



VAN LANSCHOT  
KEMPEN

February 2024

# Sustainability



# Van Lanschot Kempen at a glance



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

We focus on private clients, wholesale and institutional clients, and investment banking clients

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



# Solid performance on all key financials

	2023	2022
Net result	€125.2m	€84.3m
Underlying net result	€130.5m	€117.8m
CET1 ratio	19.6%	20.6%
Cost/income ratio	71.6%	73.1%
RoCET1	14.2%	12.3%
Total capital ratio	25.3%	26.4%
Client assets	€145.0bn	€124.2bn
AuM	€127.6bn	€107.8bn
Loan book (excluding provisions)	€9.2bn	€9.4bn

# Our sustainability approach



At Van Lanschot Kempen, we see sustainability not only as an urgent need, but also an unprecedented opportunity to create value over the long term. Because preserving and creating wealth for generations to come is only possible when we make sure that growth is both profitable and sustainable.

The world around us is changing – demanding fundamental transitions in how we consume energy, food and materials. We’re focused on helping our clients navigate through these transitions, with an active, engaged approach based on our strong investment principles. Sustainability is therefore embedded throughout our services. We have set clear targets on all areas in which we as Van Lanschot Kempen have an impact – and regularly report our progress.



# Our sustainability beliefs

## Our clients

Sustainability is embedded in the solutions we offer, because 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 that 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 nurtures a livable environment is critical to the process of creating and maintaining stable, successful societies



# Our focus areas

## Energy transition



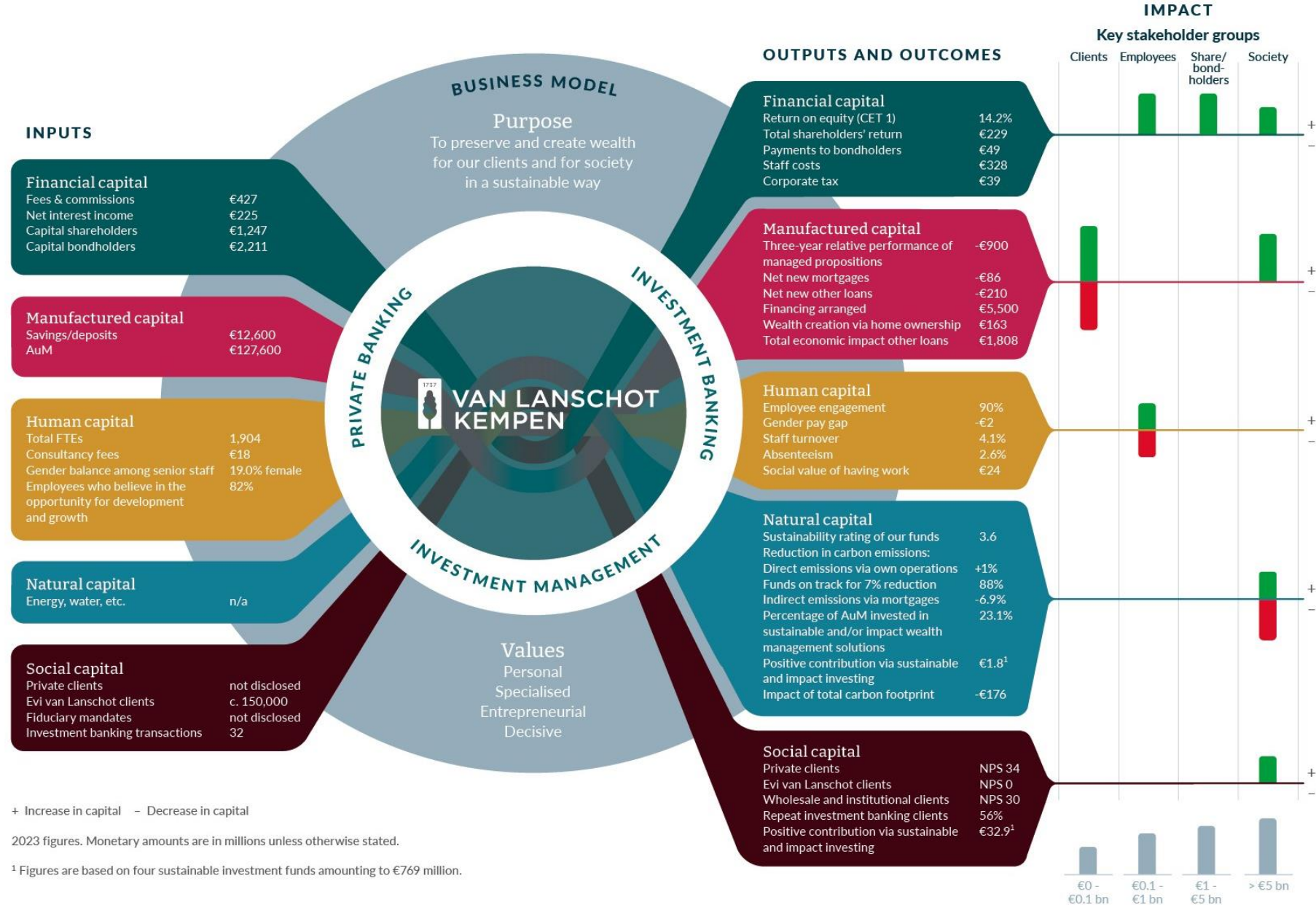
Limiting climate change and biodiversity loss

