

# Van Lanschot Kempen Sustainability

March 2022



**VAN LANSCHOT  
KEMPEN**

# Van Lanschot Kempen at a glance

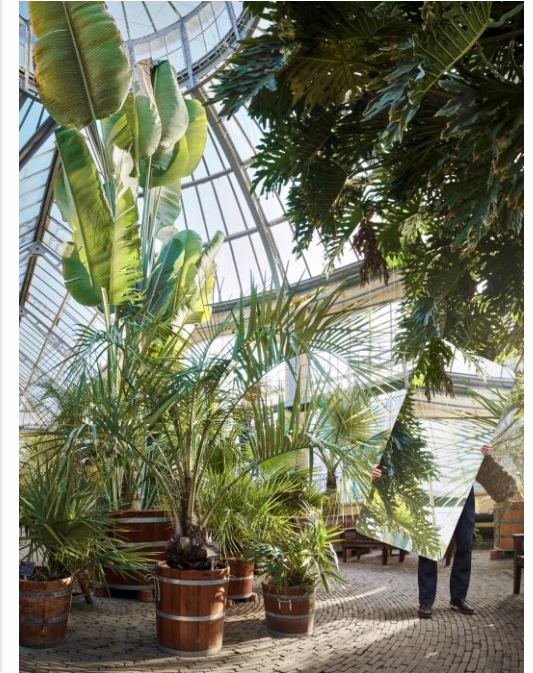
## Who we are

- Well-capitalised, profitable, independent wealth manager with a strong specialist position in the market
- Clear choice for wealth management, targeting private, wholesale, institutional and investment banking clients
- Relatively small-scale organisation and high level of executive involvement
- Strong focus on sustainable investing
- Differentiating and compelling investment management offering that matches client needs
- Strong balance sheet and attractive capital strategy
- Strong track record in transformation processes and de-risking of the company

Our purpose is the preservation and creation of wealth, in a sustainable way, for our clients and the society we serve.

## Solid performance on all key financials

	2021	2020
• Net result	€143.8m	€49.8m
• CET 1 ratio	23.7%	24.3%
• Total capital ratio	30.1%	27.4%
• Client assets	€131.1bn	€115.0bn
• AuM	€112.1bn	€99.0bn
• Loan book (excluding provisions)	€8.9bn	€8.5bn



# 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

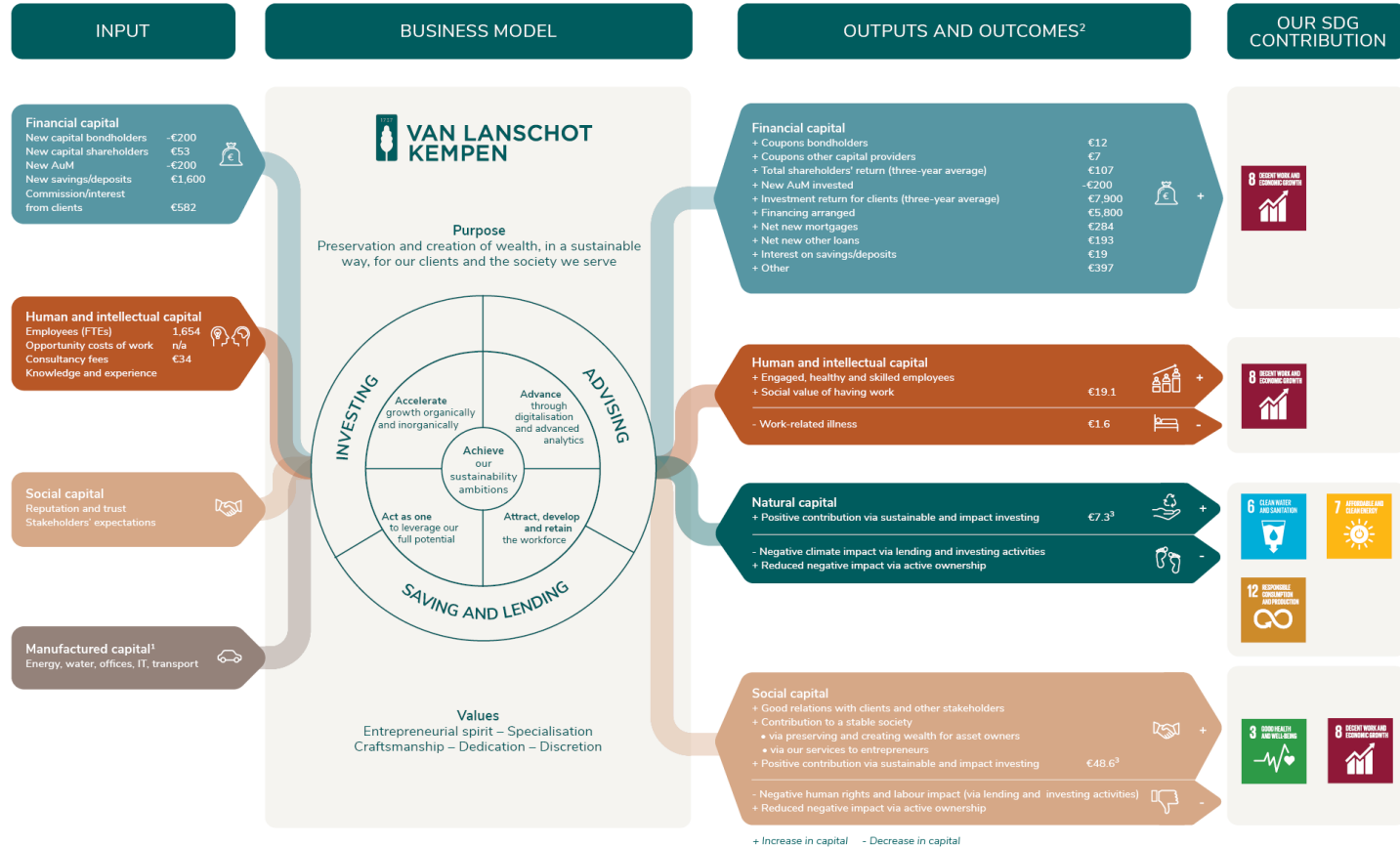
We believe that the generation of wealth in a way that we restore a livable environment is critical to the process of creating and maintaining stable, successful societies



