

1737

VAN LANSCHOT
KEMPEN

August 2022

Sustainability



Van Lanschot Kempen at a glance – 1/2



We are an independent, specialist wealth manager with the aim to create and preserve wealth for our clients and society in a sustainable way

We focus on private, institutional and corporate clients

Our core activities are private banking, professional solutions, investment management and investment banking



Solid performance on all key financials

	H1 2022	H1 2021	2021
Net result	€48.2m	€58.3m	€143.8m
CET 1 ratio	20.2%	21.9%	23.7%
Total capital ratio	25.8%	25.5%	30.1%
Client assets	€118.5bn	€121.0bn	€131.1bn
AuM	€99.6bn	€104.6bn	€112.1bn
Loan book (excluding provisions)	€9.1bn	€8.7bn	€8.9bn

Our sustainability beliefs

Our clients

We believe that the wealth we build or preserve for our clients today, will only retain its real value in a sustainable future world

Our people

We believe that talented, vital and impactful people want to work for inclusive companies whose purpose, culture and values they share

Our shareholders

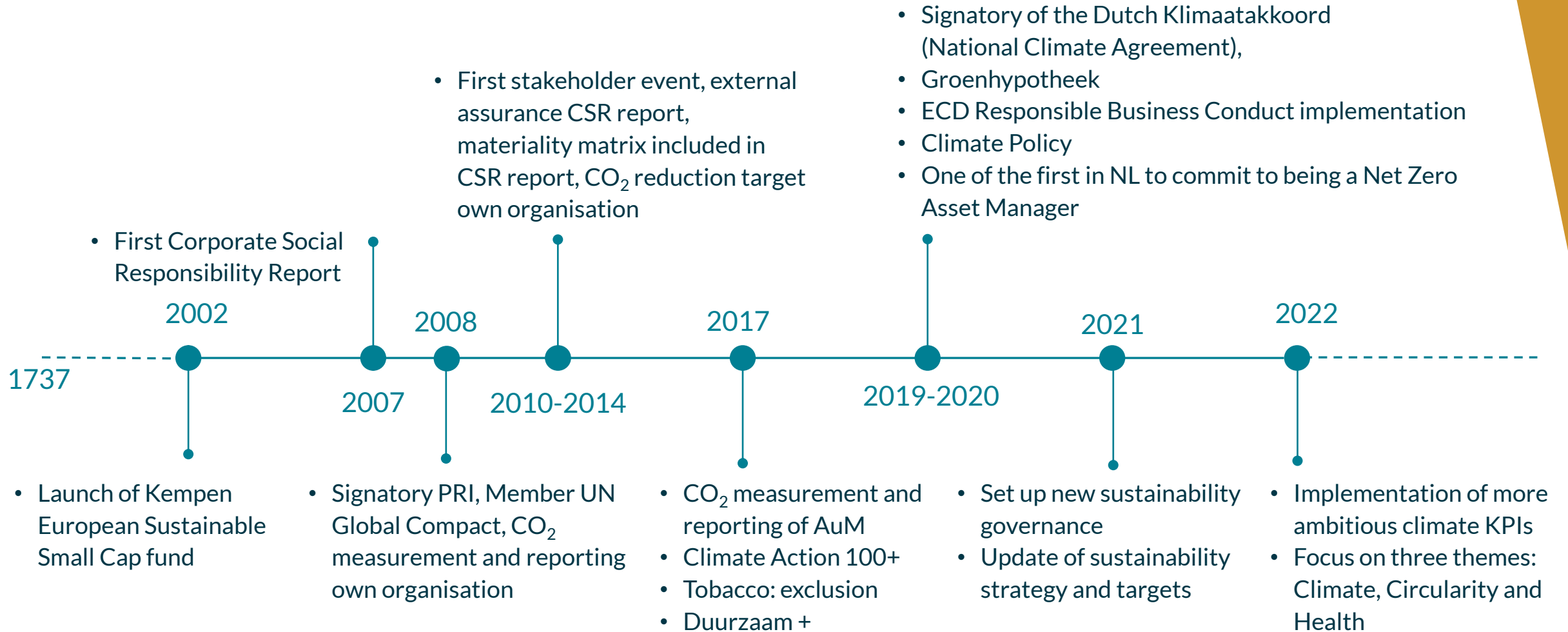
We believe as an integrated wealth manager we can benefit from these opportunities and create attractive long-term financial and sustainable value for our capital providers