## Food transition



Improving health and well being so people can live better for longer

# How we create value for our stakeholders



# Ethics and integrity

## Constantly maintaining our standards of integrity and ethical behaviour

The financial sector is built on trust. A healthy culture and ethical behaviour are needed to sustain this trust with all our stakeholders.

In order to monitor this, we defined KPIs:

- Percentage of employees who believe our company culture holds everyone to the same standards of ethical behaviour and promotes transparent communication (benchmark: 81%). Score 2023: 86%
- Percentage of employees who believe they have a responsibility to behave ethically (benchmark: 85%). Score 2023: 89%

### Code of conduct

Our code of conduct sets out what we consider the essence of ethical behaviour and what we hold ourselves accountable for, both individually and collectively.

### Conflicts of interest

Managing conflicts of interest is an essential part of ensuring and enhancing Van Lanschot Kempen's integrity and reputation.

### Dutch Banking Code

The code sets out principles for sound and controlled business operations, corporate governance, risk management policies, audit and remuneration policies.

For our policies: [Governance \(vanlanschotkempen.com\)](https://www.vanlanschotkempen.com/governance)





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



We've made a commitment to help limit climate change to +1.5°C. For our own operations, we aim to be carbon neutral by 2030 (while offsetting the hard to abate emissions); and for our AuM, we aim to be carbon neutral by 2050. To this end, we have stepped up our ambitions starting in 2024:

- Own organisation: We have increased our target to reduce the annual average carbon intensity per FTE from 7% to 8% per year (against a 2019 baseline);
- Discretionary (AuM): We aim to reduce the annual weighted average carbon intensity (WACI) of our discretionary AuM by 7% per year (against a 2019 baseline in the case of most portfolios).



# We develop innovative, sustainable products



## Global Impact Pool

This five-year-old investment solution is a multi-asset impact fund that aims to achieve market-based financial returns and a measurable, positive impact on society and the environment. This solution was positively rated by BlueMark in August 2023 with high or advanced scores on all Impact Principles.



## SDG Farmland Fund

This investment solution enables investors to focus on global investments in sustainable agricultural land and make regenerative farming an important priority. We manage a well-diversified portfolio of farmland assets from across the globe, but with a focus on developed countries.



## Van Lanschot Kempen mortgage

In November 2023, we introduced our new mortgage proposition: a single, complete, sustainable mortgage solution for our clients. We incentivise the purchase of a more sustainable home or efforts to make the home more sustainable. The mortgage interest rate is linked to the home's registered energy label: the higher the energy efficiency, the lower the interest rate for the client.

