DPAM
INDOSUEZ

November 2026

Sustainability ranking

OECD member states



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I. OECD universe

1. A pioneer in country sustainability

Since the 2008 sovereign debt crisis and the loss of "risk-free asset" status, countries are increasingly being scrutinised from an environmental, social and governance perspective.

Credit rating agencies now include climate change risk in their assessments. **DPAM's holistic sustainability approach**, developed by DPAM in 2007, remains pioneering due to the range of interconnected issues it analyses and the continued input of leading experts in subjects such as biodiversity and education.

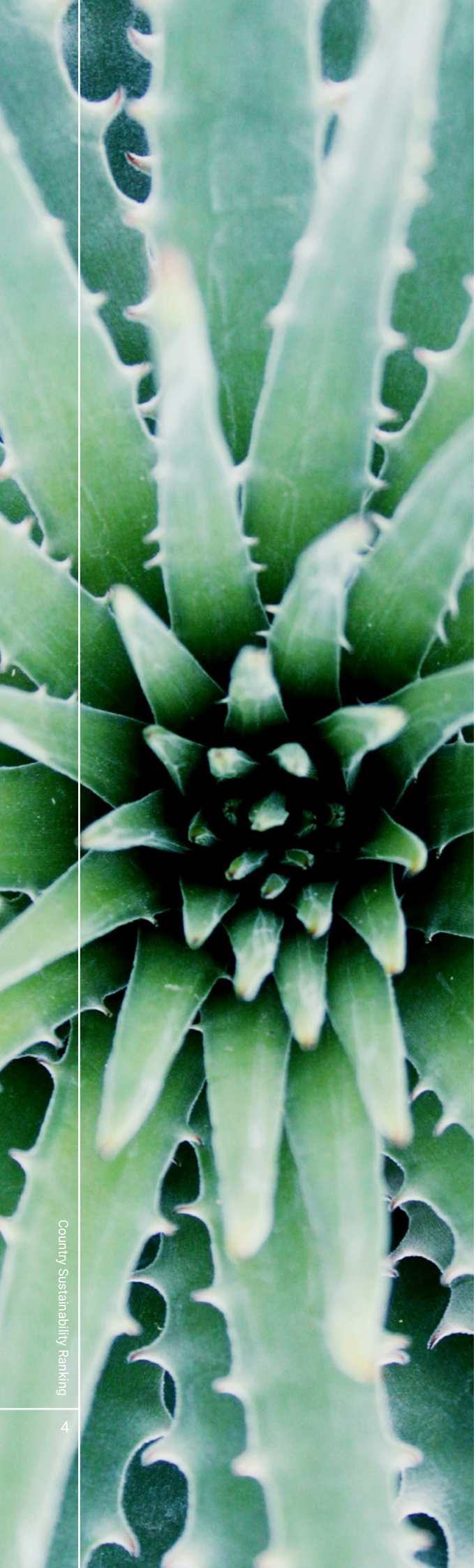
2. Sustainability ranking
November 2026

The starting universe is composed of OECD member states and each new member is included in the starting universe. The sustainability ranking allows us to identify the countries which have **fully integrated global challenges** in the development of medium-term objectives.

This complements the information gathered from credit ratings, which are traditionally used to assess the short- and medium-term valuation of sovereign debt.

Integrating long-term perspectives allows us to highlight those countries that are expected to outperform others and therefore to be solvent. These perspectives have no direct impact on the current valuation of an investment but will influence medium and long-term performance.





3. A wellbeing model for countries

It is generally agreed that this decade is key for accelerating the transition and that this will determine impact in the coming decades.

Currently, the economy is not serving citizens and the planet and is showing its limits in terms of growth.

As Sandrine Dixson-Declève, Co-President of the Club of Rome, mentioned during her keynote speech at the Impact Finance Day in Belgium: we need to shift from a GDP-based economy to an economy based on values for citizens and the planet; to a wellbeing model.

Instead of looking at growth through the lens of GDP, she suggested we look at whether the economy finances education or good quality health for all. This is exactly what our model has done since 2007.

Today we face two scenarios: either business as usual or acceleration of the transition.

Scientific evidence is clear on the first option: the slower the action, the worse the impact of climate change, the higher the cost and the more challenging the transition will be with severe consequences including in terms of poverty and inequality.

In Western countries we can currently see how our economic system is increasing social tensions and inequality and decreasing wellbeing. Therefore, at DPAM we are convinced about how meaningful our model, articulated around challenges such as the environment, governance and democratic requirements, wellbeing/health, and education/innovation, is.

Quantitative metrics and the complex challenges of modelling, both present boundaries. For this reason, we constantly review our model, to ensure that it captures the most relevant challenges accurately.

Figure 1. OECD member States



Source: DPAM, November 2026

Figure 2. Sustainable country ranking of OECD member states

Country	H2 2026		H2 2025	
	#	score	#	score
Denmark	1	76	3	74
Sweden	2	74	4	74
Iceland	3	74	1	75
Luxembourg	4	73	6	72
Finland	5	73	2	74
Norway	6	73	5	73
Switzerland	7	71	7	70
Austria	8	71	11	67
Ireland	9	70	10	67
Germany	10	68	13	67
United Kingdom	11	68	8	69
Netherlands	12	68	9	68
Estonia	13	67	14	67
New Zealand	14	67	16	65
Slovenia	15	67	12	67
Belgium	16	67	18	64
Spain	17	66	15	66
France	18	65	19	64
Portugal	19	65	22	63
Canada	20	63	20	64
Italy	21	63	24	62
Australia	22	63	21	63

Country	H2 2026		H2 2025	
	#	score	#	score
Chile	23	63	28	59
Poland	24	62	29	58
Lithuania	25	62	17	65
Latvia	26	62	23	62
Japan	27	61	26	61
Czech Republic	28	60	27	59
Costa Rica	29	59	25	61
South Korea	30	58	31	57
Slovakia	31	58	32	57
Greece	32	57	30	58
Hungary	33	53	35	52
United States	34	53	34	53
Colombia	35	51	33	54
Israel	36	51	36	48
Mexico	37	47	37	48
Turkey	38	38	38	40

Eligible country for investment No liquid bond market Non-eligible country for investment

Please keep in mind that for year-on-year comparisons, sustainability ranks could be influenced by various factors, such as changes in metrics and data availability.

Source: DPAM, November 2026



II. Country sustainability

1. What is sustainability?

Sustainable development meets the needs of the present generation without compromising the ability of future generations to meet their own needs.