Our society

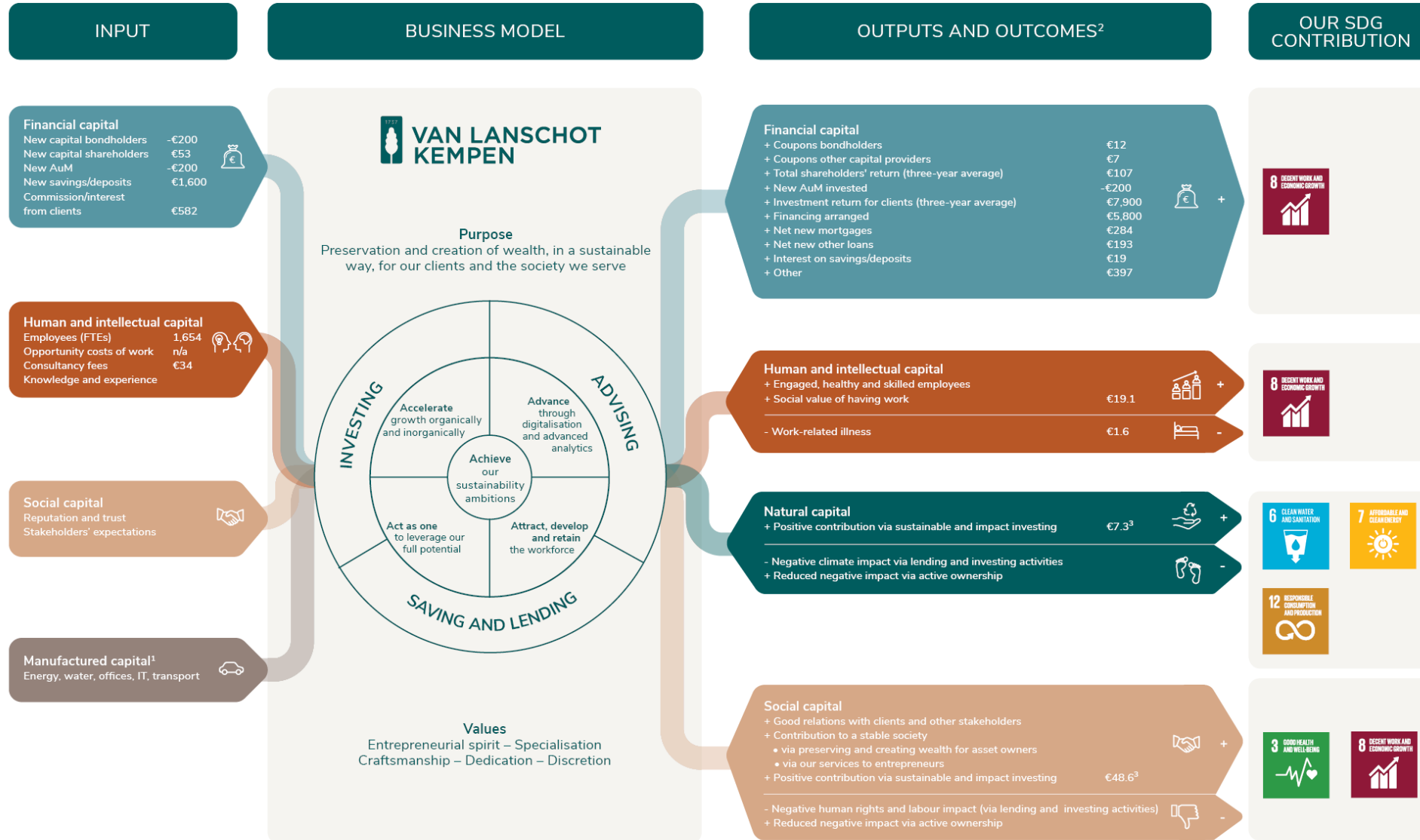
We believe that the generation of wealth in a way that we restore a livable environment is critical to the process of creating and maintaining stable, successful societies



Our sustainability journey



How we create value for our stakeholders



¹ Manufactured capital has been deemed non-material.