# Our sustainability journey



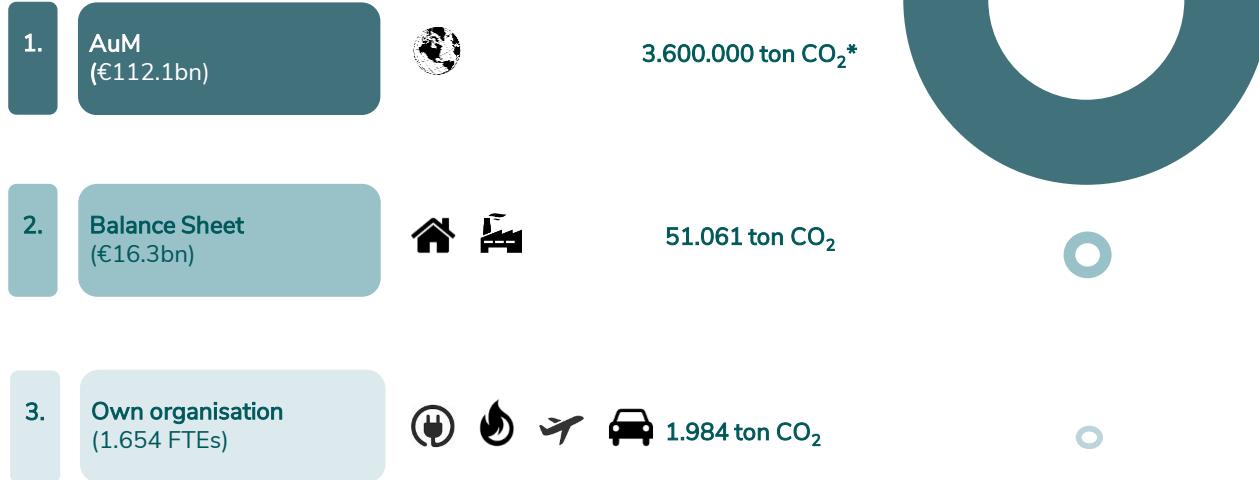
# How we create value for our stakeholders



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

## CO<sub>2</sub> footprint



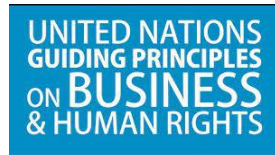
\* based on coverage of 59% of AuM, per year-end 2021

# Our ambitions



- To preserve and create wealth, in a sustainable way, for our clients and the society we serve
- We focus on three themes: **climate, circularity and health**
- 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



- 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.





