

# Task Force on Climate-related Financial Disclosures

30 June 2025

## Recommendations

The Task Force on Climate-related Financial Disclosures (TCFD) has developed a number of recommendations on climate related financial disclosures, applicable to organisations across sectors and jurisdictions (see [fsb-tcfd.org](https://fsb-tcfd.org)). Given its aim to promote more informed investing, lending and insurance underwriting decisions, TCFD advises that all financial and nonfinancial organisations with public debt or equity implement its recommendations. TCFD also suggests that asset managers and asset owners implement its recommendations. To ensure that appropriate controls govern the production and disclosure of the required information, TCFD advises that the recommended disclosures should be included in mainstream (i.e. public) financial filings. TCFD's recommendations are structured around four thematic areas that represent core elements of how organisations operate: governance, strategy, risk management, and metrics and targets.

| Governance   | Strategy  | Risk Management  | Metric and targets  |
|--|---|--|---|
| Disclose the organisation's governance around climate- related risks and opportunities.  | Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material  | Disclose how the organisation identifies, assesses, and manages climate-related risks.   | Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.   |
| Recommended disclosures<br>a) Describe the board's oversight of climate-related risks and opportunities.<br>b) Describe management's role in assessing and managing climate related risks and opportunities. | Recommended disclosures<br>a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.<br>b) Describe the impact of climate related risks and opportunities on the organisation's businesses, strategy, and financial planning.<br>c) Describe the resilience of the organisation's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario | Recommended disclosures<br>a) Describe the organisation's processes for identifying and assessing climate-related risks.<br>b) Describe the organisation's processes for managing climate related risks.<br>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management. | a) Disclose the metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management process.<br>b) Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions, and the related risks.<br>c) Describe the targets used by the organisation to manage climate related risks and opportunities and performance against targets. |

The tables on the next pages describe how Van Lanschot Kempen Investment Management (UK) Ltd has implemented the recommendations.

## Recommendations and supporting recommended disclosures

| Item  | Van Lanschot Kempen  | Reference<br>Annual Report |
|---|--|----------------------------|
| Governance  |  |                            |
| a) Board's oversight of climate-related risks and opportunities.                        | <p>Van Lanschot Kempen's Management Board is responsible for developing a vision for long-term value creation and an appropriate strategy. This includes taking account of risks as well as opportunities, which include climate-related risks. It is also responsible for identifying and managing risks and effective management of these risks, including climate-related risks. Van Lanschot Kempen has a Sustainability Board in place (with members from the Management Board – also the Management Board member responsible for Investment Management Clients – and involvement of the risk management function) to which the Management Board has delegated responsibility for driving and implementing the sustainable strategy for the whole of Van Lanschot Kempen. The Sustainability Board also has the final right of decision with regard to the outcome of the materiality assessment of different climate-related risks.</p> <p>Climate-related opportunities are discussed like any other opportunity. Within Van Lanschot Kempen, a new product approval (NPA) process is in place to assess new opportunities.</p> | 26-27                      |
| b) Management's role in assessing and managing climate related risks and opportunities. | <p>For Van Lanschot Kempen's assets under management (AuM), the Sustainability Board is the highest governance body regarding environmental, social and governance (ESG) risks and opportunities. The Sustainable Investment Council (Council), which reports to the Sustainability Board, is deciding on implementation. The Council designed a specific climate change policy in 2020. The most recent update of this policy was in January 2024. Implementation of this climate change policy is delegated to the departments taking part in the Council.</p>   | 26-27                      |

| Item   | Van Lanschot Kempen  | Reference<br>Annual Report |
|--|--|----------------------------|
| Strategy   |  |                            |
| a) Climate-related risks and opportunities the organisation has identified over the short, medium, and long term | <p><b>Risks</b></p> <p>Van Lanschot Kempen manages €149.3 bn of AuM per end of 2024, £5,989bn of which is in the UK . As a long-term investor, we believe climate change represents a systemic risk facing the economy, society and environment. We therefore want to consider these risks and opportunities in relation to our investments in the coming decades. Examples of climate risks are investments in oil companies whose share price could fall if these companies' assets were to become stranded due to policy effects if these companies could not make the transition to sustainable activities in time. Another example is an investment in non-listed/illiquid real estate that gets flooded. As we expect most negative impacts to appear in oil &amp; gas, mining, utilities and industrials, we have incorporated these sectors in our climate change policy.</p> <p>The management of sustainability risks is an integral part of our risk management framework and is incorporated in our regular risk management processes. We consider sustainability risk as an additional overarching risk type that could potentially impact our own operations, the valuation of our balance sheet and our AuM activities. We also see that regulators are increasingly focused on reporting and managing sustainability risks. Our main sustainability risks that affect our business cover both climate change-related risks – via either physical or transition risks (see table on the following page) – and biodiversity risk. Currently, social, labour and governance related risks mostly manifest themselves through our AuM, where they are managed based on exclusion criteria. For more information see our Annual Report page 119.</p> <p><b>Opportunities</b></p> <p>As a long-term investor, we believe climate change represents a systemic risk facing the economy, society and the environment, and we want to consider the risks and opportunities this presents for our investments in the decades to come. Climate is one of our sustainability focus areas, and we are convinced that we can contribute to progress in this area. Therefore, we organise our sustainable investment efforts across four pillars: exclusion, ESG integration, active ownership and positive impact. Please for more information on how we do this, read our climate change policy: <a href="#">climate-change-policy.ashx</a></p> | 34-35<br>119-120           |
| b) Impact of climate-related risks and opportunities on  | Although we see that climate-related risks are increasing, until now they have not affected our business, strategy or financial planning.  |                            |