# We are committed to positive change

Contributing towards the transition to a sustainable economy



# Diversity in all its forms

## Fostering an increasingly diverse organisation

Our commitment to inclusion and diversity goes hand in hand with our ambition to positively contribute to a more sustainable and inclusive world

- We have established 5 pillars to work towards becoming an inclusive workplace and we have a diversity policy in place
- We highly value inclusion across the spectrum for both our colleagues and clients and welcomed gender-neutral communication options
- In 2023, the gender pay gap rose slightly to 3%, which remains above our target of less than 2%. The gap was not driven by new hires or merit increases, but by promotional increases and variable remuneration. We aim to increase the percentage of females in senior management (currently 19.0%)



See more at: [vanlanschotkempen.com/en/about-us/inclusion-and-diversity](https://vanlanschotkempen.com/en/about-us/inclusion-and-diversity)

# A place people love to work

Investing in the well-being, health and connectivity of our staff



- Despite the tight labour market, we were able to attract new talent while our retention rate remained strong
- We put extra focus towards keeping talents within the company through internal hiring for vacancies
- We improved our Net Promoter Score (eNPS) to 22, up from 18 in 2022, reflecting that employees would recommend Van Lanschot Kempen as a good place to work
- Our average absenteeism of 2.6% is below industry average and our employee engagement score (EES) of 90% is above target

# Active ownership

Through our engagements, we seek to encourage positive change at companies

We believe in active portfolio management. To ensure the impact and success rate of our efforts, we set clear goals and timeframes to move further with engagements. To encourage sustainable and responsible practices, we follow the Engagement Milestone Methodology:

1

## Raise concern

Van Lanschot Kempen identifies the issue, formulates the desired outcome and brings it to the attention of the relevant board members or the company's management team

2

## Company acknowledgement

The company acknowledges the importance of the issue raised to the company or its stakeholders and commits to resolving the issue

3

## Company takes action

The company has initiated action to address the concern raised and communicated progress with us/publicly

4

## Company completes requested action (closing of the engagement)

The company can provide clear evidence that the requested action is fully implemented



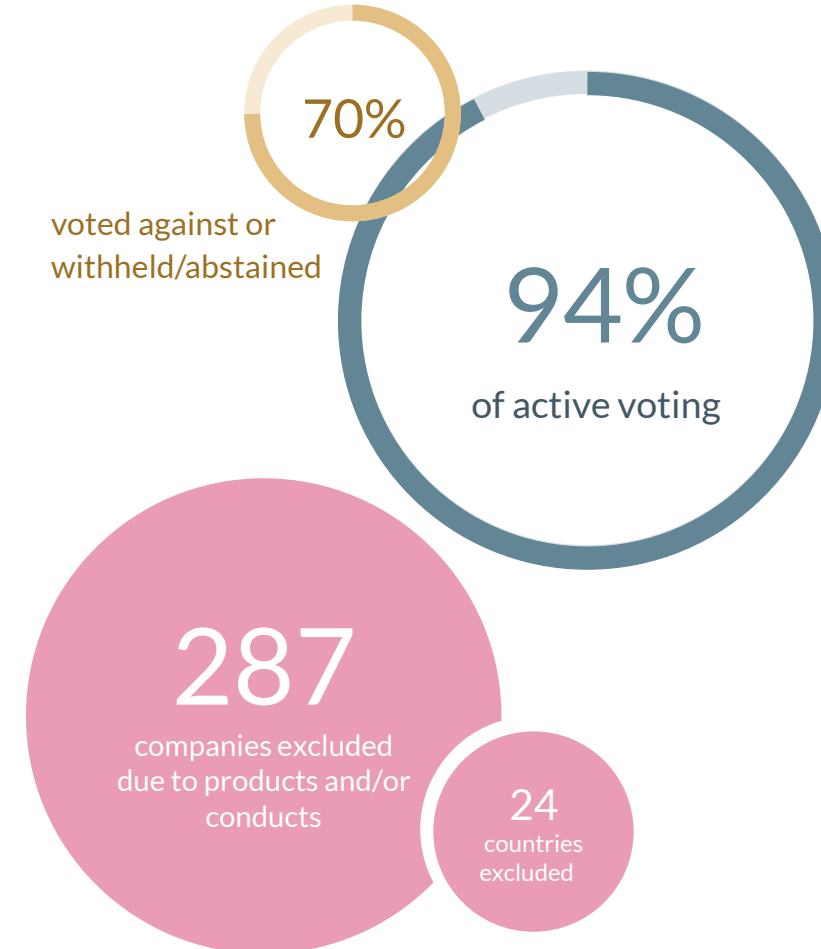
# Making a difference – engagement successes

## Stepping in the right direction towards a sustainable economy

We proactively enter company dialogues on doing things better:

- In 2023, one engagement was with global sports brand Nike: we collaborated with other investors in co-signing a letter urging the company to address its outstanding wage payment issues.
- We also engaged with French construction and infrastructure company Vinci SA: we are striving to align variable remuneration with ambitious occupational health and safety targets.