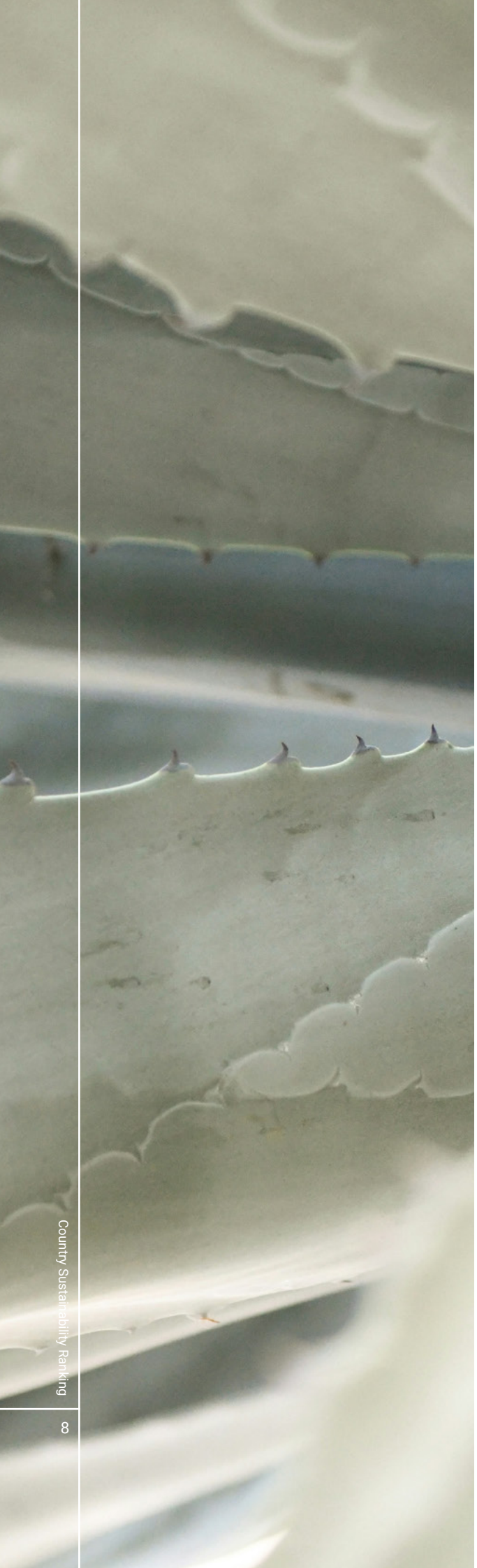
Sustainability at country level differs from sustainability at company level. **A sustainable country is committed to fully ensuring the freedom of its citizens and invests in their personal development and welfare. It respects the environment and is reliable in terms of international responsibilities and commitments. It ensures its future and invests in future generations (education and innovation).**

2. How to measure the sustainability of a country?

Three main approaches are used to measure the sustainability of a country:

1. **The legal approach**, with the emphasis on treaties and offences related to government actions. It should be noted however that agreement on treaties is not always fully binding and there is often no penalty where violations occur.
2. **The extreme stakeholder approach**, the problem with this approach is the importance of the number of stakeholders and parameters to be considered, giving rise to the possible dilution and irrelevance of indicators.
3. **The exclusion approach**, this consists of exclusions based on controversial activities, examples being whale hunting and deforestation.

These approaches raise the issue of the moral threshold level; this is complicated as it is a subjective question.



III. DPAM's country sustainability model

1. Key principles

Lack of information and an associated model encouraged DPAM to develop **an in-house research model in 2007**. Given the subjectivity of the issues, key principles were defined from the beginning:

01 **Existence of an advisory board:** including external specialists, providing input to the model.

02 **Assessment of the commitment of the country to its sustainable development:** variables on which the country can have influence through decisions.

03 **Comparability and objectivity:** we use numeric data, from reliable sources that is comparable for all countries

2. CSAB (Country Sustainability Advisory Board)

The role of the CSAB is:

01 To select the sustainable criteria which fulfil the key principles and are the most relevant in the framework of the sustainability assessment of the OECD universe.

02 To determine the weights attributed to each indicator.

03 To critically and accurately review the model and the ranking to ensure continuous improvement.

04 To validate the ranking of the developed economies.

The CSAB consists of seven voting members, four external experts. The complementary background of the members provides a high level of expertise and knowledge of the issues in constructing the most relevant model. The objective of the board is to raise awareness on ESG issues among the portfolio management teams.

External members

Aleksandar Rankovic
Researcher at IDDRI
(Institute for Sustainable Development and International Relations)

François Gemenne
Full Professor at HEC Paris
and Senior Researcher at FNRS
(University of Liege)

Jan Schaerlaekens
Deputy Head of Staff Energy and Climate at the Flemish Government

Tom Vandenbosch
General Director at VVOB

Ophélie Mortier
Chief Sustainable Investment Officer

Julie Gossen
Responsible Investment Specialist,

Lina Arrifi
Responsible Investment Specialist,

Filipe Gropelli Carvalho
Sovereign Emerging Markets analyst

Félicie Jonckheere
Sovereign Developed Markets analyst

DPAM Internal members

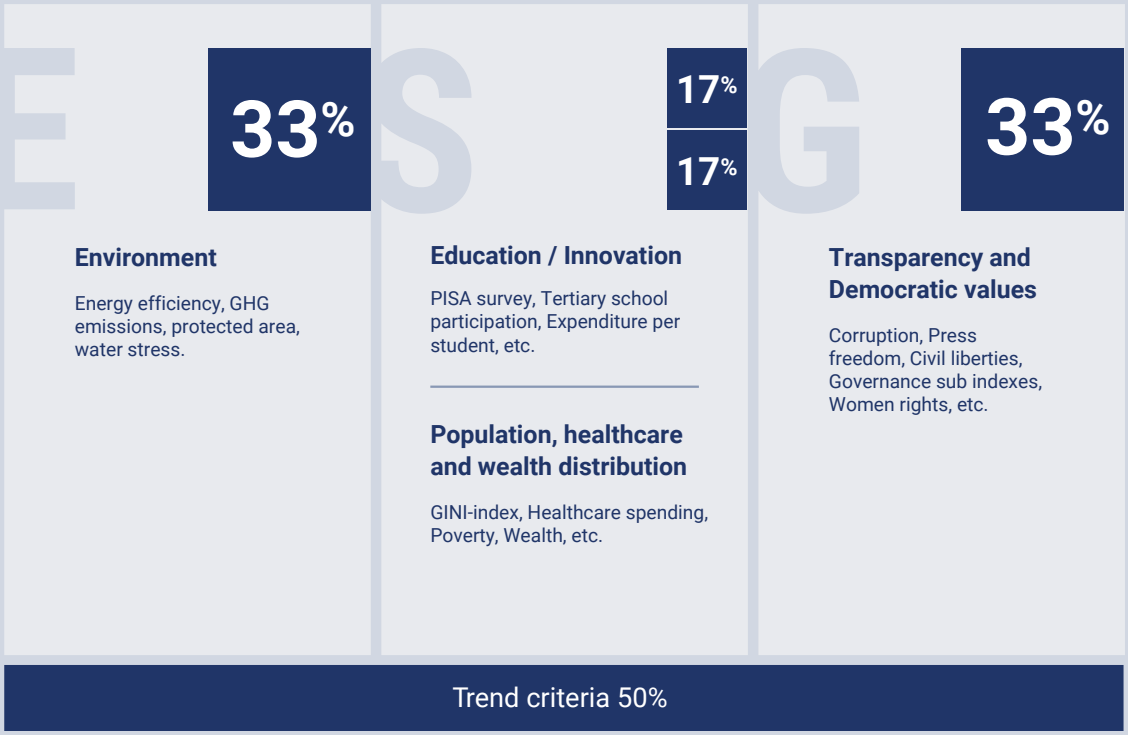


3. Selective and objective criteria

The framework of the sustainability model includes the capabilities which governments can use to influence policy (authorities, law). It avoids data linked to the geography or population density of the country. The model is quantitative and tracks the current performance of a country, with comparable data. Only a limited number of treaties are considered as they do not guarantee genuine commitment.

4. Best-in-class combined with best approach

Our sustainability analysis focuses on four key ESG drivers which are all assigned a weight in the model:



Source: DPAM

Each key driver considers a variety of different criteria.

Transparency and democratic values takes into account: gender equality, institutions, international treaties, rights and liberties, security and tolerance and inclusion of migrants.

The environment considers: air quality and emissions, biodiversity, climate change and energy efficiency.

Education and innovation takes into account: access to advanced education and ICT, equal opportunities, innovation, investment and quality of education.

Population, health and wealth distribution considers: demography, health and wellness, inequality and life satisfaction.

Different indicators are chosen to reflect the criteria of each key driver. The model has over 50 indicators.

