire to be the most trusted fiduciary and sustainable boutique private bank in the world. We aim to meet our clients' needs above all else while maximizing our positive contribution to them, society and our planet.

This report is structured in keeping with our sustainable framework: People, Planet, Product.

In the People section, we discuss how we support our colleagues and communities by fostering diversity, nurturing wellbeing, encouraging training and strengthening employee engagement.

We believe our culture of collaborating in the service of client needs can be a substantial advantage for our firm and the families we serve.

In the Planet section, we present our first Group carbon analysis, including Scope 3 data. Starting this year, 100% of the electricity we use will be backed by renewable energy. Also, and admittedly to some extent due to COVID restrictions, our 2021 estimated carbon footprint was some 40% lower than in 2019.

In the Product section, we describe the very significant changes we have made to our offering. These are positive changes that impact directly our clients – and the planet. Sustainable investment is now the default strategy for discretionary funds managed by our Chief Investment Office. Our progress in this area has been strong. In 2021 we doubled sustainable assets managed by our firm, and we now stand at over €12 billion of sustainably managed assets.

As you read this report, I hope you find initiatives and statistics that please you, and perhaps some that even surprise you. I hope you enjoy the read. For further information, or to share your feedback, please don't hesitate to contact your Client Advisor or local Quintet office.

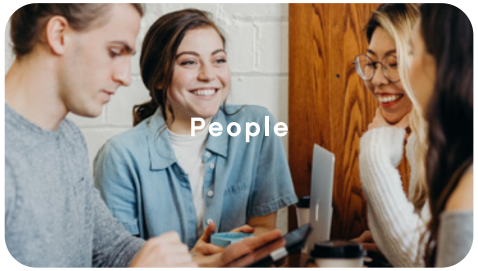
With my best wishes

Jakob Stott, Group CEO

Key achievements

Our journey to be more sustainable in both the way we invest and operate as a business is one that comes with many challenges and opportunities. We're always developing our objectives and finding new ways to minimize our operational footprint, support our employees and communities, try and maximize the positive impact of our investments.

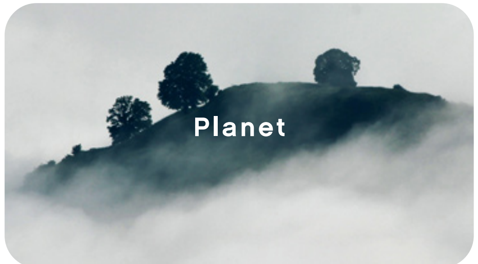
As part of our ongoing commitment, it's useful to look back at where we have come from and review our achievements in 2021.



Working together. We set up our corporate sustainability team, which comprises people from different areas of the business and countries in which we operate. They're aligning our activities with our sustainable investment approach.

Sustainable sourcing. We published our Supplier Code of Conduct, which is now part of supplier terms and conditions.

Engaging our people. We conducted an employee engagement survey to better understand our employees' needs and motivations.



Minimizing our footprint. We partnered with myclimate, a leading Swiss climate consultancy, to measure our firm's carbon footprint for the first time.

Efficient resource use. We collected data for more than 20 planet indicators across our operations.

Walking the talk. Quintet is going renewable. Starting in 2022, 100% of the electricity we use will be backed by renewable energy.

Product

Encouraging innovation. We established partnerships with three leading asset managers; Amundi, DWS and Robeco. Through this collaborative approach, we've been able to introduce innovative investment products that have not been available to private investors before.

Taking a stand. We've exercised our shareholder voting rights by supporting over 90% of environmental and social shareholder proposals, which is approximately double the industry average. In line with our commitment to protecting the environment, we have divested from companies that derive significant revenues from thermal coal.

Delivering results. More of our clients are incorporating sustainable investments in their portfolios. In 2021, sustainable assets grew from €5.9 billion to €11.7 billion. Many major sustainable indices outperformed their conventional counterparts.

Past performance should not be taken as a reliable indicator of future performance. Assumptions, opinions and estimations are provided for illustrative purposes only and are subject to significant limitations. They should not be relied upon as recommendations to buy or sell securities.

Looking forward

While 2021 was a year of progress, we're confident we can continue to build on our achievements. In 2022 we're continuing to define and strengthen our climate policies and strategy. We're proud to have launched Quintet Earth. We have also partnered with the UK's Royal Mint to create an investable product that is comprised of recycled gold from scrap coins and electronic waste.

Strategy

Our corporate sustainability strategy is sponsored by our Group CEO and guided by our ambition to lead by example, which includes aligning our purpose and investment approach. Our corporate sustainability function sits within our Chief Investment Office to ensure our actions are in line with our clients' expectations, interests and operations.

We've introduced a straightforward, yet effective framework in pursuit of climate neutrality:

Reduce: Consume fewer resources and create less waste.

Transform: Innovate by adopting and funding new sources of energy, supporting new technologies and re-engineering supply chains through a circular economy.

Remove: Actively remove CO_2 from the atmosphere by ecological or engineering methods.

In January 2021 we announced the appointment of a new corporate sustainability strategist to lead our strategy together with a virtual team of colleagues from all operating geographies and sponsored by our Executive Committee. Together, they were assigned the mission to design and introduce a change program to inspire employees, improve operational efficiency and raise our global profile.

What makes us different

1. We are committed to sustainability as our default. Not an opt-in, not an add-on, or an afterthought.
2. We believe the investments we offer and how we act as a firm should be fully aligned. We have put our sustainable investing team and our corporate social responsibility team together to ensure we're always on the same side as our clients.
3. We don't hide behind a jargon jungle of sustainable terminology and acronyms. Instead we talk about the topics that matter to our clients in a language that we all understand.
4. We don't reduce investment opportunities with an excessive amount of restrictive screens that tell our clients and portfolio managers what they can't do. We prefer to expand our horizons and show what can be done by adding additional sustainable data to support our fundamental analysis.
5. We believe finance can help the world and are in the process of pioneering 'world firsts' across the product suite.