# Through our focus themes, we contribute to six SDGs

## 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

Theme	KPI	Target	2021	Score 2021	Score 2020
 <b>Clients</b>	NPS Private Clients	10	●	36	26
	NPS Evi	10	●	15	5
	NPS W&I Clients	20	●	38	n/a
	MBC: number of successful transactions with repeat CF clients (5 yr)	60-70%	●	46%	43%
	MBC: bundled commission paid by repeat Securities clients	> 80%	●	94%	95%
	W&I Clients: average Morningstar rating of investment strategies	> 3.5	●	3.6	3.6
	Three-year relative performance of discretionary management mandates - Private Clients	> benchmark	●	-0.8%	-1.8%
	Three-year relative performance of discretionary management mandates - Evi	> benchmark	●	-0.6%	-2.2%
 <b>Ethics and integrity</b>	% of employees who positively evaluate our culture regarding ethical behaviour and integrity	> industry average (85%)	●	90%	89%
 <b>Sustainability</b>	Private Clients AuM invested in sustainable and/or impact solutions	last year + 10%	●	€4,367m +€1,304m	€3,063m +€1,017m
	Percentage of internal and external fund managers on the approved list that meet the sustainability criteria	> last year	●	76%	70%
	Engagement cases with companies that our funds invest in per year	80-100 cases	●	132	116
	Engagements for change for which at least one milestone has been reached in the past	10-15 trajectories	●	55	54
	Decrease in direct carbon emissions of our own organisation	- 2.5%/FTE per year	●	-6.2%	-51.1%
	Decrease in indirect carbon emissions in our mortgage portfolio	CO <sub>2</sub> /EUR < last year	●	-6.1%	-6.6%
 <b>Employees</b>	Employee engagement score	> 80%	●	88%	n/a
	Employer Net Promoter Score (eNPS)	> 10	●	13	6
	Gender balance in management positions	> 30% female and > 30% male	●	22% female 78% male	21% female 79% male
	% of training courses followed to develop new skills in order to adapt the workforce	> 25%	●	53%	57%

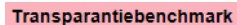
- To monitor whether we're on track to deliver on our ambitions, we define KPIs and targets
- The KPIs are focused on value creation, both financial and non-financial



# High scores on external ESG ratings

## Good score on Governance / Transparency

 **ISS QualityScore** Top decile

 **Transparantiebenchmark**

**8th** place in league table of 486 entrants

 **TAX**  
TRANSPARENCY  
BENCHMARK 2021



**18th** Place in a league table of 77 multinationals

 **ISS ESG**

**C+** rating

## Other ESG ratings and benchmarks



**SUSTAINALYTICS**

**1st** in our peer group of medium-sized banks



**4th** in group of 97 peers rated on sustainability



Principles for Responsible Investment

**A+** score for responsible investment policy and process

 **MSCI**

**AA** rating on resilience to ESG risks



# Our governance structure



# Our governance structure

<b>Supervisory Board</b>	<ul style="list-style-type: none"><li>• Supervises the Management Board</li><li>• Regularly discusses and receives updates on sustainability topics</li></ul>
<b>Management Board</b>	<ul style="list-style-type: none"><li>• Accountable for the overall sustainability strategy</li></ul>
<b>Sustainability Board</b>	<ul style="list-style-type: none"><li>• Responsible for developing, implementing and embedding our sustainability goals</li></ul>
<b>Sustainability Investment Council</b>	<ul style="list-style-type: none"><li>• Drafting and implementing the sustainable investment policies</li></ul>
<b>Sustainability Non-Investment Council</b>	<ul style="list-style-type: none"><li>• Drafting and implementing the sustainability strategy for the balance sheet and own organisation</li></ul>
<b>Sustainability Centre</b>	<ul style="list-style-type: none"><li>• Group-wide competence centre with regards to sustainability</li><li>• Headed by the Chief Sustainability Officer reporting directly to the CEO</li></ul>
<b>Business</b>	<ul style="list-style-type: none"><li>• Sustainability is fully embedded in the business itself; every segment owns sustainability commitments and KPIs</li></ul>



# More information

Visit [vanlanschotkempen.com/results](https://vanlanschotkempen.com/results) for:

- Annual report 2021
- Sustainability supplement
- TCFD
- GRI

Visit our website for:

- [Kempen Annual Stewardship & Sustainable Investment Report](#)