Each country receives a score ranging from 0 (worst) to 100 (best) based on its relative position compared to other countries (the comparison to the difference between the maximum and the minimum).

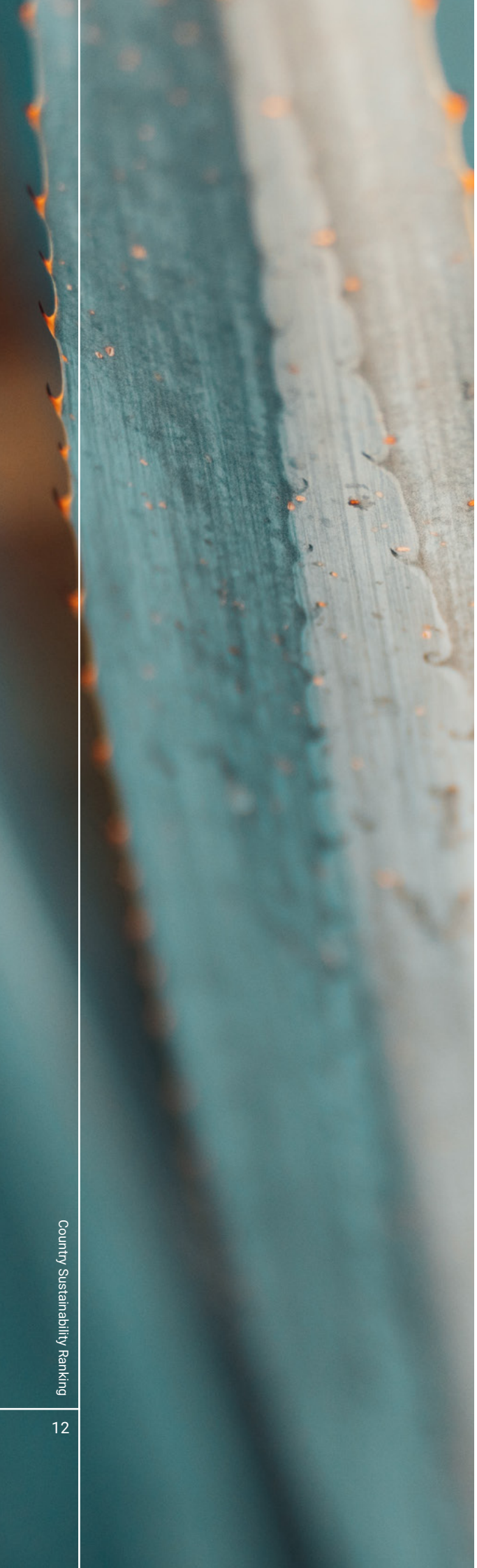
For binary criterion such as the signing of the Ottawa Convention a score of either 0 or 100 will apply.

The final score of a country is equal to the weighted average of the scores on each criterion, using the weights which are decided by the Country Sustainability Advisory Board. The final scoring is rounded up.

Progress and improvement are taken into consideration through a trend component with a 50% weight which enables us to reward countries that have just started their sustainability journey but are rapidly improving. Conversely, sustainable countries which rank well can not rely on past performance but should remain ambitious and improve over time.

The approach is dynamic as the criteria are reviewed twice annually, with the intention of selecting the most appropriate criteria for each domain. An indicator may be replaced, adapted or omitted. New indicators can enter the model and the allocation of the weightings may also vary.

For more information about our country model please see the **disclosure requirements**.



IV. Holistic view and engagement

The indicators used in the model take into account the **three key dimensions of sustainability (environment, social and governance)**. Each dimension is equally important, but the three are interconnected.

In recent years, we have witnessed several disruptions and even contradictions regarding governance, social concerns and environmental issues. Therefore sustainability analysis at country level has been essential in creating an integrated model.

Governance

In terms of governance, the strength of governing institutions is a key indicator to ensure the reliability and stability of the policies and programs a country has adopted. These enable countries to face internal and/or external challenges and obstacles.

Social

As a lack of credible and meaningful policies can impact the social stability of a country sound corporate governance is essential. At the same time, social instability weighs on the long-term growth potential and economic development of a country.

Environment

In terms of the environment the model considers GHG intensity, air quality and biodiversity, among other criteria. The example of citizens, through NGOs, suing States for a lack of responsibility in their environmental ambition and emissions targets – is testament to the strong relationship between governance and the environment.

1. The model predates the Sustainable Development Goals

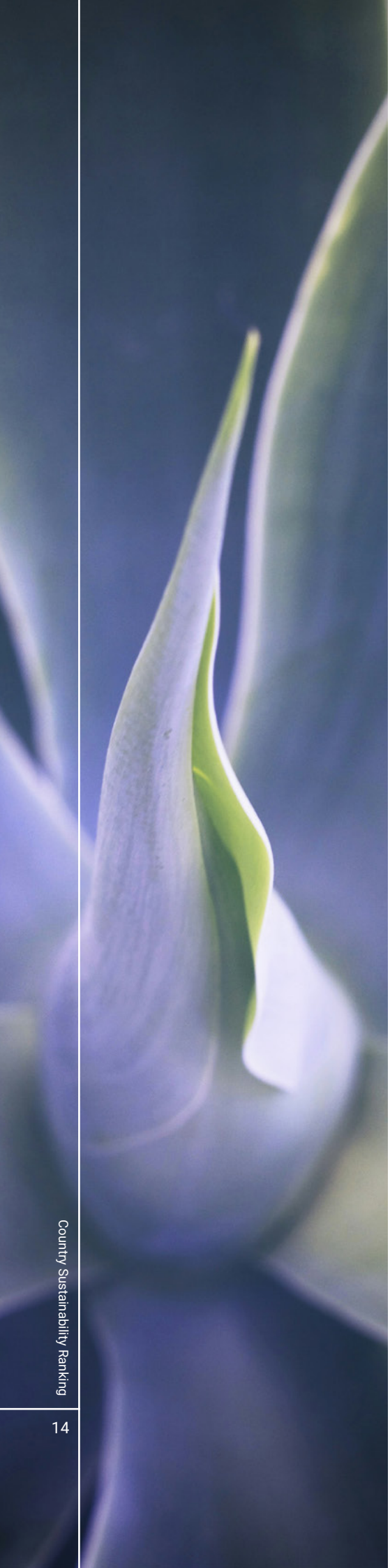
The 17 Sustainable Development Goals (SDGs), which followed on from the Millennium Development Goals, were launched by the United Nations between 2000 and 2015 and advocate sustainable development in the economic, social and environmental domains. These goals reaffirm human rights and the intention to eradicate poverty, hunger and inequality by the end of 2030.

The 17 SDGs have been adopted by nearly 200 countries. They present a unique opportunity to channel more investment towards major environmental and social challenges.

DPAM is proud of its pioneering sustainability model that predates the SDGs. The SDGs are much more than a different framework for communicating our ESG and sustainable investment philosophy. We review the country model taking into account the SDGs to increase its relevance and to better integrate these objectives in our investment decisions.