Our mission

To embed sustainability in everything we do – values, behaviours, processes and products. Creating long-term value by redefining perceptions of success, security, legacy, and environmental and social responsibility to enable our clients to live a richer life.

Our vision

To be the most trusted fiduciary and sustainable boutique private bank in the world. Serving our clients' needs above all else while maximizing our positive contribution to them, society and the planet.

Corporate sustainability framework

We deploy corporate social responsibility to improve business operations and help make Quintet the most trusted fiduciary of family wealth.

People

Supporting our colleagues and communities by fostering diversity, nurturing wellbeing, encouraging training and strengthening employee engagement.

Planet

Minimizing our operational footprint by reducing how much energy, paper and water we use, cutting down on waste and avoiding unnecessary business travel.

Product

Maximizing the impact of our investments by offering sustainable strategies, using our shareholder votes, and engaging with companies we've invested in.

2021 CORPORATE SUSTAINABILITY REPORT

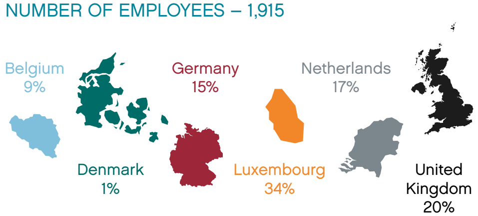
PEOPLE

Our ambitions

Through a variety of initiatives, we foster diversity and inclusion across our workforce, including by gender, age and background. Our goals go beyond the hiring process – we've embedded them within the employee life cycle, from succession planning and retention, to management processes and our corporate culture.

We support our employees and help them fulfil their personal and professional development ambitions. That includes encouraging them to continuously improve their skills through training, which in turn increases productivity, efficiency and quality performance.

NUMBER OF EMPLOYEES – 1,915



Source: Quintet (note: 4% are based in other markets)

Engagement activities

We want our employees to be connected directly to our strategy and aspirations as a firm. In order to educate, engage and connect, we have put in place a range of initiatives, including:

- Quarterly Group CEO meetings for all staff to present business strategy, ways of working and priorities
- Monthly and quarterly staff meetings to discuss issues they want to highlight
- Monthly line manager meetings with updates on business strategy, operations and staff matters

Employee engagement survey

In May 2021 we conducted an employee engagement survey and 75% of our workforce responded. We received 3,283 comments with examples of our strengths and areas for focus and action.

In addition, 200 colleagues volunteered to participate in focus group discussions where they provided deeper insights into the reasons for their scores as well as examples and suggestions to improve overall engagement.

RESPONSE RATE

75%

COMMENTS

3,283

ENGAGEMENT FAVORABILITY

52%

Source: Quintet

As a result, we have identified and put plans in place to address our priorities, linking clearly to our 2022 goals.

These priorities focus on three key areas of opportunity:

- New ways of working to support our organizational model
- Culture and belonging
- Personal development and learning

We will be running a survey in 2022 to ensure we track and continue to improve our employee engagement.

New ways of working

As we return to the office following the pandemic, more of us will work remotely on a regular basis and everyone will adapt to a hybrid environment. Our employee engagement survey reported that 93% of our colleagues would like to retain elements of flexibility gained from working from home during the pandemic. That is balanced against the desire to exchange ideas in person and collaborate face to face. It also factors in regulatory constraints and business needs, as well as increased cybersecurity and GDPR-related risks.

We've updated our flexible working policy:

- Individual employee eligibility for remote working depends on function and department
- Regardless of function, department or location, every employee will be required to work in the office at least three days per week (60% for a full-time employee). Line managers will apply the 60% principle with common sense

Culture and belonging

In 2022 we will be engaging all staff in helping to shape our culture. The ideas generated from these conversations will form regular 'spotlights' so everyone has the opportunity to take part.

During a year of change, we recognized the importance of new ways of working for our business and employee's wellbeing and productivity.

Learning and career opportunities

We're committed to preparing our colleagues for their roles today and tomorrow, as well as future jobs that may not even exist yet. Our goal is to support everyone to take ownership of their own development.

In 2021 we provided access to the e-content library from LinkedIn Learning and we're expanding the range of our online education offerings. Many employees have watched the videos and requested access to a wider variety of providers such as Safari, Udemy, Harvard, Intuition and Coursera.

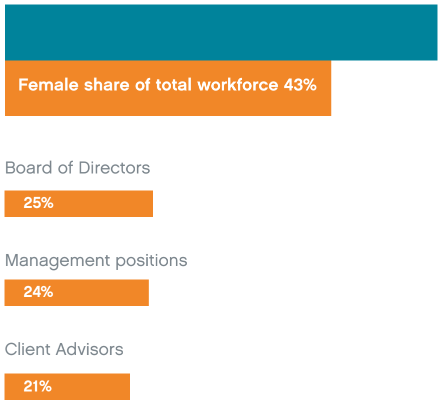
From 2022 our employees will be able to select specific external learning appropriate to their needs and we will offer an allowance for them to purchase learning in line with their personal development plans. We are also encouraging employees to share their own learning across the bank, thereby increasing understanding of our collective potential to innovate for ourselves and for our clients.

Diversity and inclusion

We're committed to attracting, developing and engaging a diverse employee base through our diversity and inclusion (D&I) strategy. In 2022 we ran for the first time an 'all employee Jam' on the topic of inclusion. This was an opportunity for all colleagues to go online over the same timeframe and in the same place – to share ideas, brainstorm and engage with one another.

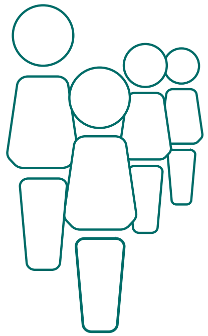
The format encourages open and collaborative dialogue on topics such as what it is like to work at Quintet, building an inclusive culture, attracting and engaging employees and the role we can all play to support our D&I culture.