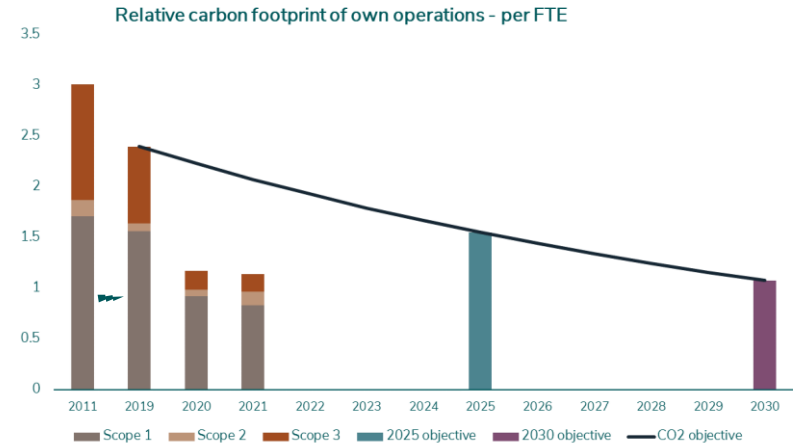
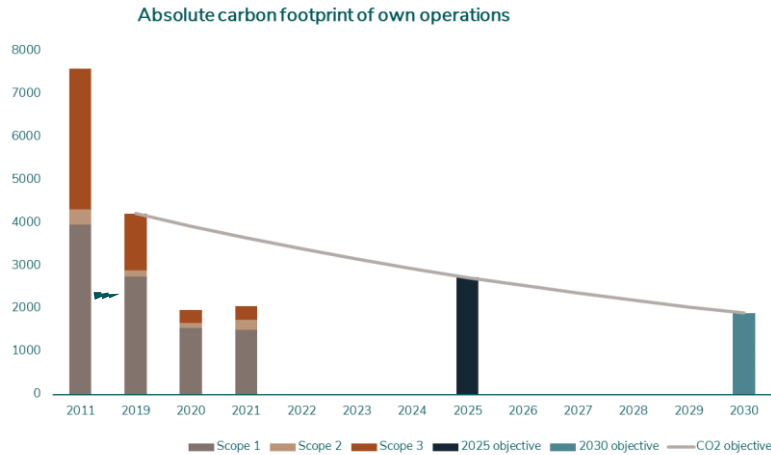
# Appendix



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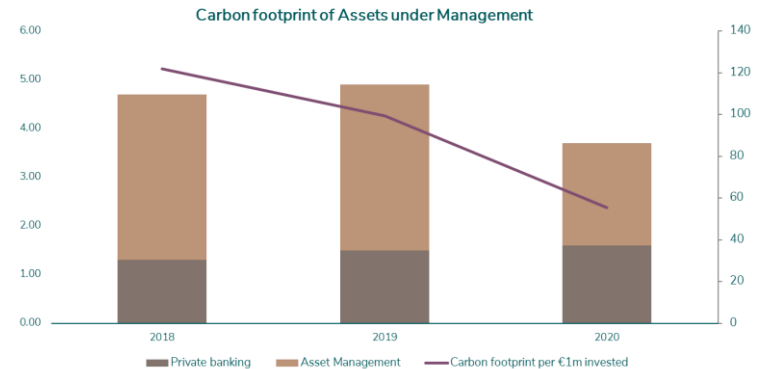
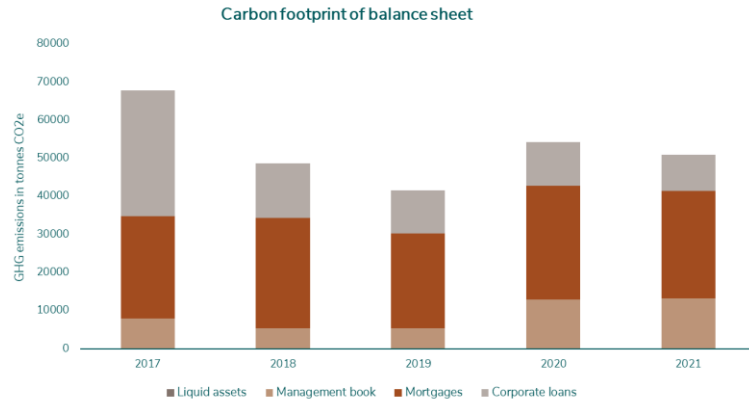
# CO2 reduction own organisation



- 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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