² For various stakeholder groups.

³ Figures are based on four sustainable investment funds amounting to €1,081 million.

Our footprint: most impact via AuM



AuM
€112.1bn

3.600.000 ton
CO₂*
~ 99% of impact

Balance sheet
€16.3bn

51.061 ton CO₂
~ 1% of impact

Own organisation
1,654 FTE

1.984 ton CO₂
~ 0.1% of impact

* based on coverage of 59% of AuM, per year-end 2021

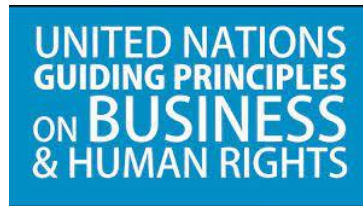


We are committed to become a net-zero wealth manager by 2050

- Ambitious annual carbon footprint reduction targets for discretionary AuM (-7%) and our own organisation (-7% per FTE)
- Our **ambitions** in 2022 are set **through active stakeholder dialogue**
 - *Impact via our assets under management*
 - Engage actively with our institutional clients to commit to net zero
 - Further increase the share of sustainable and impact investments in our clients' portfolios
 - Launch of sustainable discretionary management propositions for private clients
 - *Impact via our loans*: launch of new sustainable mortgage proposition
 - *Impact via own organisation*: implementing new way of working (less and more sustainable travel, optimising our workspace)
- **Transparency and inclusion & diversity** are other key focus areas going forward



Our commitments



ICGN

International Corporate Governance Network



- We committed in the short, medium, and long term to becoming a net zero investor by 2050.
- Short-term objectives include more investments in green bonds, a sharper focus on active management of climate change obligations, and broader exclusions of coal and tar sands.



- We have pledged to protect and restore biodiversity through finance activities and investments and committing to set concrete targets by 2024 at the latest.



Our focus on sustainability themes

A background image showing two cyclists in motion on a paved road. The cyclist in the foreground is wearing a blue shirt and black shorts, while the one behind is in a dark shirt. The road is bordered by a wooden fence and green grass. The sky is clear and blue.

Climate and biodiversity

Helping our environment to recover faster by contributing to energy transition and biodiversity

Smart and circular economy

Helping our investee companies to contribute to a smart, circular and inclusive economy

Living better for longer

Helping our clients and society to live longer and in better health

We develop innovative, sustainable products



Global Impact Pool

This investment solution is a multi-asset impact fund that aims to realise market-based financial returns and a measurable, positive impact on society and the environment



SDG Farmland Fund

This investment solution enables investors to focus on global investments in sustainable agricultural land and make regenerative farming an important priority