FEMALE SHARE OF TOTAL WORKFORCE (%)



AVERAGE FEMALE SALARY / AVERAGE MALE SALARY RATIO

Source: Quintet



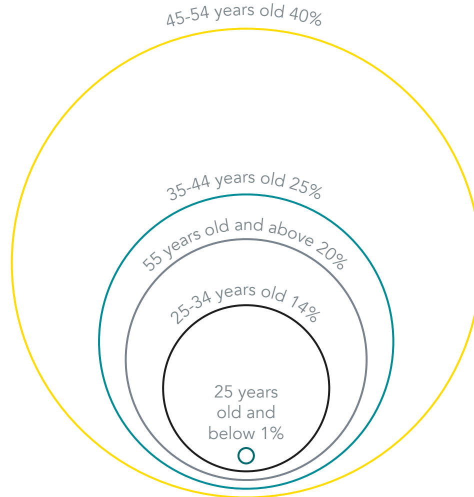
70 different nationalities employed

Attracting talent

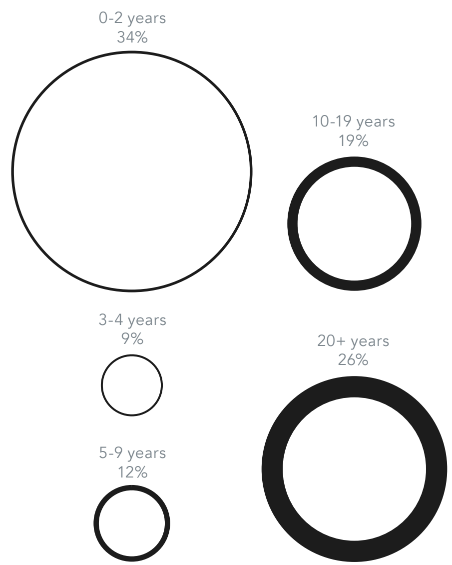
Over the past two years, we have sourced more than 80% of new hires directly from the marketplace without utilising intermediaries, promoting internal mobility and developing a new approach to onboarding. In 2021 we hired 150 male (58%) and 109 female (42%) employees.

Quintet has been recognized at the HRO Today Forum EMEA, where we were named Talent Acquisition Leader of the Year in the team category. This international recognition reflects our firm's proven ability to attract, onboard and retain talent, supporting our status as an employer of choice staffed by people who share our values, drive our business, enrich our culture and enable our clients to live a richer life.

GROUP EMPLOYEES BY AGE



AVERAGE EMPLOYEE TENURE



Source: Quintet

Supply chains

We're committed to operating our business according to the highest principles of ethical and professional conduct in order to maximize our positive contribution to our clients, society and the planet. This commitment extends to the way we do business and to all of our business partners.

In 2021 we published our new Supplier Code of Conduct, which serves as a cornerstone in our journey of developing a responsible procurement approach. This code enables us to reinforce the values of business ethics and integrity and respect for human rights as well as responsible resource management. As of 2022 it will be included in our Group Supplier Business Terms and Conditions and made available on our website. It is applicable to all our suppliers, their business partners and subcontractors providing a service directly or indirectly on their behalf.

We are working on incorporating an extensive sustainability assessment in our Request for Proposal (RFP) processes, which will serve as a benchmark for assessing ethical business practices. Where gaps are identified between supplier practices and our standards, we will expect suppliers to improve their practices to comply with our expectations.

We will continue to develop our responsible sourcing practices by working with our critical suppliers, defining a process to find, assess and manage sustainability risks.

Social responsibility

With some 2,000 employees in 50 European cities, Quintet has a unique opportunity to make a difference in the local communities we serve by acting as a responsible corporate citizen. That includes by contributing resources, time and capital to laudable organizations and important ideas, serving as an agent of positive social change.

In 2021, we supported non-profit organizations such as the Red Cross, Caritas, Goods to Give, Oceana and many others. We have also partnered with the West-Eastern Divan Orchestra, which brings together young musicians from across the Middle East, fostering dialogue and mutual understanding. More recently, Quintet formed a partnership with the United Nations High Commission for Refugees to support Ukrainian families impacted by the war, including employee volunteer activities, staff donations, a charity auction and other initiatives.

Watch Extraordinary Partnership video

2021 CORPORATE SUSTAINABILITY REPORT

PLANET

Our focus

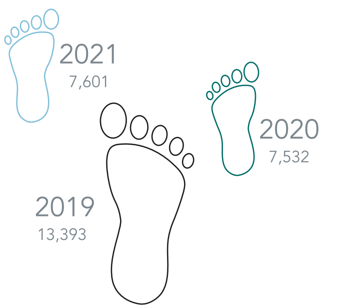
Throughout 2021 we focused on implementing the planet pillar of our newly defined corporate sustainability framework, with the following objectives:

- Consume resources responsibly and efficiently across all our offices and reduce our carbon footprint
- Implement a robust strategy to limit climate change
- Increasingly align our reporting with recommendations from the Task Force on Climate-related Financial Disclosures (TCFD)

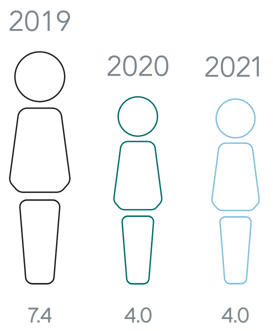
Our footprint

In collaboration with myclimate, a leading Swiss climate consultancy, and in line with the Green House Gas Protocol, we calculated Quintet's carbon footprint from 2019 to 2021. We collected data across all locations about energy, transport, business travel, employee mobility, office materials, food and waste.

TOTAL CARBON FOOTPRINT (t OF CO_2e)

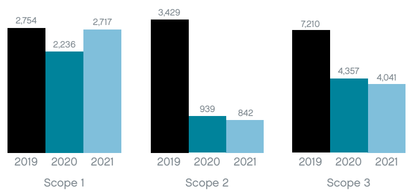


PER FTE TOTAL CARBON FOOTPRINT (t OF CO_2e)



Our estimated 2022 carbon footprint is 7,601 tons of CO_2e or 4 tons per FTE, which includes substantial COVID disruption. Emissions are almost 45% lower than 2019's pre-COVID figures.