### 2023 key numbers:



See more at: [Positive change through engagement and voting \(vanlanschotkempen.com\)](https://www.vanlanschotkempen.com)



# Our footprint: most impact via AuM



AuM  
€127.6bn

4.0 million  
tonnes CO<sub>2</sub>\*  
~ 99% of  
impact

Balance sheet  
€16.8bn

66,288  
tonnes CO<sub>2</sub>  
~ 1% of  
impact

Own organisation  
1,904 FTEs

2,789 tonnes  
CO<sub>2</sub>  
~ 0.1% of  
impact

\* based on coverage of 53% of AuM at year-end 2023





# Progress on our non-financial KPIs

KPI	Target	2023	Score 2023	Score 2022	
<b>Manufactured capital</b>	Three-year relative performance of our managed propositions	> benchmark	●	-0.2%	0.2%
<b>Human and intellectual capital</b>	Employer Net Promoter Score (eNPS)	> 10	●	22	18
	Employee engagement score (EES)	> 80%	●	90%	88%
	Percentage of employees who believe they have the opportunity for personal development and growth	≥ benchmark (77%) ≥ last pulse/EES (if below benchmark)	●	82%	81%
	Gender balance among senior staff	> 30% female > 30% male	●	19.0% female 81.0% male	17.9% female 82.1% male
	Gender pay gap	< 2.0%	●	3.0%	2.7%
	Staff turnover	5-10%	●	4.1%	6.4%
	Absenteeism	< industry average (3.25%)	●	2.6%	2.8%
<b>Natural capital</b>	Sustainability rating of all Kempen funds by Morningstar	≥ 3.5	●	3.6	3.6
	Decrease in carbon emissions:				
	Direct emissions via our own organisation	-7.0% per FTE per year, against 2019 baseline. Target 2023: ≤1.80 tonnes CO <sub>2</sub> e per FTE	●	1.38 tonnes CO <sub>2</sub> e per FTE (-42% compared with 2019)	1.45 tonnes CO <sub>2</sub> e per FTE (-40% compared with 2019)
	b. Alignment of our solutions with Paris Agreement:				
	i. Van Lanschot Kempen funds and discretionary management solutions	80% of funds comply with 7% average annual emission intensity reduction	●	88%	88%
	ii. Fiduciary management (FM) solutions	> 50% of FM clients have Paris Agreement-aligned goals	●	72%	59%
	c. Indirect emissions via our assets under management (AuM)	Coverage grows to 55-60% of CO <sub>2</sub> e emissions by end 2022	●	53%	56%
	d. Indirect emissions via our mortgage portfolio	CO <sub>2</sub> e/€ < last year	●	-6.9%	8.7%
	Investment Strategies & Solutions sustainability ambition:				
	a. Percentage of AuM invested in sustainable and/or impact wealth management solutions	+ 5 percentage points per year	●	23.1%	20.6%
	b. Percentage of AuM in internal and external funds/mandates on the approved list that meet the basic sustainability criteria	> last year	●	96%	95%
	c. Van Lanschot 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	●	44/49 (divested from three)	54/55 (divested from remaining one)
<b>Social capital</b>	Net Promoter Score (NPS):				
	a. Private Clients	20	●	34	36
	b. Evi van Lanschot	10	●	0	-1
	c. Wholesale & Institutional Clients	20	●	30	n/a
	Investment Banking Clients: number of fee-generating transactions with repeat Corporate Finance clients (five-year period)	50-60%	●	56%	78%
	Number of interactions by Securities with institutional investors	130 (2020 baseline: 100)	●	156	103
	Average Morningstar medallist rating <sup>1</sup>	≥ last year	○	2 silver 7 bronze 8 neutral	n/a
	Engagements for change on social and governance issues for which at least one milestone has been reached in the past year	10-15 engagements	●	27	30
	Percentage of employees who believe they have a responsibility to behave ethically	≥ benchmark (85%) ≥ last pulse/EES (if below benchmark)	●	89%	90%
	Percentage of employees who believe the company culture holds everyone to the same standards of ethical behaviour and promotes transparent communication	≥ benchmark (81%) ≥ last pulse/EES (if below benchmark)	●	86%	85%
	Products and services are subject to strict approval and review procedures, including relevant assessments by Compliance	Yes	●	Yes	Yes