Progress on our non-financial KPIs

KPI		Target		Score 2022 H1	Score 2021
Financial capital	Three-year relative performance of our managed propositions	> benchmark	●	-0.1%	n/a
Human and intellectual capital	Employer Net Promoter Score (eNPS)	>10	●	17	13
	Employee engagement score	> 80%	●	n/a	88%
	Percentage of employees who believe they have the opportunity for personal development and growth	≥ benchmark (79%), ≥ last pulse/EES (if below benchmark)	●	83%	n/a
	Gender balance among employees in senior staff	> 30% female and > 30% male	●	16.8%	15.1%
	Gender pay gap	< 2.0%	●	2.7%	4.0%
	Staff turnover	5-10%	●	6.2%	5.2%
	Absenteeism	< industry average (2.8 % all, 1.8% long-term))	●	all: 2.6% long: 1.7%	all: 2.2% long: 1.3%
Natural capital	Sustainability rating of all Kempen funds by Morningstar	≥ 3.5	●	3.7	n/a
	Decrease in carbon emissions: Direct emissions via our own organisation	-7.0% per FTE yoy (from basis year 2019), target 2022: 1.93 tonnes CO ₂ e	●	1.42 tonnes CO ₂ e	1.10 tonnes CO ₂ e
	Decrease in carbon emissions: Alignment of our solutions with Paris Agreement:				
	i. Kempen funds and discretionary management solutions	80% of funds comply with 7% average annual emission intensity reduction	●	95%	n/a
	ii. Fiduciary management (FM) solutions	> 50% of FM clients have Paris Agreement-aligned goals	○	n/a	n/a
	Indirect emissions via our assets under management (AuM)	Coverage grows to 55-60% of CO ₂ e emissions by end 2022	○	n/a	n/a
	Indirect emissions via our mortgage portfolio	CO ₂ e/€ < last year	●	-1.3%	-6.1%
	Percentage of AuM invested in sustainable and/or impact wealth management solutions	+ 5% per year	○	20%	n/a
Percentage of external managers on the approved list that meet the basic sustainability criteria	> last year	●	93%	n/a	
Kempen listed funds engage with companies representing >50% of carbon footprint of the fund	Engaged with companies representing >50% of carbon footprint out of total portfolio	●	Engaged with 20 out of 55 companies	n/a	
Social capital	NPS Private Clients	20	●	35	36
	NPS Wholesale & Institutional Clients	20	●	n/a	38
	NPS Evi	10	●	1	15
	Investment Banking Clients: number of fee generating transactions with repeat corporate finance clients	50-60%	●	58%	n/a
	Number of interactions by Securities with institutional investors	130 (2020 = 100)	●	123	n/a
	Average Morningstar analyst rating	≥ last year	●	1 Gold, 1 Silver and 4 Neutral	1 Gold, 1 Silver, 2 Bronze, 2 Neutral
	Engagements for change on social and governance issues for which at least one milestone has been reached in the past year	10-15 engagements	●	4	n/a
	Percentage of employees who believe they have a responsibility to behave ethically	≥ benchmark (84%), ≥ last pulse/EES (if below benchmark)	●	90%	90%
	Percentage of employees who believe the company culture holds everyone to the same standards of ethical behaviour and promotes transparent communication	≥ benchmark (78%), ≥ last pulse/EES (if below benchmark)	●	85%	n/a
	Products and services are subject to strict approval and review procedures, including relevant assessments by Compliance	Yes	●	Yes	Yes



High scores on external ESG ratings

Good score on Governance / Transparency

Top decile

ISS QualityScore

8th place in league table of 236 entrants

Transparantiebenchmark

18th Place ^{VBDO} a league table of 77 multinationals

TAX
TRANSPARENCY
BENCHMARK 2021

B- rating

ISS ESG

Other ESG ratings and benchmarks

1st in our peer group of medium-sized banks

 **SUSTAINALYTICS**

4th in group of 97 peers rated on sustainability

VE

A+ score for responsible investment policy and process

 **PRI** Principles for Responsible Investment

AA rating on resilience to ESG risks

MSCI 



Our governance structure



Our governance structure

Supervisory Board	<ul style="list-style-type: none">• Supervises the Management Board• Regularly discusses and receives updates on sustainability topics
Sustainability Board	<ul style="list-style-type: none">• Accountable for the overall sustainability strategy
Management Board	<ul style="list-style-type: none">• Responsible for developing, implementing and embedding our sustainability goals
Sustainability Investment Council	<ul style="list-style-type: none">• Drafting and implementing the sustainable investment policies
Sustainability Council Loans and Own Organisation	<ul style="list-style-type: none">• Drafting and implementing the sustainability strategy for the balance sheet and own organisation
Green Bond Committee	<ul style="list-style-type: none">• Keeping our Green bond framework in accordance with leading standards, pre- and post-issuance reporting
Sustainability Centre	<ul style="list-style-type: none">• Group-wide competence centre with regards to sustainability• Headed by the Chief Sustainability Officer reporting directly to the CEO
Business	<ul style="list-style-type: none">• Sustainability is fully embedded in the business itself; every segment owns sustainability commitments and KPIs