CARBON FOOTPRINT BY SCOPE (t OF CO_2e)



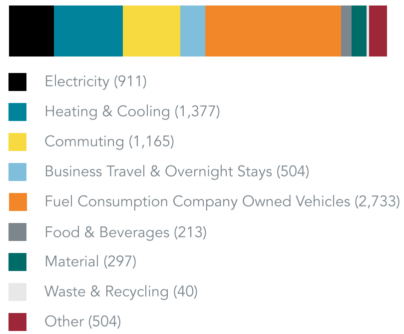
Scope 1:
Includes all direct emissions from owned or controlled sources, such as business travels in company cars or the combustion of fuels in heating systems.

Scope 2:
Includes all indirect emissions resulting from purchase of electricity and heat.

Scope 3:
Includes indirect emissions such as purchased goods and services, business travel, employee commuting, waste disposal etc. Excluding emissions derived from investments.

Source: myclimate, Quintet

2021 CARBON FOOTPRINT BY ACTIVITY (t OF CO_2e)



Calculating Quintet's carbon footprint is the first step towards a successful climate strategy. This exercise helped us identify the most effective areas to focus on and ways to reduce our emissions. The results revealed that the largest contributors to Quintet's carbon footprint are electricity use, fuel consumption from company-owned vehicles, employee commuting and business travel.

What we have done

In 2021 we started to find ways to reduce our footprint and committed to start using, from 2022, 100% of electricity that is backed by renewable energy. We've also been working with our travel agency Egencia on green traveling measures.

From an investment perspective, we divested from companies that derive a significant portion of their revenues from thermal coal (see Product).

Next steps

Throughout 2022 and beyond, we will:

- Support public transportation initiatives and electric mobility
- Optimize our resource consumption in areas like water, paper and waste recycling
- Continue our work to define Quintet's climate strategy and carbon reduction targets

Energy consumption / renewable energy

We began our shift to renewable energy in 2020, continuing the trend in 2021. As of 2022, two of the remaining Quintet offices (Germany and UK) have switched to fully renewable energy sources. The final office, in Copenhagen, will use a mixed tariff with renewable energy certificates to compensate. We therefore expect to be fully renewable later in 2022.

As we continue on our journey to embed sustainability in everything we do, we're working with our travel partner Egencia to implement greener practices. These include taking the train instead of flying when possible, selecting flights with fewer stops, and choosing hotels and locations that minimise commuting. We're also encouraging employees to use public transport and providing them with electric vehicle options.

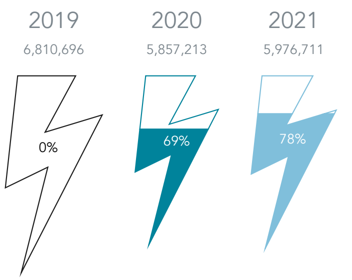
Source: myclimate, Quintet

Local travel initiatives

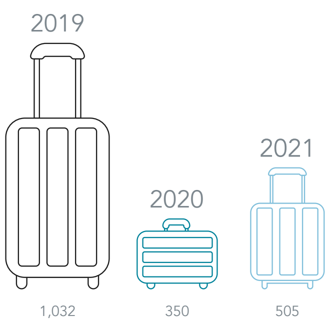
Luxembourg: We've installed 16 electric charging stations in our parking lot with electricity generated from sustainable sources.

Germany: We've participated in the "Jobrad" initiative since 2020. This bicycle leasing scheme is designed to encourage employees to cycle to work.

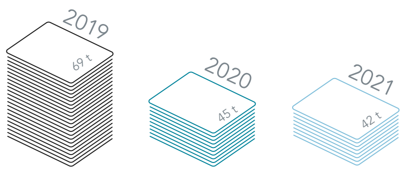
TOTAL ELECTRICITY (KWH)
OF WHICH RENEWABLE ELECTRICITY



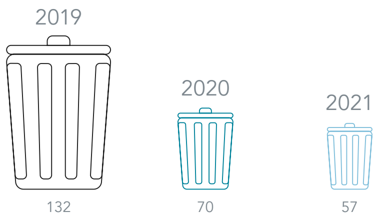
TOTAL BUSINESS TRAVEL AND OVERNIGHT STAYS (t CO_2e EQUIVALENT)



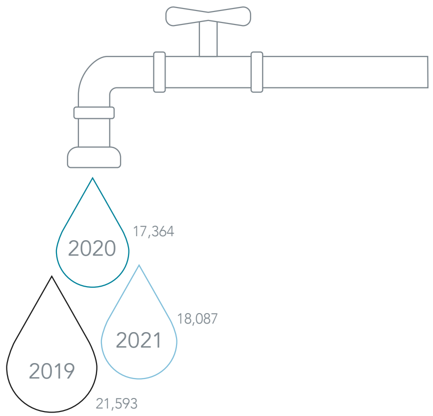
PAPER CONSUMPTION (t)



SOLID WASTE TO INCINERATION (t)



WATER USAGE (m^3)



Source: myclimate, Quintet

ACTIVITIES (t of CO_2e)

	2019	2020	2021
TOTAL	**13393**	**7532**	**7601**
Energy	5831	2768	2628
Total Electricity	4255	1076	911
Total Digital Working	298	363	340
Total Heating & Cooling	1279	1329	1377
Mobility	3594	1911	1670
Total Commuting	2561	1561	1165
Total Business Travel & Overnight Stays	1032	350	504
Transport	2766	2023	2754
Total Fuel Consumption Company Owned Vehicles	2756	2009	2733
Total Transport Third Party	10	14	21
Food and Beverages	669	227	213
Total Beverages	155	75	50
Total Snacks & Meals	514	152	163
Material	452	557	297
Total Office Material	93	60	54
Total Tapwater	4	3	3
Total Printed Matter	50	58	49
Total IT Materials	306	436	190
Waste and Recycling	81	45	40
Total Waste to Incineration	67	35	29
Total Reycling Waste	6	3	4
Total Waste Water	8	7	7

Data is calculated through myclimate, which works with over 350 firms to measure carbon footprinting. The carbon footprint is based on the internationally recognised standard 'The GHG Protocol: A Corporate Accounting and Reporting Standard' and includes the climate-relevant greenhouse gases that are under the 'operational control' of the company. The data for the calculations is taken from ecoinvent 2.2 and the IPCC 2007 methodology (GWP 100a).