● KPI more than achieved
 ● KPI achieved
 ● KPI almost achieved
 ● KPI not achieved
 ● KPI far from achieved



# High scores on external ESG ratings

## Governance: 2

Lower governance risk = 1  
Higher governance risk = 10

ISS QualityScore

6<sup>th</sup> place in league table of  
491 entrants

Transparantiebenchmark

11<sup>st</sup> place in a league table  
of 51 multinationals  
With 31/40 points



## B- rating

On a scale of A+ to D-  
ISS ESG Corporate Rating

ISS ESG 

## AA rating

On a scale of AAA to CCC  
on resilience to ESG risks

MSCI 

4 and 5 stars (out of 5) for  
responsible investment process  
(2023)

 PRI Principles for  
Responsible  
Investment



# Our governance structure



# Our governance structure

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<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 sustainable investment policies</li></ul>
<b>Green Bond Committee</b>	<ul style="list-style-type: none"><li>• Keeping our green bond framework in accordance with leading standards, pre- and post-issuance reporting</li></ul>
<b>Strategy, Sustainability &amp; Corporate Development Team</b>	<ul style="list-style-type: none"><li>• Advising on embedding the sustainability ambition in the strategy of the business lines</li><li>• Developing the sustainability roadmap for the company including monitoring</li></ul>
<b>Sustainability &amp; Impact Investing Team</b>	<ul style="list-style-type: none"><li>• Focus on growing and expanding the sustainable and impact investing offering</li></ul>
<b>Business</b>	<ul style="list-style-type: none"><li>• Sustainability is fully embedded in the business; every segment owns sustainability commitments and KPIs</li></ul>

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# Van Lanschot Kempen Foundation

Initiating and promoting community projects for a better world for future generations



- The Foundation is a charity that draws on its own financial resources, on donations, knowledge and volunteering time (sometimes during business hours) of Van Lanschot Kempen colleagues, network and clients.
- We maximise our positive impact on society by enabling colleagues to participate in voluntary work:
  - Structuring, expanding and professionalising donations and community activities
  - Increasing involvement of (former) colleagues in these activities
- Focused on five themes:
  - Sustainable living environment
  - Financial education, talent development and entrepreneurship
  - Cultural education
  - Healthier living
  - Social cohesion through sports



# More information on our websites

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

- Annual report 2023
- Sustainability supplement 2023
- GRI content index table

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

- Kempen Annual Stewardship & Sustainable Investment Report
- Our new Alternative Investment Solutions