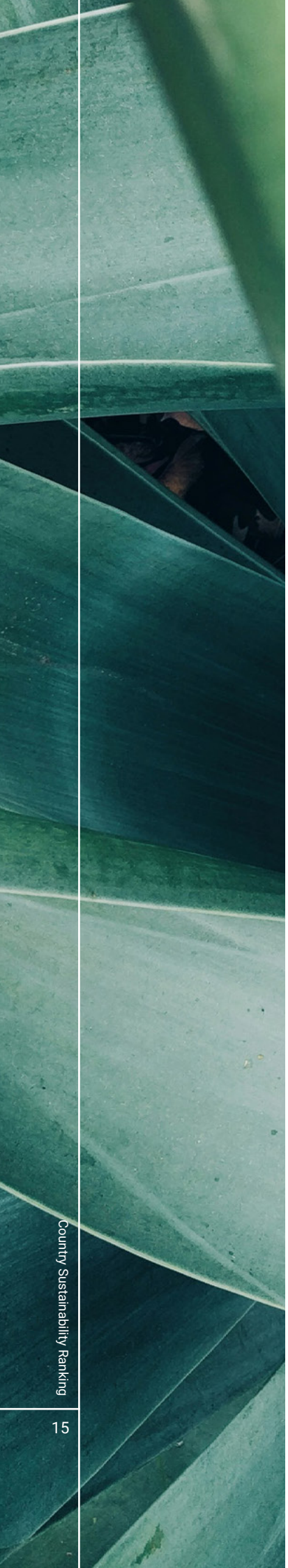
Source: DPAM



V. International and engagement

1. Sources are internationally recognised

The model aims for the highest possible level of **objectivity**. Accordingly, statistical data to support the analysis of the country's sustainability are mainly collected from government databases and international governmental agencies such as the International Energy Agency, the World Bank, the International Monetary Fund, the United Nations Development Programme and the US Central Intelligence Agency. Data are complemented by information drawn from leading non-governmental organisations such as Freedom House, Transparency International and the World Economic Forum.



2. Engaging with countries as sovereign bond holders

Dialogue with the stakeholders is at the heart of our fundamental research and investment process. Engaging in dialogue is a means to fine-tune fundamental research-driven investment decisions and to spread best practice and innovative solutions to ESG challenges.

DPAM uses engagement as a due diligence process, integrated in our commitment to be active, sustainable and research driven.

Engaging with sovereigns allows us to actively contribute to the promotion of responsible governance and sustainable development and DPAM is convinced of the important role **sovereign bonds** play as a means of financing the transition to a low carbon economy.

An engagement is meaningful as soon as it has an impact, for example, when it leads to change and progress. However, we use a different approach when engaging with countries than when engaging with companies. **Engagement with sovereign bond issuers is based on dialogue** for mutual learning and it therefore aims to provide an exchange of information and best practice.

The dialogue is structured according to a multi-step process that progresses from awareness raising to focusing on the Paris Agreement's strategy and commitments. Our primary objective is to raise awareness among governments about the importance of ESG integration, including in sovereign bond investments.

ESG factors provide a robust view on a country's risk profile, shedding light on how countries are managing environmental challenges, social inequalities and governance structures.

1. In the first phase of an engagement our role is to **emphasise that investors consider ESG criteria** in their investment decisions to indirectly encourage the adoption of policies that foster sustainable development.
2. In the second phase, **we introduce DPAM's proprietary country model.** We explain how it works, what DPAM learns from it and in particular we discuss the scorecards DPAM produces for each of the countries eligible for investment. In this way, we highlight countries strengths and areas for attention, while gathering their feedback for a mutual exchange of information.
3. The third phase of engagement focuses on **the importance of green finance** and the country's potential in financing the transition. We highlight DPAM's expectations regarding the use of the proceeds from bonds and share our expectations on the qualities of or improvements possible to green finance frameworks.

Finally, we have an exchange about **a country's alignment with the Paris Agreement** and its ambition to reach Net Zero by 2050. Almost all countries have committed to achieve carbon neutrality by 2050, however it is important to assess the credibility of their claims and their pathway to reach this target.

The discussion about credible paths to alignment with the goals of the Paris Agreement is key for DPAM as a signatory of the Net Zero Asset Managers Initiative. Although sovereign bonds are typically out of the scope of such initiatives, we remain convinced of the importance of this asset class and therefore seek its alignment with our commitments.

For more information about how we engage with countries and examples, please see our **Engagement Policy** and **Engagement Activity Report.**



VI. Country Focus: Belgium

In the latest OECD sustainability ranking, Belgium rises from 17th place in the 1st semester of 2026 to 16th, with its overall score increasing from approximately 64 to 66.6. This progress is primarily driven by stronger performance across the Environment, Transparency & Democratic Values and Population, Healthcare & Wealth Distribution pillars. In contrast, Education & Innovation records a decline, slipping from 10th to 12th place, largely reflecting weaker performance in Innovation and Investments.

Against this backdrop, this report explores the ESG developments shaping Belgium's sustainability profile, the policy decisions influencing its trajectory and its performance relative to OECD peers. Across these dimensions, a common challenge emerges: translating the country's resources, ongoing reforms and institutional strengths into tangible improvements.

Belgium – sustainability scorecard 2026

BELGIUM

	Score	Rank	Strength/Weakness
	66.6	16	

	Score	Rank	Strength/Weakness
Transparency and democratic values	**76.2%**	**14**	
Tolerance for & Inclusion of immigrants	44.2%	21	
Gender equality	84.3%	9	
Institutions	65.7%	19	
International treaties	78.0%	14	
Rights & liberties	95.8%	7	
Security	65.1%	24	

	Score	Rank	Strength/Weakness
Population, healthcare and wealth distribution	**63.0%**	**15**	
Life satisfaction	64.2%	12	
Demography	43.6%	33	
Health & wellness	85.8%	7	
Inequality	80.0%	3	
Basic human needs	47.5%	31	

	Score	Rank	Strength/Weakness
Environment	**63.0%**	**24**	
Air quality & emissions	62.3%	21	
Biodiversity	64.0%	26	
Climate change	53.8%	20	
Energy efficiency	71.8%	20	

	Score	Rank	Strength/Weakness
Education / Innovation	**57.9%**	**12**	
Access to advanced education and ICT	58.3%	14	
Equal opportunities	60.5%	22	
Innovation	49.7%	12	
Investments	73.4%	5	
Quality	53.1%	18	