Greener travel

How working with the right suppliers helps Quintet fulfil its sustainability goals

Business travel might be unavoidable but that doesn't mean it can't be sustainable too – that was the thinking behind Quintet's decision to drive change by working with specialist travel platform Egencia. *'Sustainability is at the heart of what we do; we provide tools so that businesses can make the right decisions when it comes to travel,'* says Senior Product Marketing Manager at Egencia, Jayde Phillips. *'Quintet reached out to see how we could help implement changes that would reduce their carbon footprint and encourage employees to embrace eco-friendly travel.'*

First Egencia analysed the company's carbon emissions data, then they identified areas for improvement, where a positive impact could be made. *'We have a carbon dashboard that allows Quintet to track its latest emissions for air, rail and hotels so they can drill down and access granular data. This helps the company take real steps to reduce its carbon contribution,'* explains Jayde, citing a feature that displays the emissions for each flight in its booking section as a way of motivating travellers to pick the lowest emitting journey option.

'We suggested a number of ideas including restricting the bookings for stopover flights, which are a massive generator of carbon emissions; considering other modes of transport instead of short-haul flights; and identifying hotels that have green policies and encouraging travellers to book these,' says Jayde. Where travel can't be reduced, Egencia's solution ties in with Quintet's approach - carbon offsetting. 'When it comes to corporate travel, Quintet has shown a commitment and dedication to putting sustainability at the heart of their business,' she concludes.

2021 CORPORATE SUSTAINABILITY REPORT

PRODUCT

> We treat sustainability as a toolkit that can be deployed to enhance the investment process.

Our objectives

1. Integrating environmental, social and governance (ESG) considerations in all our investment decisions as part of our fiduciary responsibility. We believe it leads to better-informed choices and has the potential to enhance risk-adjusted returns.
2. Pursuing climate neutrality in selected parts of our offering through our framework 'reduce, transform and remove.'
3. Voting at shareholder meetings of the companies in which we invest for our clients, when possible and feasible.

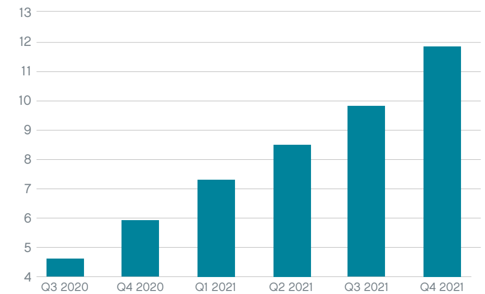
Sustainable investing

When advising clients or managing assets on their behalf, we follow a principle-based philosophy.

We treat sustainability as a toolkit that can be deployed to enhance the investment process. Our philosophy is outlined in and governed by our Sustainable Investing Policy.

This is underpinned by an innovative approach to discretionary management, where our model portfolio is what we believe to be the industry's first fully diversified 100% sustainable portfolio. Sustainability is embedded from asset-class forecasts and the investment universe to security selection. Across asset allocation, sustainability is treated as a significant driver of alpha. To capture unique risk premiums, we deploy four sustainable approaches – leaders, themes, improvers and dedicated assets – and substitute each traditional asset class with a sustainable counterpart. For example, we replace government bonds with bonds issued by multilateral development banks (debt issued by a multilateral entity to fund sustainable development in developing nations), and substitute investment-grade bonds with green bonds of the same credit rating (where institutional debt proceeds are explicitly ring fenced for sustainable purposes).

SUSTAINABLE ASSETS (€ BILLION)



Source: Quintet

We're driving a remarkable transformation:

- Through net new money and product switches (i.e. no relabelling of existing solutions), the amount of sustainable assets we manage is growing rapidly.
- Over the past year, we have added over € 5.9 bn, double the amount from the year before.
- We have had five consecutive quarters of >€ 1 bn assets under management growth.

Individual securities

Our direct management of individual securities consists exclusively of multilateral development banks for investment-grade credit, and sustainably selected equities. Research is supported by sustainability reports that include data for the most relevant ESG factors and sustainability of products, exposure to recent events that pose a business or reputational risk, and involvement in controversial product activities.

Our proprietary sustainability profiles are powered, in part, by raw data from Sustainalytics. Our detailed research approach and principle-based philosophy allows us to carefully evaluate the inclusion of every company in our portfolio. The Sustainable Investment team reviews our sustainable portfolio holdings at least twice a year.

We also integrate minimum exclusion rules when constructing the investment universe. We exclude companies involved in controversial weapons, bonds issued by embargoed countries and equities owned by these countries, as well as companies that don't comply with the UN Global Compact Principles when engagement is considered unsuccessful or not possible.

We incorporate our climate risk framework within these exclusion principles. For example, whenever we have the authority, we exclude investment into companies that derive material (more than 10%) revenue from thermal coal extraction or power generation. Our house view is that thermal coal is obsolete, financially unviable over the medium term and highly detrimental to the environment.

We continue to monitor research and regulations and update our principles as we further develop our climate risk framework and policies.

A sustainable approach to fund selection

We also assess third-party funds using sustainability measures and compile dedicated sustainability reports. Whether traditional or sustainable, all funds have to demonstrate basic responsible practices. We apply five key pillars in our sustainable fund selection process: transparency, active ownership, research, portfolio characteristics and intentionality.

To assess each of these pillars, we operate a three-step process comprising interviews, questionnaires and instrument screening, which uses both quantitative and qualitative methods. Considerations include whether the holdings have links to the UN Sustainable Development Goals (SDGs), or are exposed to substantial sustainability risks, controversies and carbon intensity.