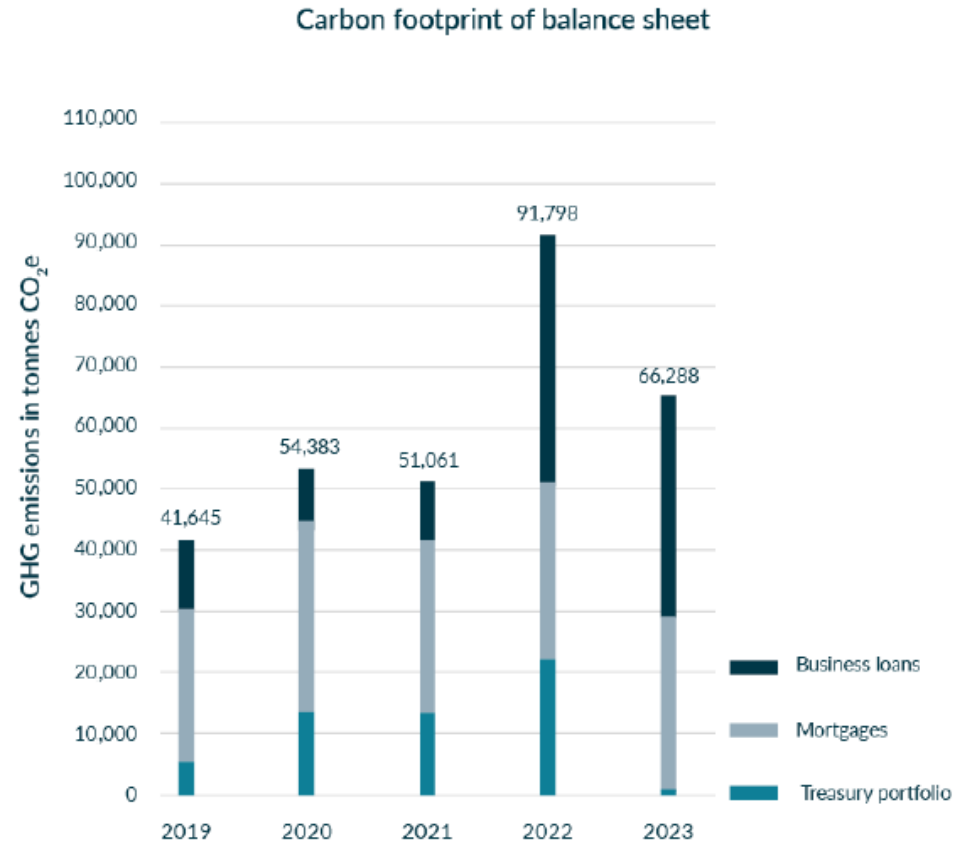
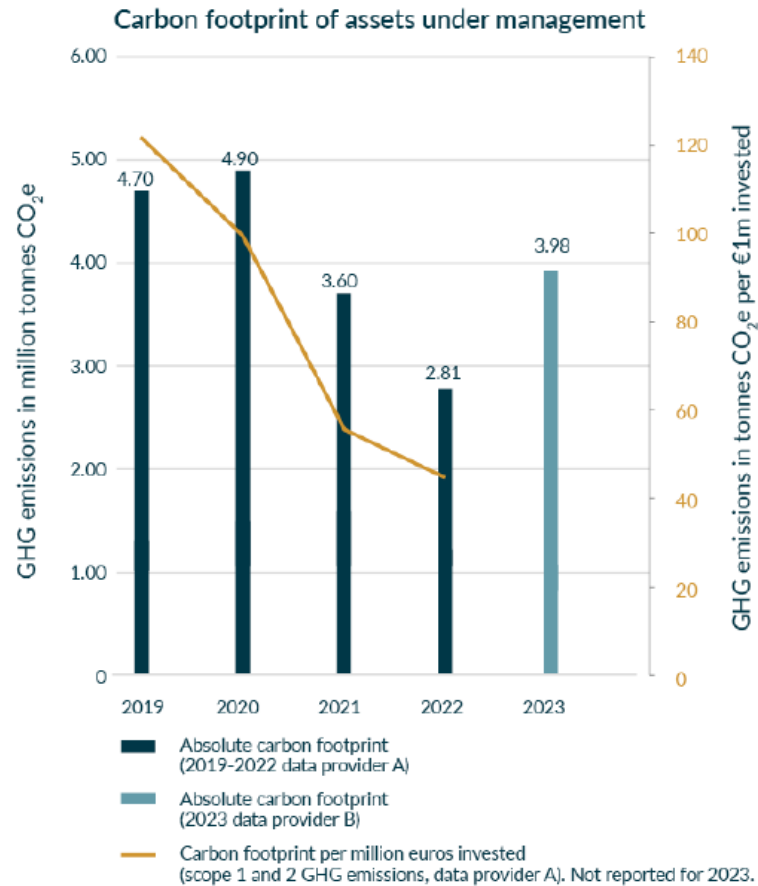
# Appendix