Quartile 1	Quartile 2	Quartile 3	Quartile 4
1-12	13-22	23-28	29-38

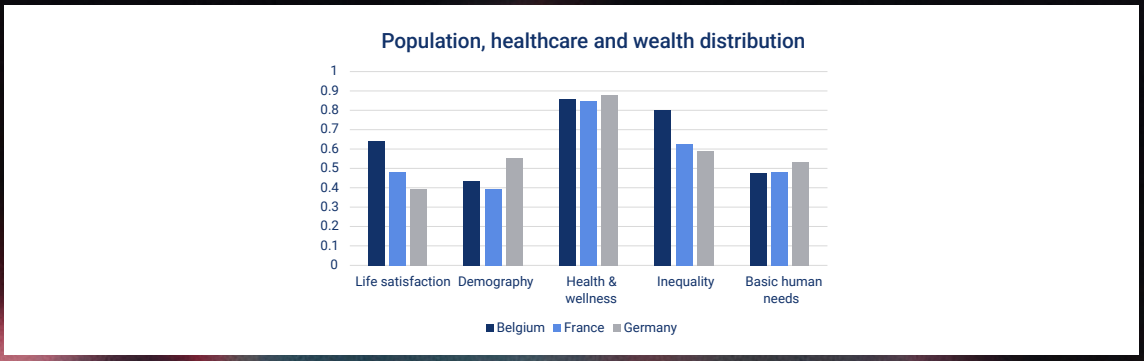
Source: DPAM

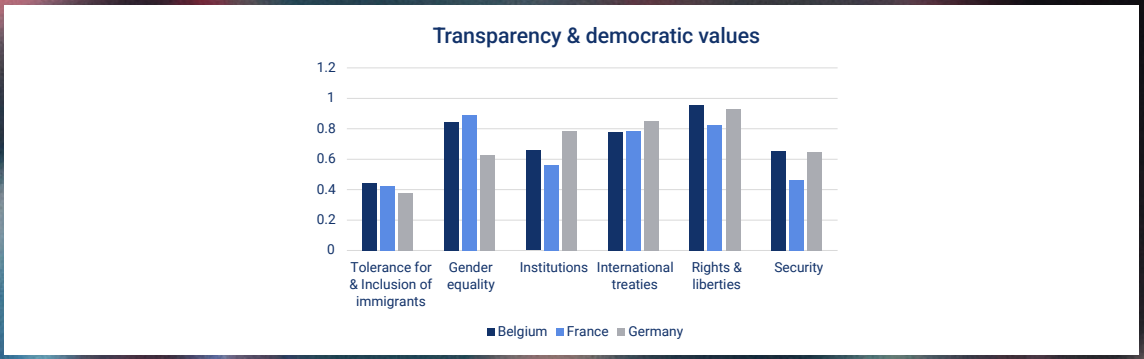
1. Comparison with its peers

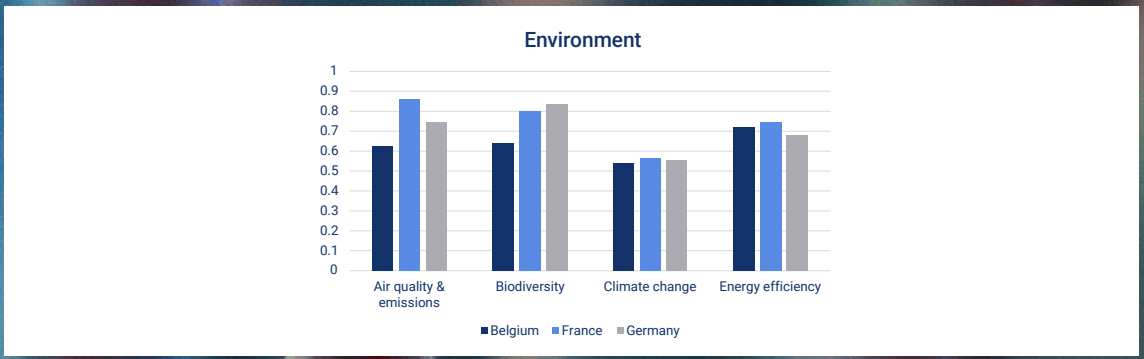
In Education, Belgium is outperforming Germany and France in access to advanced education and ICT, educational equality, Investment and education quality. Innovation is the main exception, with Germany maintaining a modest advantage.

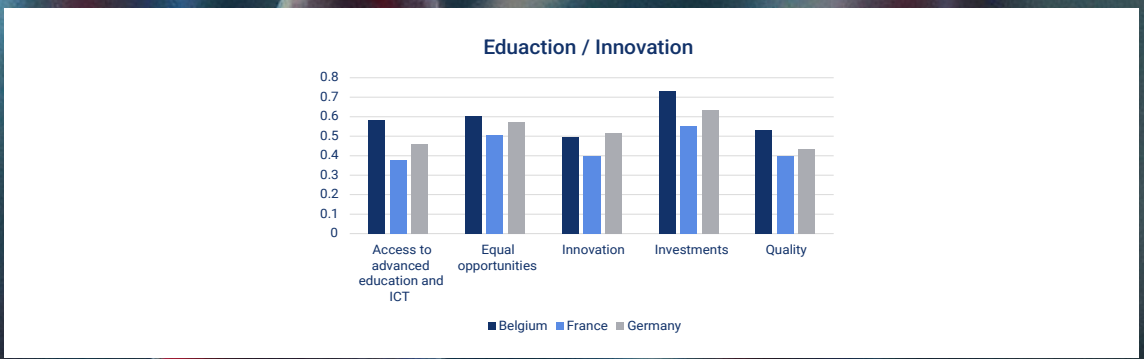
The environmental picture is less favourable. Belgium trails neighbours in **Air Quality and Emissions**, **Biodiversity** and **Climate Change**, with particularly pronounced gaps in the first two areas. Energy efficiency presents a more positive picture, with Belgium performing better than Germany, although still lagging behind France. Its recent improvement in environmental performance therefore marks progress from a relatively weak starting position, leaving considerable room to narrow the gap with its neighbours.

Social and governance indicators reveal a more nuanced picture. Belgium performs substantially better than both France and Germany in **Inequality and Life Satisfaction**, while its Health and Wellness outcomes are broadly in line with France and slightly below Germany. However, **Basic Human Needs** remains weaker than in either France or Germany, while demographic performance falls between France and Germany. In governance, Belgium leads in **Rights and Liberties, Security**, and **Tolerance for and Inclusion of Immigrants**, although its advantages over Germany in the latter two areas are relatively small. France performs better in **Equality**, while Germany leads in **Institutions** and **International Relationships.**





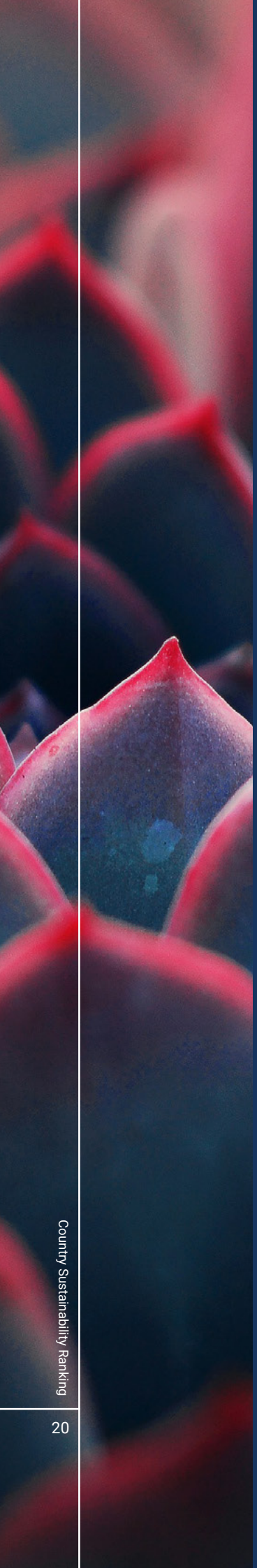




Source: DPAM



02. Focus on ESG dimensions



Population, healthcare & wealth distribution

Population, Healthcare and Wealth Distribution presents one of the clearest contrasts in Belgium's sustainability profile. The pillar's score remains relatively stable at 63.0%, while its ranking improves from 17th to 15th. Beneath this result, however, outcomes differ considerably: **Inequality** ranks third and **Health and Wellness** seventh, whereas **Basic Human Needs** ranks 31st and **Demography** 33rd. Belgium's strengths in income distribution and health therefore coexist with significant vulnerabilities in other aspects of daily life.

The income indicators offer an encouraging starting point. Belgium's **Gini**, **Income-share ratio** and **Share of people living below 50% of median income** all improve slightly between the first and second semester of 2026. **GNI** also rises, reinforcing the positive picture. Yet a more favourable distribution of income and higher national prosperity do not necessarily make essential costs easier for every household to bear. Statbel reports that difficulty making ends meet is considerably more common in Brussels and Wallonia than in Flanders. This regional divide helps explain why financial pressure remains visible alongside improving national indicators.

Employment follows an uneven pattern. **Youth unemployment, Long-term unemployment** and **Overall unemployment** remain stable in the model, while the OECD reports slight progress in young people's transition from education into work. Opportunities nevertheless differ considerably across regions. Statbel recorded a national employment rate of 72.8% in the second semester of 2026, compared with 77.3% in Flanders, 67.6% in Wallonia and 64.7% in Brussels, while youth unemployment stood at 18.2% nationwide. Sustaining this progress will depend on helping young people and those facing the greatest difficulties in finding employment develop the skills employers need and access suitable jobs, including opportunities beyond their local area.