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| the organisation's businesses, strategy, and financial planning.  | <p>As part of our model portfolio which we use as a basis for all clients portfolios, our flagship equity and credit funds are Paris aligned on a 1.5 to 2 degree pathway in order to reach net zero by 2050. In addition the following funds which are used across client portfolios have specific climate related goals which they aim to achieve through their investments.</p> <p>SSGA Emerging market debt (hard currency and local currency funds)<br/> LGIM Net Zero Corporate Bond Fund<br/> iShares ESG Screened Global Corp Bonds ETF<br/> iShares MSCI SRI ETF GBP Hedged<br/> NT Emerging Market Sustainable Select SDG</p> <p>Lastly, we have engaged with a number of asset managers over the year on the themes of climate and sustainability more generally. This includes our flagship equity fund, SSgA Transition Pathway Initiative Global Equity Fund where after engaging with their sustainability team, agreed to amend our voting policy to be more sustainability focussed with specific impacts on climate. We see this as both a risk and opportunity by influencing the decisions corporations take in respect of climate.</p> |  |
| c) The resilience of our strategy under different climate-related scenarios, including a 2°C or lower scenario. | <p>Since 2018, Van Lanschot Kempen has performed ever more advanced scenario analyses. In 2020, we took an important step, by integrating climate change into our asset allocation scenarios via GDP assumptions (i.e. climate scenarios ranging from 1.5°C to 4°C). We also developed a climate change policy and set the objective to align our investments with 1.5°C climate scenarios.</p>   |  |

| Item   | Van Lanschot Kempen   | Reference Annual Report |
|--|---|-------------------------|
| Risk management  |   |                         |
| a) Our organisation's processes for identifying and assessing climate-related risk | <p>The main internal policy we have developed to manage the impacts, risks and opportunities of our business activities is our sustainability risk policy. This policy describes our highlevel sustainability risk strategy, our definitions of sustainability risk, our governance structure, roles and responsibilities, and the way we manage sustainability risks within our risk appetite. In line with our sustainability risk policy, we create an annual internal sustainability risk report which provides input for discussion on further improvements to our sustainability risk management efforts, including scenario analysis with respect to climate-related physical and transition risks. All relevant conclusions of this sustainability risk report are included in our annual report.</p> | 35<br>114               |

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|  | <p>For our AuM, our Sustainable Investment Council has developed a specific climate change policy with the aim for the organisation to become a net zero investor by 2050, with a mid-term ambition (2030) and short-term objectives (2025). Climate risks are identified by measuring the carbon intensity of all investments in the most carbon-intensive sectors (e.g. oil &amp; gas, mining, utilities). We use an external data provider for these carbon data.</p>   |  |
| <p>b) Our processes for managing climate-related risks</p>   | <p>To manage our climate-related risks we have developed climate objectives for our portfolios, plus underlying objectives for our ESG pillars, namely:</p> <ul style="list-style-type: none"> <li>• ESG integration – integrate climate risks and opportunities;</li> <li>• exclusions – divestments in companies with majority revenues coming from coal mining and tar sands;</li> <li>• active ownership – set up sector climate engagements (utilities, oil &amp; gas, real estate);</li> <li>• impact – invest in more green bonds.</li> </ul> <p>We can engage on our own (via our own funds) and also together with other investors. Joint engagements are done, for example, via our active membership of the Institutional Investor Group on Climate Change (IIGCC) and the Principles for Responsible Investment.</p> |  |
| <p>c) How our processes for identifying, assessing, and managing climate-related risks are integrated into our overall risk management</p> | <p>See a) and b)</p>   |  |

| Item  | Van Lanschot Kempen   | Reference<br>Annual Report |
|---|---|----------------------------|
| Metrics and targets   |   |                            |
| a) Our metrics used to assess climate-related risks and opportunities                                     | For our AuM we measure the carbon intensity, relative and absolute emissions of all companies we invest in for our own funds. When analysing the results we pay close attention to the most carbon-intensive sectors (e.g. oil & gas, mining, utilities and industrials). We aim to be a net-zero investor by 2050 by aligning our AuM with a long-term carbon intensity reduction pathway of on average -7% per year, in terms of weighted average carbon intensity (WACI). We use 2019 as our baseline year for the long-term WACI reduction of portfolios. When this is not available, we use the first year for which data is available. This pathway is derived from the Paris Agreement and EU climate benchmarks. The WACI measures a portfolio's exposure to carbon-intensive issuers and serves as a proxy for a portfolio's exposure to climate transition risks. By 2030, our discretionary AuM should be on this pathway. A challenge in meeting this target is the availability of actionable data on the carbon footprint of investee companies, as well as gaining the necessary insight into the opportunities and risks related to climate change perceived by their management. We will continue to work on data improvement and anticipate that regulations such as the Corporate Sustainability Reporting Directive (CSRD) and related ESRS will prompt more companies to disclose this information |                            |
| b) Our disclosures on scope 1, 2 and 3 (emissions as defined in GHG document)                             | <p>Our progress on sustainability is monitored against a set of key performance indicators (KPIs) for 2024–25, which are presented on page 12 in our annual report. Our targets related to our own operations, mortgages and AuM are presented in the table with the overview of our sustainability targets on page 25. Whereas we received a 17% reduction for the WACI in 2024.</p> <p>Besides our own targets, we measure and report for the first time in 2024 our GHG emissions in line with the ESRS, and these figures can be found on page 38.</p>  | 12<br>25<br>38             |
| c) Our targets used to manage climate-related risks and opportunities and our performance against targets | Having monitored the carbon footprint of our AuM since 2017, we have updated our climate change policy with a long-term commitment (net zero investor by 2050), a mid-term ambition (2030) and climate objectives for 2025.   |                            |