# Our sustainability journey



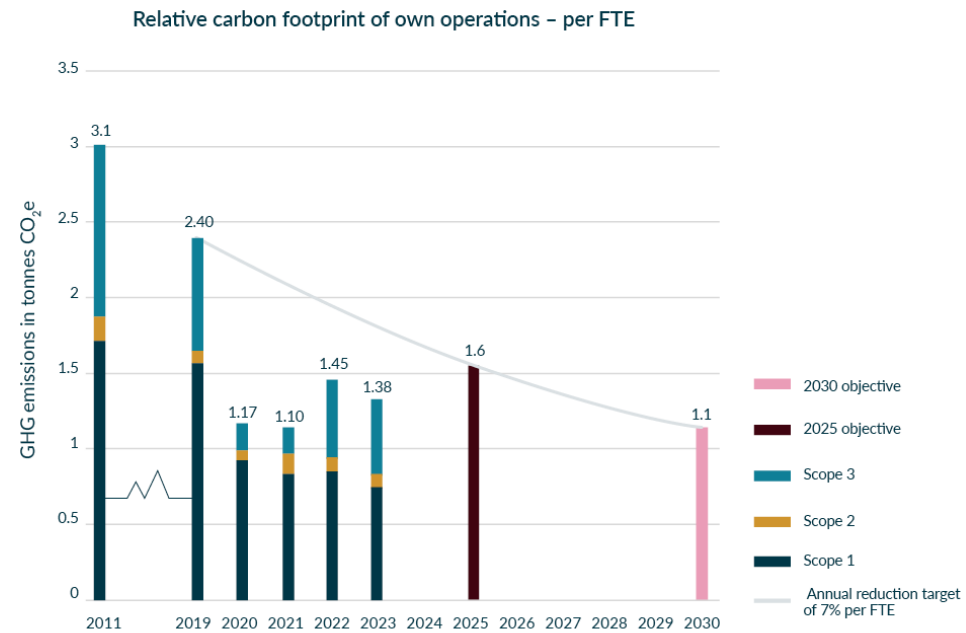
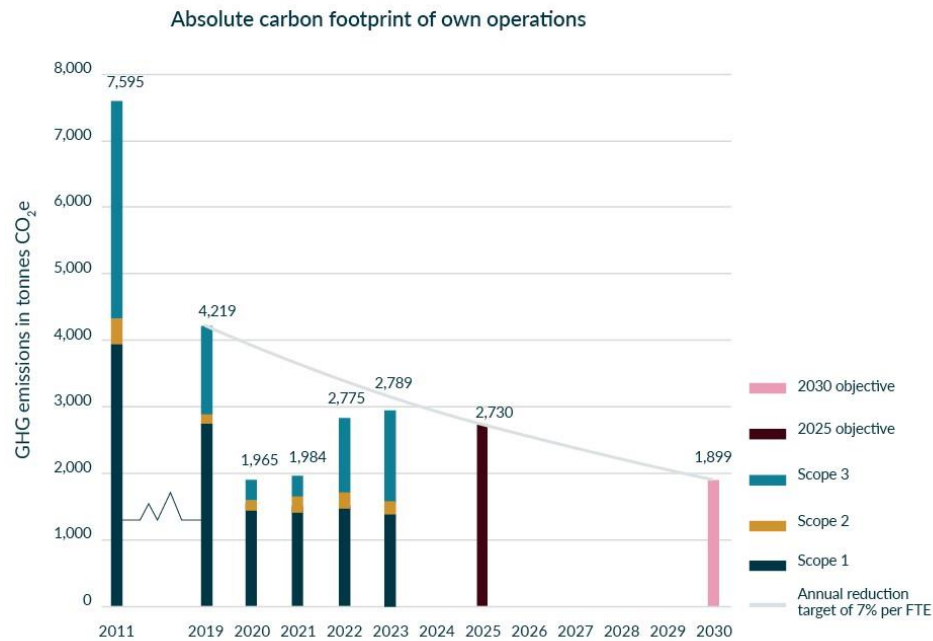


# Our carbon footprint



See more at: [vanlanschotkempen.com/en-nl/about-us/investor-relations/financial-results](https://vanlanschotkempen.com/en-nl/about-us/investor-relations/financial-results)

# Carbon reduction in own organisation



- Ambitious annual carbon footprint reduction target for our own organisation (2023: -7% per FTE, as of 2024: -8% per FTE)
- Relatively low carbon footprint in the years 2020 and 2021 partly reflect the impact of the pandemic-related measures implemented, as carbon emissions data generally shows a slight delay
- Since our 2019 baseline, the carbon emissions of our own organisation have fallen by 42% per FTE