Catalyzing industry change and innovation

We pioneer and innovate through our sustainable investing initiatives. We have catalyzed industry-wide change and, in 2021, launched several highly innovative products, each with over €100m of seed investment, including:

- The world's first EUR and USD corporate green bond ETFs (DWS)
- Europe's first USD-underlying green-bond fund (Robeco)
- A scale-up of the world's first EM green-bond fund (Amundi)

We continue to innovate and pursue solutions in the best interest of our clients. As such, our pipeline is full of client-centric product innovation with some of the best partners in the market. This approach allows us to bring new sustainable asset classes into our portfolios as well as carbon-neutral solutions.

A diversified approach

While 2021 was a year of great progress, 2022 holds fantastic promise. In January 2022 we launched Quintet Earth.

Typically, a robust investment portfolio has both bonds and equities working together. Equities are great for deploying a reduction strategy. We can measure the carbon emissions generated by companies and then calculate an equity investor's associated 'share' of them. We can construct a globally diversified equity portfolio that closely mirrors the investment characteristics of conventional indices yet also exhibits a 70% reduction in associated carbon emissions.

Bonds can be a powerful instrument for transformation. In particular, green bonds are debt instruments where the funds raised are used exclusively to fund green projects, such as building new renewable power capacity.

We can construct a globally diversified investment-grade bond portfolio that broadly mirrors the investment characteristics of conventional indices yet also support the following for every $1m invested:

- Removing the equivalent of 350 cars from the road
- Saving 40 homes' worth of energy
- Reforesting or preserving the equivalent of 80 soccer fields

In addition to equities and bonds, it is now possible to reach beyond financial markets and impact the real economy by proactively removing carbon from the atmosphere. Verified emission reductions (VERs), often called carbon credits, are supported by robust scientific methods and measurement techniques.

We favour the highest-quality VERs that are associated with additional carbon sequestration – such as reforestation. They are different to VERs that are associated with preventing carbon release – such as forest protection. We believe investors can combine liquid investments with VERs, with the latter being used to offset residual carbon associated with equity investing to create a highly impactful portfolio.

Active ownership

We engage as active owners because we are convinced that when companies adopt sustainable practices they become better businesses, which benefits investors, society and the planet.

Investors can use their voice to press for positive change through a combination of dialogue with companies and voting at shareholder meetings. That is what is meant by active ownership, which constitutes a key part of our investment strategy.

In 2021, we voted on over 10,454 proposals at more than 760 shareholder meetings across the world. Environmental and social matters were front of mind, as demonstrated by our support of more than 90% of shareholder proposals on these topics, which is about double the industry average.

Over the same period, our partner EOS at Federated Hermes engaged with 752 companies on our behalf on a range of 3,030 issues and objectives. Engagement addressed key risks, challenges and opportunities faced by companies.

Since we also invest client assets with other asset managers, we also directly engage with third-party fund managers.

We undertook other engagement activities. We are a member of the Climate Action 100+ initiative, a leading collaborative investor engagement on climate change. We are a signatory to the Principles for Responsible Investment (PRI), the world's leading proponent of responsible and sustainable investing.

We understand the power of investment to impact the world. By changing the way we invest, we can change the world for the better.

Change what you don't like. Invest in what you do. That's what we believe.

All our votes are published on this webpage. For more information please visit our active ownership report.

KEY VOTING FACTS 2021

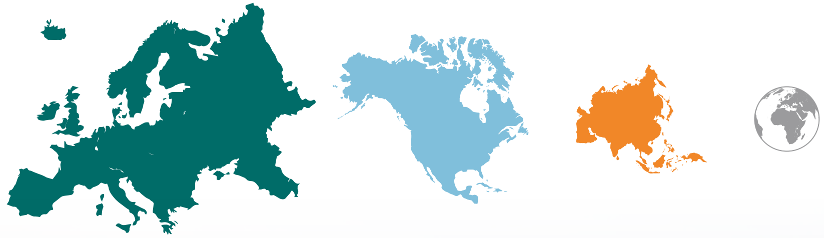
10,454
Proposals voted upon

760
Shareholder meetings

Source: Glass Lewis, Quintet

BREAKDOWN OF MEETINGS BY GEOGRAPHY

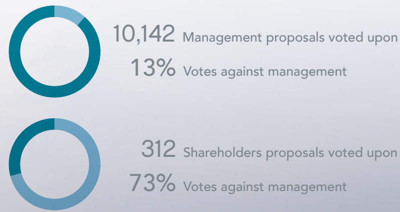
Europe	North America	Developed Asia	Other
400	297	44	18



PROPOSALS VOTED BY CATEGORY

- Board-related .... (5,800)
- Compensation .... (1,379)
- Audit/Financials .... (1,350)
- Capital management .... (884)
- Others .... (117)
- Meeting administration .... (187)
- Shareholder proposals .... (312)
- Company status .... (425)

Period: 2021



Source: Glass Lewis, Quintet

Our **voting group** composed of representatives of diverse investment teams oversee voting decisions

Support **of environmental proposals:** ~93%. This is about double the industry average

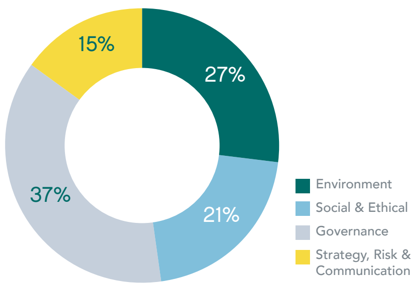
Support **of social proposals:** ~98%. This is about double the industry average

We voted against the election of ~400 directors because of the failure to address **gender diversity**

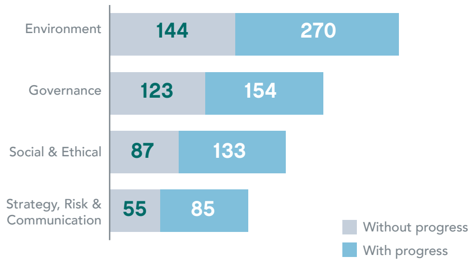
KEY ENGAGEMENT FACTS 2021

752 Companies engaged on 3,030 Environmental, social, and governance issues and objectives

Companies engaged: breakdown of issues and objectives by theme



We made progress with a third of the companies we engaged with



100% of selected fund managers filled out Quintet's questionnaire

100% of active fund managers have been interviewed alongside engagement where appropriate

100% of sustainable funds signed the PRI, an endorsement of responsible practices

50 sustainable funds selected

120 questions used to assess sustainable funds

6 experts dedicated to sustainable fund selection

Source: EOS, Quintet

2021 CORPORATE SUSTAINABILITY REPORT

GOVERNANCE

Full integration

Governance

Since climate and environmental risks and opportunities have the potential to impact all our activities, ultimate responsibility for managing those risks lies with our Group CEO and Board of Directors.