The durability of these gains will also depend on how households and employers respond to the government's recent reforms. Limits on the duration of unemployment benefits, tighter pension rules and measures encouraging people on long-term sick leave to return to work are reshaping Belgium's welfare and labour-market policies. According to the European Commission, these reforms should gradually increase employment, although unemployment may initially rise as more people actively seek work.

However, these expected improvements come against a backdrop of weakening recruitment. Statbel reports a real decline in job vacancies in 2026, meaning that the government is encouraging more people to enter or return to the labour market at a time when employers are advertising fewer positions. The success of these reforms will therefore depend not only on encouraging labour-market participation, but also on ensuring that **enough suitable jobs become available and that jobseekers have the skills needed to fill them.**



Although Belgium continues to face substantial labour shortages, the OECD highlights regional disparities and barriers to mobility that make existing vacancies difficult for some jobseekers to access.

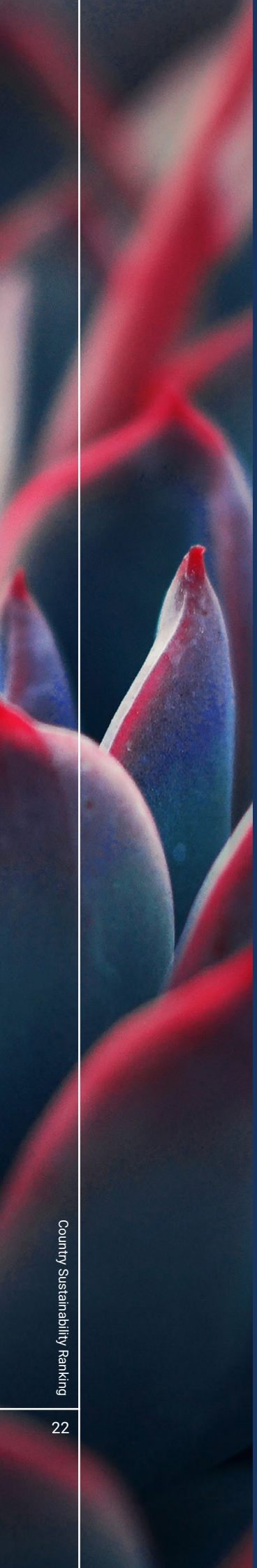
This challenge is becoming increasingly important as artificial intelligence reshapes employers' skill requirements and raises concerns about potential job displacement. The OECD identifies particularly high exposure to generative AI in Brussels, highlighting opportunities for productivity gains but also risks of job losses for certain workers.

For households whose unemployment benefits expire before they secure employment, the immediate consequence could instead be a loss of income, potentially reinforcing poverty risks. The Federal Planning Bureau expects limits on unemployment-benefit duration to weigh on household incomes, particularly in Brussels and Wallonia, where more people are affected. While some households may recover lost income through employment or qualify for alternative forms of support, others could experience substantial financial losses. Separately, the Planning Bureau projects a higher risk of poverty among pensioners as a result of the pension reform.

These financial vulnerabilities also intersect with the pillar's health challenges. **Infant Mortality** improves in the model, while **Health Expenditure** and **Suicide** deteriorate. Belgium allocates 11.0% of GDP to healthcare, above the OECD average of 9.3%, yet only 1.8% of health expenditure goes towards prevention, compared with 3.4% across the OECD. This highlights the importance of both the resources available and how they are allocated, as substantial overall spending can coexist with gaps in early intervention and access to support.

Mental health illustrates these challenges particularly clearly. Belgium's suicide rate remains above the OECD average. The OECD and the European Observatory on Health Systems and Policies identify mental-health conditions as important risk factors and report that depression disproportionately affects people on low incomes. They also highlight fragmented responsibilities and long waiting times as barriers to effective care. Sciensano identifies additional contributing factors, including financial insecurity, limited social support, experiences of loss, violence and chronic illness. Financial barriers and reluctance to seek help can further compound these difficulties.

Housing exclusion brings these overlapping vulnerabilities into sharper focus. **Homelessness** deteriorates in the model, with Brussels recording one of the ten highest rates in the OECD, followed by Wallonia in 11th place and Flanders in 17th. While the pressure is particularly acute in the capital, it extends across all three regions. Importantly, this indicator captures forms of hardship beyond visible street homelessness, including people living in emergency shelters or temporary accommodation, as well as those staying with relatives or friends because they have no alternative housing options. Although such arrangements may provide immediate shelter, they do not offer the security of a permanent home. Improving income distribution and employment outcomes must therefore go hand in hand with emergency assistance, access to stable and affordable housing, and support that helps vulnerable households remain housed.



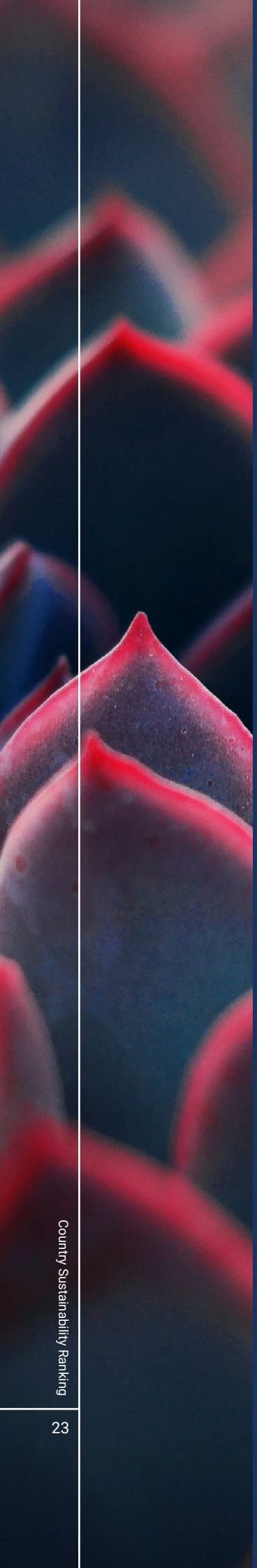
Transparency & democratic values

Transparency and Democratic Values remains Belgium's strongest pillar, scoring 76.2% and rising from 17th to 14th place between the first and second semester of 2026. This stronger position relative to peers accompanies only a modest change in its underlying contribution. **Rights and Liberties** ranks seventh and **Gender Equality** ninth, reflecting important strengths in Belgium's institutional framework. **Freedom of Press** and the average **Worldwide Governance Indicators** (WGI) improve, while the Corruption Index and broader rights indicators remain unchanged.

The European Commission's July 2026 Rule of Law Report adds detail to this broadly positive picture. It recognises progress in addressing justice-system resource shortages and strengthening protection for journalists in Belgium, but identifies unfinished reforms in lobbying transparency and public integrity. Clearer rules governing contacts with policymakers, gifts and benefits, and movement between government and private-sector roles would strengthen scrutiny of potential conflicts of interest. Belgium's challenge is therefore to reinforce the practical safeguards supporting its established democratic protections.

That challenge extends to obtaining information and securing timely justice. According to the Commission, procedures for accessing official documents remain complex, while some appeal bodies lack binding decision-making powers. Citizens and journalists may therefore have difficulty obtaining information even when formal access rights exist. Similarly, additional funding commitments have yet to deliver substantial progress in reducing court delays. More transparent public decisions, enforceable integrity rules and timely legal remedies remain important areas for improvement.