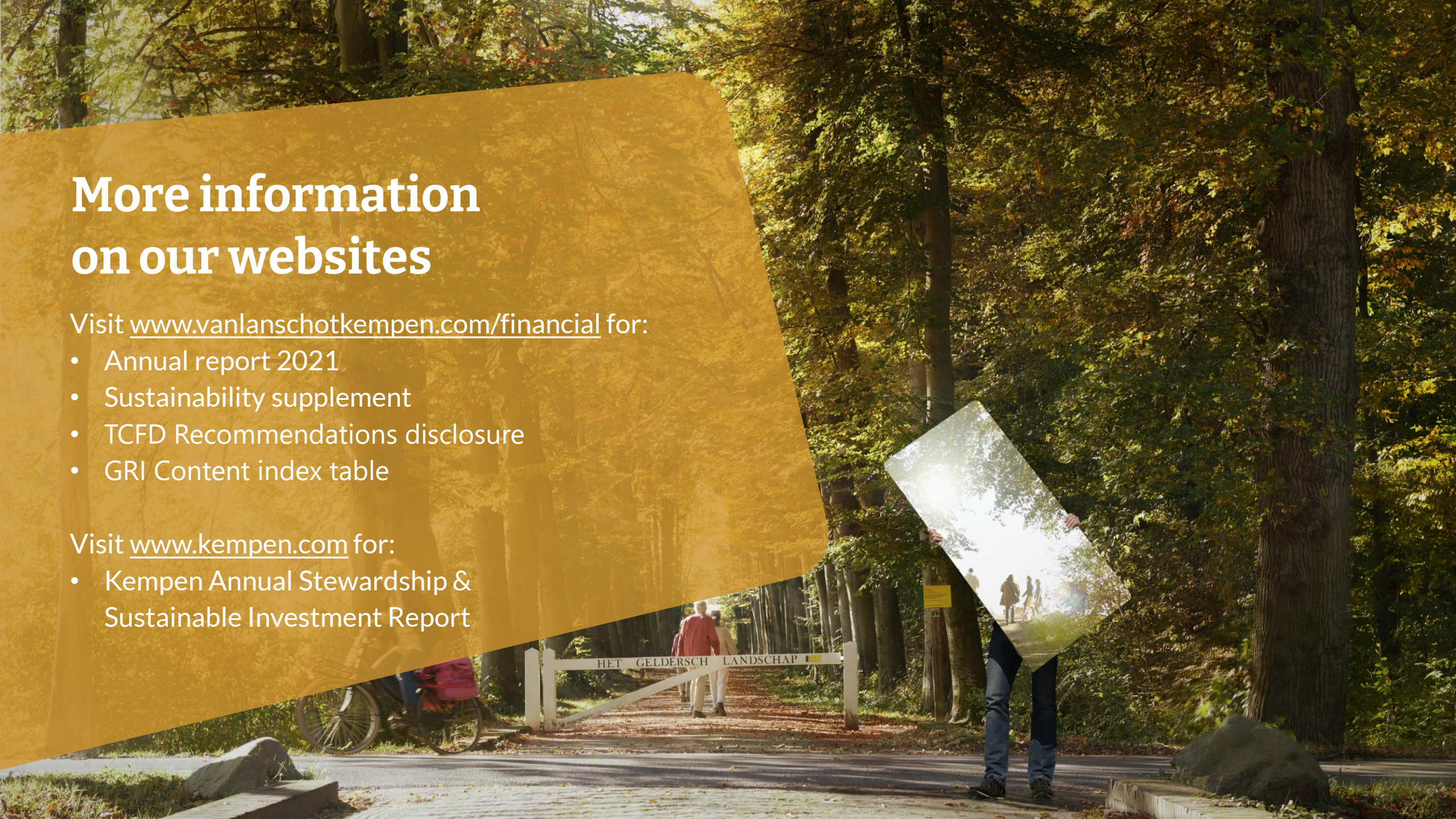
More information on our websites

Visit www.vanlanschotkempen.com/financial for:

- Annual report 2021
- Sustainability supplement
- TCFD Recommendations disclosure
- GRI Content index table

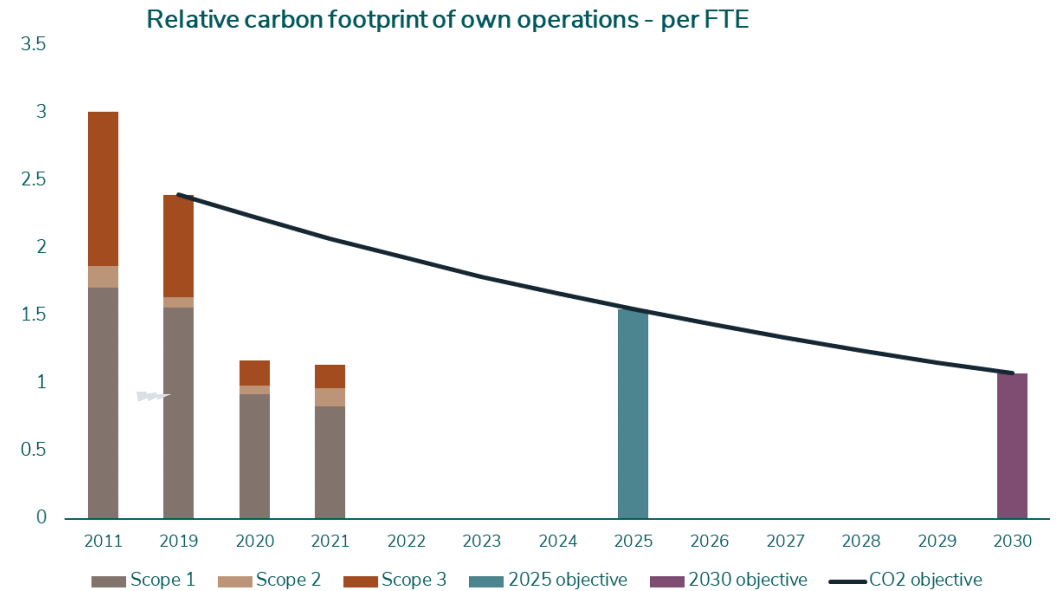
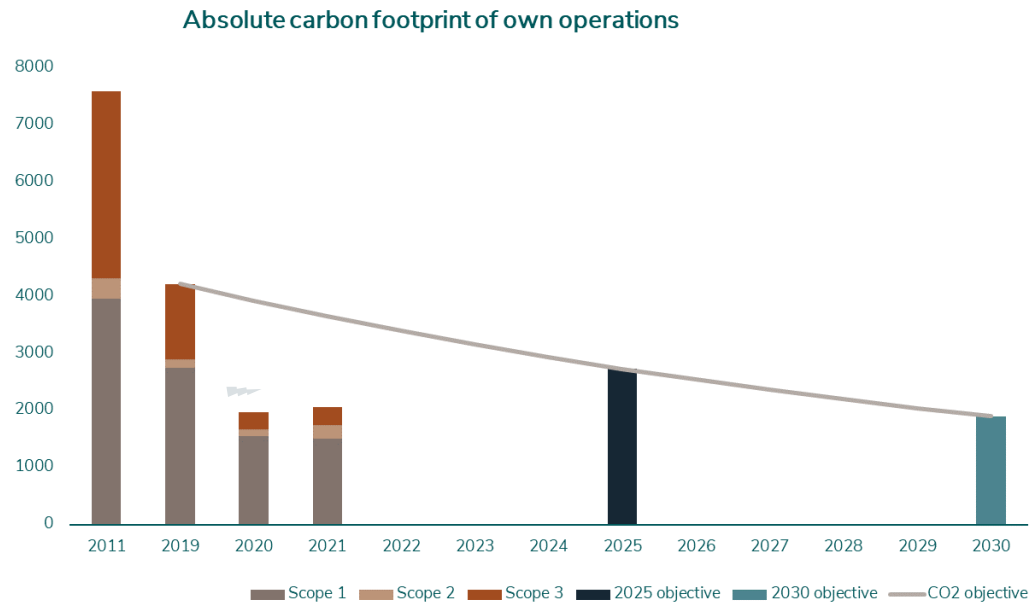
Visit www.kempen.com for:

- Kempen Annual Stewardship & Sustainable Investment Report



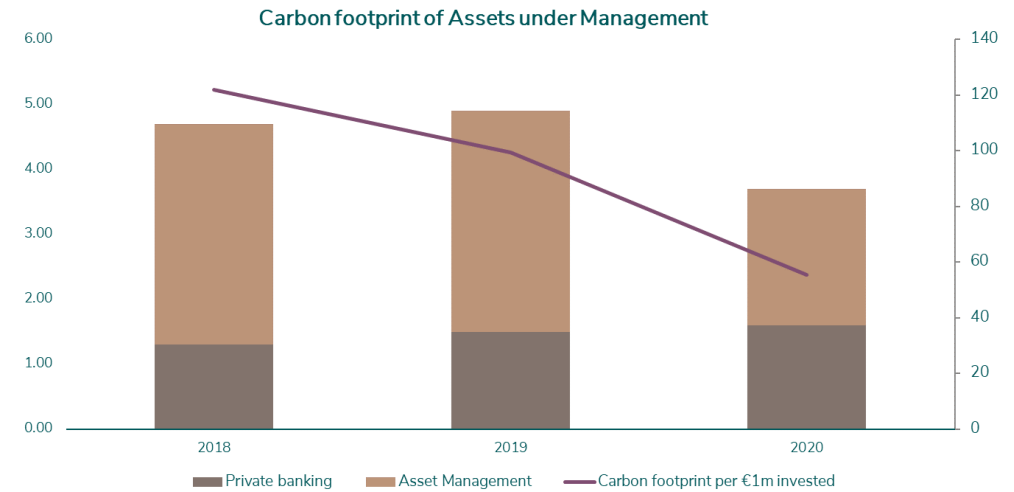
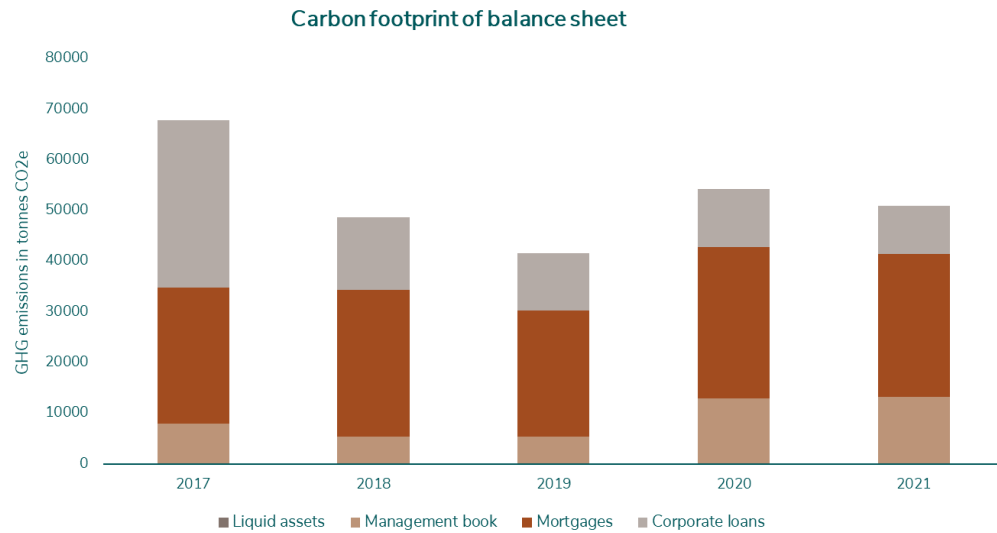
Appendix

CO₂ reduction own organisation



- We are committed to become a net-zero wealth manager by 2050
- Ambitious annual carbon footprint reduction target for our own organisation (-7% per FTE)

CO₂ reduction balance sheet and AuM



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