Execution is ensured by the Group Chief Transformation Officer, who chairs a cross-functional taskforce responsible for defining actions and responsibilities to advance our climate strategy.

Sustainability is embedded across our corporate governance policies. In line with our philosophy of full integration in our business model, we have merged it with our sustainability committee.

Quintet committee	Sustainability representative	Description
Board of Directors	Member of the BoD	Supervises the implementation of Quintet's sustainability strategy and oversees its integration across our business model, culture and behaviours
Authorized Management Committee	Group Chief Executive Officer	Approves our corporate sustainability strategy and monitors its progress. Supports the implementation and further integration of sustainable practices
Investment Committee	Group Head of ESG, Sustainable and Impact Investing	Designs our corporate sustainability and sustainable investing frameworks, encourages innovation, and promotes the mobilization of assets towards sustainable solutions
Corporate Sustainability Group	Sustainable Investing Strategist & country representatives	Responsible for implementing the corporate sustainability strategy across all Quintet locations

Climate risk

As part of our ongoing commitment to reducing the pace of climate change, we're involved in a range of different activities to improve our approach.

Strategy

In 2021 we assessed our operations and business activities to ensure compliance with European Central Bank guidelines and EU taxonomy regulation 2020/852[1]. This thorough review allowed us to identify our main gaps and opportunities to address them. We also engaged with the Climate Disclosure Standards Board (CDSB) to better understand these gaps and enhance the completeness, clarity and structure of our strategy in accordance to the Task Force on Climate-related Financial Disclosures (TCFD).

Risk management

Furthermore, the Group Risk Control function set up Quintet's Climate and Environmental Risk Appetite Framework, which was in turn approved by the Group Authorized Management Committee (AMC) and Board Risk Committee (BRC). The Risk Appetite Framework recognizes that climate and environmental risks are material to our business strategy, and defines the internal risk management oversight mechanisms to ensure a stable and successful continuation of its activities. It also defines key objectives and guidelines for identifying, measuring, managing and reporting on our climate and environmental risks.

An important piece of analysis within the risk assessment of climate and environmental risks involves reviewing our balance sheet and particularly its exposure to carbon-intensive activities.

In this area, the EU Taxonomy regulation 2020/852 provides a common language and criteria to define sustainable activities for a number of objectives (at this date, climate change mitigation and climate change adaptation). In Appendix I, the bank provides simplified disclosures[2] regarding taxonomy eligible economic activities.

As a private bank, we aim to accompany our clients by managing their assets in line with their objectives. We do not finance industrial or corporate activities, especially in carbon-intensive sectors.

Metrics and targets

We defined our group corporate sustainability framework in 2021. Since then we have achieved 100% renewable backed electricity sourcing for all our operations and implemented a number of actions to improve resource efficiency. As we continue to identify key focus areas, we will formally define a set of KPIs to monitor and improve our performance.

In addition, we will not invest in companies deriving more than 10% of revenue from thermal coal extraction or power generation via our own book or client portfolios (advisory or discretionary mandates). We view this 'technology' as obsolete, financially unviable over the medium term, and highly detrimental to the environment.

Data privacy

We implement applicable data protection regulation principles in alignment with the Group Data Protection Policy.

This policy applies to board members, management, employees and contractors processing personal data, as required in the provision of our activities.

As a bank we manage personal data when delivering services to clients, managing employees, job applicants and contractors, performing marketing campaigns, when transferring personal data within our group, and interacting with service providers and/or third parties.

At the beginning of 2021, we centralized the Group Data Protection Office (GDPO) function in Luxembourg in alignment with Group DPO charter. GDPO reports directly to the Group Chief Legal Officer, who is a member of the Authorized Management Committee (AMC).

[1] European Central Bank, Guide on climate-related and environmental risks, supervisory expectations relating risk management and disclosure, 2020.

[2] Simplified disclosures for the year 2021 are defined in line with delegated act of 6/7/2021 pursuant to article 8 of EU taxonomy regulation 2020/852)

We also set up and onboarded a privacy monitoring team. This team works closely with GDPO to ensure the effectiveness of the controls in place at the first line of defense and the adequate reporting of residual risk to the Group Data Protection Committee, the AMC and to the Board of Directors.

Our 2021 milestones and key numbers include:

- Quintet's Board Risk Committee reviewed and approved our Group Protection Policy (including UK specificities).
- Trained 99.3% of internal employees on our Group Data Protection Policy.
- Performed 31 data protection analyses and 23 data protection due diligence. No high residual risk has been identified that would require a notification to the National Data Protection Commission (CNPD) Authority.
- Responded to 30 data subject right requests received (mostly erasure of prospect data), answered in due time (one month after reception).
- Analyzed 71 data breaches by DPO in 2021; only eight required notification to Data Protection Authorities considering the residual risks for data subjects.

You can find more information on our climate risks in Quintet's 2021 Annual Report.

In 2022 we plan to develop simplified data protection questionnaires and define relevant KPIs to monitor the on time delivery of data protection analysis. We will also continue to provide specific training to line managers on time, enforcing their accountability and data protection competences.

For more information about our data protection policy please click here.