These findings help explain the more moderate position of the **Institutions** theme, which ranks 19th. The improving WGI provides a broad assessment of governance, while public trust reflects how people experience and perceive their institutions. Strong formal arrangements need to be supported by effective services, accessible information and consistent accountability to sustain confidence in government.



Environment

Environment provides the strongest contribution to Belgium's improvement in the second versus the first semester of 2026, lifting the country from 28th to 24th place. Yet its score of 63.0% keeps the pillar in the third quartile, showing that Belgium still trails many OECD peers. The underlying indicators reveal why: progress in renewable energy and climate readiness coexist with persistent dependence on fossil fuels and pressure on natural ecosystems.

The clearest positive developments concern **Energy supply**. Both the **Renewable share of energy consumption** and **Renewable supply improve** in the model, alongside **Climate-change readiness**. The European Environment Agency (EEA) describes expanding offshore wind and solar deployment, although it warns that renewable growth must accelerate to meet Belgium's 2030 objective. This expansion strengthens the foundations of the transition, but both greenhouse-gas KPIs remain unchanged in the model. Cleaner electricity must reach further into buildings, industry and transport before its benefits can be fully reflected in national emissions. Heating, industrial processes and road vehicles continue to rely on fossil fuels, while reducing energy demand remains an essential part of the transition.

These challenges are visible in the deterioration of **Energy Intensity and Fossil-Fuel Subsidies**. The EEA identifies Belgium's energy-intensive industrial base, older buildings and reliance on road transport as structural obstacles to lower consumption. Progress therefore requires investment in cleaner supply together with building renovation, more efficient production and changes in mobility.

Beyond energy, Belgium's environmental improvement is less evident. **Biodiversity** scores 64.0% but ranks 26th, while **Protected Areas** and **Forest Watch** deteriorate in the model. According to the World Bank, **Terrestrial and marine protected areas** covered 18.6% of Belgium's total territorial area in 2025. Designating land and waters for protection is an important foundation, but ecological recovery also depends on how those areas are managed and what happens around them. The EEA identifies continuing pressures from urbanisation, transport and intensive agriculture, alongside declining farmland, bird populations and the poor or bad condition of most assessed habitat types. These findings point to a conservation challenge extending across the wider landscape, beyond the boundaries of protected sites.

The same pressures connect biodiversity with **water and air quality**. For Belgium, the European Commission identifies strains on water resources and pollution from wastewater and agricultural nitrates. Water Stress remains unchanged in the model, while **Waste Water Treatment** deteriorates, keeping water management an area of concern. **Air Quality** also weakens. Although the EEA reports a long-term decline in air pollutant emissions, pollution levels still exceed WHO recommendations, and road traffic remains an important source. Belgium's higher environmental ranking is therefore encouraging, but further progress depends on carrying the gains in clean energy through to lower emissions, healthier ecosystems and better everyday environmental conditions.



Education & innovation – a strategic strength

Although Belgium continues to outperform France and Germany on the education pillar, its Education and Innovation score has declined. This deterioration comes amid a broader wave of student protests across several European countries, including France, Italy and Belgium. Throughout September and October 2026, students have voiced growing concerns about education funding, rising costs, overcrowded classrooms and reforms that could affect access to education. In French-speaking Belgium, demonstrations have brought similar concerns to the forefront.

Belgium's education system combines high qualification levels and substantial investment with weaker learning outcomes and persistent inequalities. Its Education and Innovation score falls from 59.6% in H1 2026 to 57.9%, although **Investments in Education** still rank fifth in our OECD universe and tertiary attainment improves in the model. According to the OECD, 47% of Belgian adults aged 25–64 hold a tertiary qualification, above the OECD average. Maintaining this strength will depend on ensuring that the next generation can access and complete high-quality education, particularly as students raise concerns about funding and learning conditions.

The challenge concerns both the resources available and how effectively they are used. **Education Expenditure, R&D Investment** and **R&D Personnel** all deteriorated in the model between the first and second semester of 2026. Yet the European Commission reports that Belgium spends 6.3% of GDP on education, well above the EU average, while continuing to struggle to attract and retain new teachers. Substantial spending therefore coexists with difficulties in maintaining stable teaching teams and providing supportive learning environments.

Learning outcomes reinforce these concerns. The OECD's PISA results, released in September 2026, show weaker performance in mathematics and reading than in 2022, while science remains broadly stable. **Equal Opportunities** is another weakness, with Belgium ranking 22nd. The underlying indicators move in different directions: the PISA indicator relating to students' socioeconomic background deteriorates, while the school-level PISA indicator and **Pre-primary Education** improve.

Family circumstances nevertheless continue to shape achievement more strongly than across the OECD on average. Socioeconomic background accounts for 15% of differences in science performance in Belgium, suggesting that schools do not fully compensate for inequalities in the resources and support available at home.



Belgium's near-universal participation in early childhood education offers a strong foundation for addressing these disparities. Participation reaches 98% among children from age three to primary-school entry, compared with 90% across the OECD. High-quality pre-primary education can help disadvantaged children develop language, learning and social skills, reducing their dependence on resources at home. However, broad access at this stage has not been sufficient to close achievement gaps later in schooling.

The OECD's analysis helps explain why these gaps persist. Children from different socioeconomic backgrounds often attend different schools, while placement into different educational tracks can reinforce existing divisions. Funding arrangements also differ between public and publicly subsidised private schools, although both receive substantial public funding and funding mechanisms account for socioeconomic disadvantage. Children therefore do not necessarily benefit from equally supportive learning environments throughout their school careers, while differences in support at home can accumulate.

Belgium's priority is to sustain the benefits of early education throughout schooling. This requires effective teaching, additional support for struggling pupils and access to good schools, so that high participation translates into more equal opportunities to succeed.

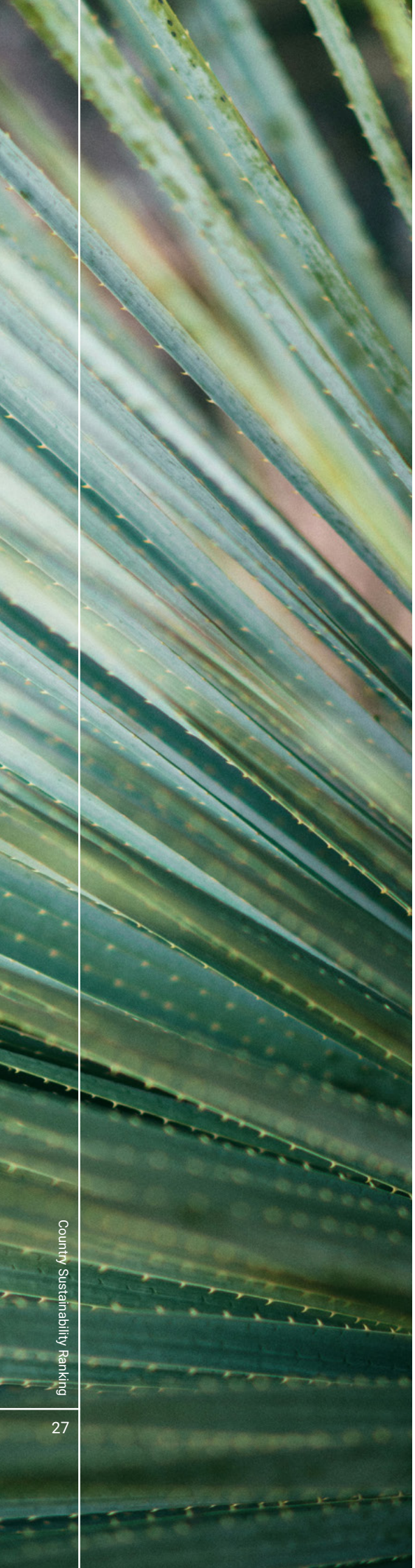
Overall assessment

Belgium's sustainability profile improves in the second semester of 2026, supported primarily by environmental gains and strong democratic foundations. Its higher overall score nevertheless conceals an uneven trajectory: progress in renewable energy, coexists with declining educational performance and persistent pressures on housing, mental health and biodiversity.