Our partners in sustainability

Climate Action 100+

Climate Action 100+ is the world's largest investor engagement initiative on climate change. As of October 2020, over 500 participating investors with more than $47 trillion in collective assets under management are engaging the focus companies of the initiative to establish robust climate governance frameworks at board level, set emissions reductions targets aligned to the Paris Agreement, and issue TCFD reporting.

GLASS LEWIS

Glass Lewis is a leading provider of governance solutions. Glass Lewis empowers institutional investors and publicly listed companies to make sustainable decisions based on research and data. Their customers include the majority of the world's largest pension plans, mutual funds and asset managers, and they collectively manage more than $40 trillion in assets.

Federated Hermes

EOS at Federated Hermes is a leading stewardship service provider. Their engagement activities enable long-term institutional investors to be more active owners of their assets, through dialogue with companies on environmental, social and governance issues. They believe this is essential to build a global financial system that delivers improved long-term returns for investors, as well as better, more sustainable outcomes for society.

myclimate shape our future

myclimate is Quintet's CO_2 offset provider. myclimate is an international initiative with Swiss roots and is one of the world's quality leaders in voluntary CO_2-compensation measures. Its customers include large, medium-sized and small companies, public administrations, non-profit organisations, event organisers and private individuals. Through its partner organisations, myclimate is represented in other countries such as Germany, Austria, Sweden and Norway.

PRI Principles for Responsible Investment

Quintet is signatory to the UN Principles for Responsible Investment (PRI), the world's leading proponent of responsible investment. PRI works to understand the investment implications of environmental, social and governance (ESG) factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions.

SUSTAINALYTICS

A Morningstar Company, Sustainalytics are an ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. For more than 25 years, the firm has been at the forefront of developing innovative solutions to meet the needs of global investors. They work with hundreds of leading asset managers and pension funds that incorporate ESG and corporate governance information and assessments into their processes. Quintet works with Sustainalytics as its primary data provider for its sustainable offerings.

Regulatory appendix

EU taxonomy simplified disclosures

Delegated Act of 6/7/2021 pursuant to article 8 of EU taxonomy regulation 2020/852 defines simplified reporting requirements for credit institutions on a consolidated basis for the financial year 2021.

EU taxonomy regulations aim at directing investment toward companies carrying out sustainable projects and activities. It defines a common language and provides harmonized criteria to define sustainable activities. At this date, only climate migration and climate adaptation activities shall be considered.

Taxonomy eligible activities

Taxonomy eligible economic activities are defined as those activities described in the delegated acts on the environmental objectives, irrespective of whether they meet any or all of the taxonomy criteria to qualify as environmentally sustainable.

Quintet's disclosures are determined based on the list of NACE-codes defined in the climate delegated act 2021/2139 supplementing EU Taxonomy regulation 2020/852. NACE codes associated with the purposes of the loans or with the sector of counterparties are used as a proxy to determine eligible activities.

In the context of Quintet, real estate loans represent the majority of taxonomy eligible assets.

$$\frac{\text{Exposures to Taxonomy – eligible economic activities}}{\text{Total assets}} = 17.65\%$$

$$\frac{\text{Exposures to Taxonomy – non-eligible economic activities}}{\text{Total assets}} = 16.03\%$$

In order to achieve to a full extent the goal of the EU taxonomy regulation, the bank will further assess eligible activities and apply criteria to identify which activities are taxonomy aligned. Taxonomy aligned economic activities (or environmentally sustainable) are those activities that fulfil all of the following criteria:

- The economic activity contributes substantially to one or more of the environmental objectives of the taxonomy regulation.
- It does not significantly harm any of the other environmental objectives.
- It complies with technical screening criteria as laid down in the delegated acts on the environmental objectives (for climate change mitigation and adaptation).

This requirement to disclose taxonomy aligned economic activities will apply to Quintet from 1 January 2024 and will be materialized under different variations of the green asset ratio.

Exposures out of scope of EU taxonomy eligibility assessment

First, the delegated Act of 6/7/2021 pursuant to article 8 of EU taxonomy regulation 2020/852 requires to disclose separately exposure to central governments, central banks, supranational issuers and derivative positions whichever the type of counterparty.

$$\frac{\text{Exposures to sovereigns and derivatives}}{\text{Total assets}} = 46.36\%$$

Then, exposures to corporates not subject to the Non-Financial Reporting Directive 2014/95/EU (NFRD) shall also be disclosed. This population is composed of large public-interest companies with more than 500 employees. This covers approximately 11,700 large companies and groups across the EU, including:

- Listed companies.
- Banks.
- Insurance companies.
- Other companies designated by national authorities as public-interest entities.

Quintet disclosure in this area is based on Regulation 2003/361/EC which defines small and medium-sized enterprises (SMEs) with fewer than 250 persons and which have an annual turnover not exceeding €50 million and/or an annual balance sheet total of maximum €43 million. This definition, currently applied consistently across the bank (in the context of the solvency ratio and AnaCredit), provides an accurate estimate of counterparties subject to the NFRD.

$$\frac{\text{Exposures not subject to NFRD}}{\text{Total assets}} = 11.16\%$$

Finally, the trading portfolio and on-demand inter-bank loans shall be disclosed. The below indicator has been defined in accordance with FINREP definitions (Held for Trading categories excluding derivatives and Other Demand deposits with Financial institutions).

$$\frac{\text{Trading portfolio and on demand inter-bank loans}}{\text{Total assets}} = 2.45\%$$

Overall EU taxonomy simplified disclosures don't cover all the portions of the balance sheet such as tangible and intangible assets (Other assets : 6.35%).

[3] https://ec.europa.eu/info/publications/sustainable-finance-technical-expert-group_en
[4] Large corporate counterparties exceeding threshold defined Regulation 2003/361/EC regarding small and medium-sized enterprises as they are likely to be subject to the Non-Financial Reporting Directive 2014/95/EU. See paragraph related exposures out of scope of EU taxonomy eligibility assessment.

QUINTET
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