Education illustrates the challenge of translating substantial resources into equitable outcomes. High qualification levels and near-universal participation in early education remain valuable strengths, but family background continues to shape students' chances of success. Similarly, favourable income-distribution indicators do not fully capture financial insecurity or the regional differences affecting access to work and a stable home. Welfare and pension reforms could support labour-market participation, but weaker recruitment makes effective employment support and protection against income loss particularly important.

Environmental progress also requires broader implementation. Expanding clean energy must be accompanied by lower fossil-fuel dependence, more efficient buildings and transport, and stronger protection of ecosystems. In governance, Belgium's established rights and liberties provide a solid foundation, while gaps in transparency, court efficiency and prison conditions show where practical delivery remains insufficient.

Sustained progress will depend on connecting educational opportunity with employment, aligning social reforms with accessible support, and carrying environmental ambitions through to measurable improvements in living conditions and ecosystem health.



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United Nations Food and Agriculture Organization Aquastat

United Nations Food and Agriculture Organization Stat

United Nations High Commissioner for Refugees

United Nations Office for Disarmament Affairs

United Nations Peacekeeping

United Nations SDG Indicators Platform

United Nations Treaty Collection

World Bank

World Economic Forum

World Prison Brief



VII. Commitment to Sustainability

DPAM is committed to being a sustainable actor, investor and partner. We seek to advance to thrive, ensuring growth that benefits clients, stakeholders and society as a whole. We believe that being a responsible investor goes beyond offering sustainable and responsible products; it is a global commitment at company level translated into a coherent approach.

DPAM is committed to act as a sustainable and responsible market participant. Our engagement is threefold:

Defend basic and fundamental rights
Human rights, labour rights, fight corruption and protect the environment

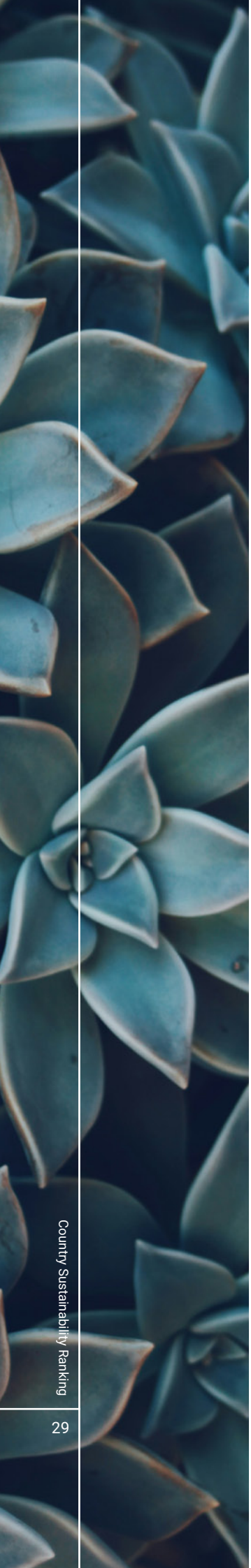
Express an opinion on controversial activities

- No financing of the usual suspects
- Clear controversial activity policy and engagement on controversial issues
- Avoid controversies that may affect reputation, long term growth and investments

Be a responsible stakeholder and promote transparency

- Find sustainable solutions to ESG challenges
- Engage with issuers, promote best practice and improvements

We are convinced of the risk/return optimisation that comes with the i**ntegration of Environmental, Social Governance (ESG) criteria**. We see sustainability challenges as risks and opportunities and we use ESG criteria to assess them in our investment decisions. As a result we define the ESG factors priorities and targets that are material for us. We are committed to the European Commission's 2030-2050 program for sustainable and inclusive growth.



1. Member & signatory

To affirm our commitment to long-term sustainable financial management, we are a signatory to various organisations. These all advocate responsible investment and offer insights into ESG challenges and opportunities.

We are part of two key initiatives on shareholder responsibility and the fight against climate change: the PRI (since 2011) and the Net Zero Asset Managers initiative (since 2022).

We have been supporters of **the TCFD recommendations** since 2018. In addition, we joined **Climate Action 100+** in 2019. That same year, we also became a signatory of **FAIRR**, a collaborative engagement initiative which seeks to decrease the environmental impact of the food value chain by encouraging the use of sustainable proteins within food products.

As the environment and biodiversity are such urgent global concerns, we have been supporters of **the Finance for Biodiversity Pledge** since December 2020. This Pledge calls on global leaders to protect and restore biodiversity through their financial activities and investments decisions. In 2020 we also joined the **Investor Alliance for Human Rights** to support sustainable investing that respects fundamental human rights

DPAM became a member of the Emerging Markets Investor Alliance in 2023. This Is a not-for-profit organisation that enables institutional emerging market investors to support good governance, promote sustainable development, and improve investment performance in the governments and companies in which they invest. The Alliance seeks to raise awareness and advocate for these issues through collaboration among investors, companies or governments, and public policy experts.

In 2023, we engaged in two collaborative initiatives: **Advance** (a stewardship initiative for human rights and social issues launched by the UN-PRI); and **IIGCC** (The Institutional Investors Group on Climate change). The Advance initiative primarily seeks change through investors' use of influence with portfolio companies. DPAM's involvement is primarily on access to research, acting as the lead investor for EDP and Acciona, and in endorsing the initiative with public policy makers. IIGCC is the European membership body for investor collaboration on climate change. Their main objective is shaping sustainable finance and climate policy, supporting market development, and guiding investors in managing climate risks and opportunities in aligning portfolios with climate goals, among others. DPAM's involvement is linked to its commitment to the **Net Zero Asset Management initiative.**

In 2023 we also joined **Spring**, the UN PRI's stewardship initiative for nature and **Nature Action 100**, a PRI led collaborative initiative to tackle nature loss and biodiversity decline.

In 2024 DPAM became an early adopter of the **Task Force on Nature-related Financial Disclosures** which aims to enable investors to integrate nature related risks in investment decisions.

We joined the **World Benchmarking Alliance in 2023**, this enables us to engage with companies on salient human rights issues and a passive member of the **Investor Initiative on Hazardous Chemicals** which encourages manufacturers to increase transparency and to stop producing harmful chemicals.

For more information about our memberships and affiliations please see our **Sustainable and Responsible Investment Policy.**

2. Conviction & commitment

Recent decades have brought many challenges and we firmly believe that **sound corporate governance, a clear understanding of current and future environmental challenges and respect for social norms** are drivers for long-term sustainable performance. This vision is integrated in our mission and value statement.

Our goal is to offer first-rate expertise and to uphold our shared values and beliefs. Environmental, Social and Governance (ESG) considerations are integrated into our value proposition, **our fundamental research and our investment processes.**



3. Facts & Figures

A growing focus on sustainable investing for over 20 years

Pioneer in sustainable sovereign debt over EUR 6.16 bn invested
(as of end June 2026)

Signatory of UN-PRI since 2011
Strong performance scores for the eighth consecutive year

EUR 22.99 bn is compliant with SFDR Article 8 with partial investment in sustainable investments & 9 funds
(as of end June 2026)

Exercise our voting rights **across 1257 companies** globally

DPAM corporate AuM with SBT (science-based target) or **1.5°C alignment stands at 63%**
(as of end June 2026)

Active via collaborative engagements

257 engagement letters sent to 220 companies in 2025



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