

Sustainability Supplement 2021

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About this supplement

This sustainability supplement, which should be read in conjunction with our 2021 annual report and our GRI content index, contains additional sustainability background material.

OUR STAKEHOLDERS

We identify five main stakeholder groups: clients, shareholders, employees, government/regulators and other stakeholders, including all those who might be affected by the decisions and activities of Van Lanschot Kempen (e.g. society at large, suppliers and competitors). The interests and expectations of the different stakeholder groups vary, and may lead to potential conflicts of interest.

Every year, we assess all suggestions that result from our various dialogues with stakeholders. We test them against our strategy and assess how other stakeholders would be affected if they were implemented. Suggestions that are in line with our strategy and compatible with the interests of other stakeholders may entail us introducing new solutions or policy adjustments.

The table below outlines the key expectations and discussion topics per stakeholder group in 2021. Expectations in the table are derived from a variety of sources: discussions with clients and periodic client satisfaction surveys, meetings with shareholders, and analysis of recurring questions and comments from various external stakeholders, including civil society organisations and regulators. More information on the types of dialogue with each stakeholder group can be found on the next page.

Stakeholder group	Expectations	Discussion topics in 2021 (examples, non-exhaustive)
Clients	<ul style="list-style-type: none"> - Excellent client experience - Strong personal relationships - Holistic advice and personalised, relevant solutions - Risk-rewarding returns - Safe and easy way of contact 	<ul style="list-style-type: none"> - Economic and financial markets developments (also related to Covid-19) - Service quality and client care - Investment performance - Responsible, sustainable, impact investment, charity - SDGs, climate change, ESG
Shareholders (and other capital providers)	<ul style="list-style-type: none"> - Solid performance and growth - Attractive returns and sustainable – preferably growing – dividend - Run the business in a sustainable way 	<ul style="list-style-type: none"> - Strategy and targets for 2025 - Sustainability profile and ESG approach - Market share and growth opportunities (organic and inorganic) - Capital strategy
Employees	<ul style="list-style-type: none"> - An inclusive culture and diverse workforce - Inspiring leadership - Personal and professional development - Growth opportunities - Personal autonomy - Competitive salary and benefits - A professional and healthy (hybrid) work environment 	<ul style="list-style-type: none"> - Diversity and inclusion: ability of next-generation employees, women and internationals to progress up the ladder - Integrated wealth manager: new business model with new teams - Our way of working: successfully embracing hybrid working - Feedback culture and learning (e.g. implementing 360 feedback) - Further introduction of key skills (on e.g. collaboration, adaptability etc.) - Work pressure and well-being
Government/regulators	<ul style="list-style-type: none"> - Compliance with laws and regulations (practices within the letter and spirit of the law) - Timely payment of taxes - Positive contribution to society and environment 	<ul style="list-style-type: none"> - Compliance with laws and regulations - Tax control framework, technical interpretation of rules - Implementation of new (sustainability) regulations - Financial solidity, risk management, funding strategy, dividend policy - ESG regulations introduced, climate change and biodiversity
Other stakeholders (including value chain)	<ul style="list-style-type: none"> - Responsible business conduct - Decreasing negative impact - Positive contribution to society and environment 	<ul style="list-style-type: none"> - Responsible, sustainable and impact investing - Climate change and biodiversity - SDGs, OECD Guidelines for MNEs - Inclusion and diversity in own organisation - Advancing best practice in corporate governance

Stakeholder	Form of dialogue	Frequency	Result and related outcome of the dialogue
Clients	<ul style="list-style-type: none"> – Client meetings – (Online) client events – Stakeholder event – Client survey – Client portals 	<ul style="list-style-type: none"> D M A A D 	<ul style="list-style-type: none"> – Net AuM inflows – Existing products and services improved – New products launched – More online service provision – More client information on responsible and sustainable investments including progress on company engagements – Further growth of our sustainable and impact investment solutions
Shareholders (and other capital providers)	<ul style="list-style-type: none"> – General meeting – (Online) roadshows, conference calls and other bilateral consultations – Press releases, annual reports – Website – Stakeholder event 	<ul style="list-style-type: none"> A M Q M A 	<ul style="list-style-type: none"> – Diversified shareholder base – Long-term relationships – Better understanding of investment case
Employees	<ul style="list-style-type: none"> – Performance management system – Pulse surveys – Work meetings – Works Council – Intranet – Training courses – Stakeholder event – Internal meetings – Engagement survey 	<ul style="list-style-type: none"> SM Q M M D Q A W B 	<ul style="list-style-type: none"> – Well-informed and involved employees – Optimisation of organisation structure – Adjustments in education and training – Further enrolment in (Private Banking) Academy
Government/ regulators	<ul style="list-style-type: none"> – Consultation with AFM and DNB – Consultation with tax authorities – Self-assessments, audits and controls – Credit rating reviews – Responses to public consultations on draft regulations 	<ul style="list-style-type: none"> M Q Q A Q 	<ul style="list-style-type: none"> – Weighing in on the EU/national regulatory landscape – Timely and accurate tax returns – Financial ratios in order – Credit ratings – Compliance with laws and regulations
Other stakeholders (including value chain)	<ul style="list-style-type: none"> – Participation in PRI, UNGC, VBDO, CDP, etc. – Assurance by accountants – Participation in industry networks – Stakeholder event – Consultations with civil society – Research by external parties – (Social) media feeds/website – Industry consultation via DUFAS and Eumedion 	<ul style="list-style-type: none"> Q A Q A A Q M M 	<ul style="list-style-type: none"> – Biodiversity policy – Climate KPIs for the different activities – Shared knowledge on, for instance, market outlook – Product awards for investment management – High ratings in sustainability benchmarks, certification of our funds – White papers and other research published

Frequency: D: daily W: weekly M: monthly Q: quarterly SM: six-monthly A: annually B: biennial

Stakeholder meetings in 2021

Several (virtual) meetings with stakeholders took place during the reporting year. For example, in December, we held our annual stakeholder event (for clients, shareholders, employees and other stakeholders), focusing on where Van Lanschot Kempen should be with respect to doing good in 2030.

Our memberships and partnerships

To be well informed about developments and trends among our stakeholders, Van Lanschot Kempen is a member of and partners with several organisations. More information can be found on our website: vanlanschotkempen.com/en/sustainability/policy/memberships.

2021 STAKEHOLDER EVENT

On Friday 10 December 2021, Van Lanschot Kempen held its 11th stakeholder dialogue. Due to the coronavirus measures in place, the dialogue took place virtually. It brought together clients, employees, social organisations and other stakeholders, and focused on looking ahead to 2030.

Management Board member Erik van Houwelingen welcomed participants, kicking off with a look back at the 2020 stakeholder dialogue and setting out Van Lanschot Kempen's sustainability strategy. After this, Willem Schramade was given the floor, the founder of the Sustainable Finance Factory and a researcher at the Erasmus Platform for Sustainable Value Creation. His presentation introduced the concept of broad value creation, explaining that we need to consider both social and planetary boundaries. Sustainable capitalism has to operate within these boundaries, and it is within this space that we have to look for win-win situations in which financial, social and natural returns are all positive. For this, sustainability has to be deeply embedded in institutions, structures, incentives and information flows. After this theoretical introduction to sustainable capitalism and transition curves, stakeholders were divided into break-out groups and challenged to consider what a transition curve might look like for Van Lanschot Kempen (first break-out) and how our products could be improved (second break-out). In general, most participants stated themselves to be very satisfied with Van Lanschot Kempen.

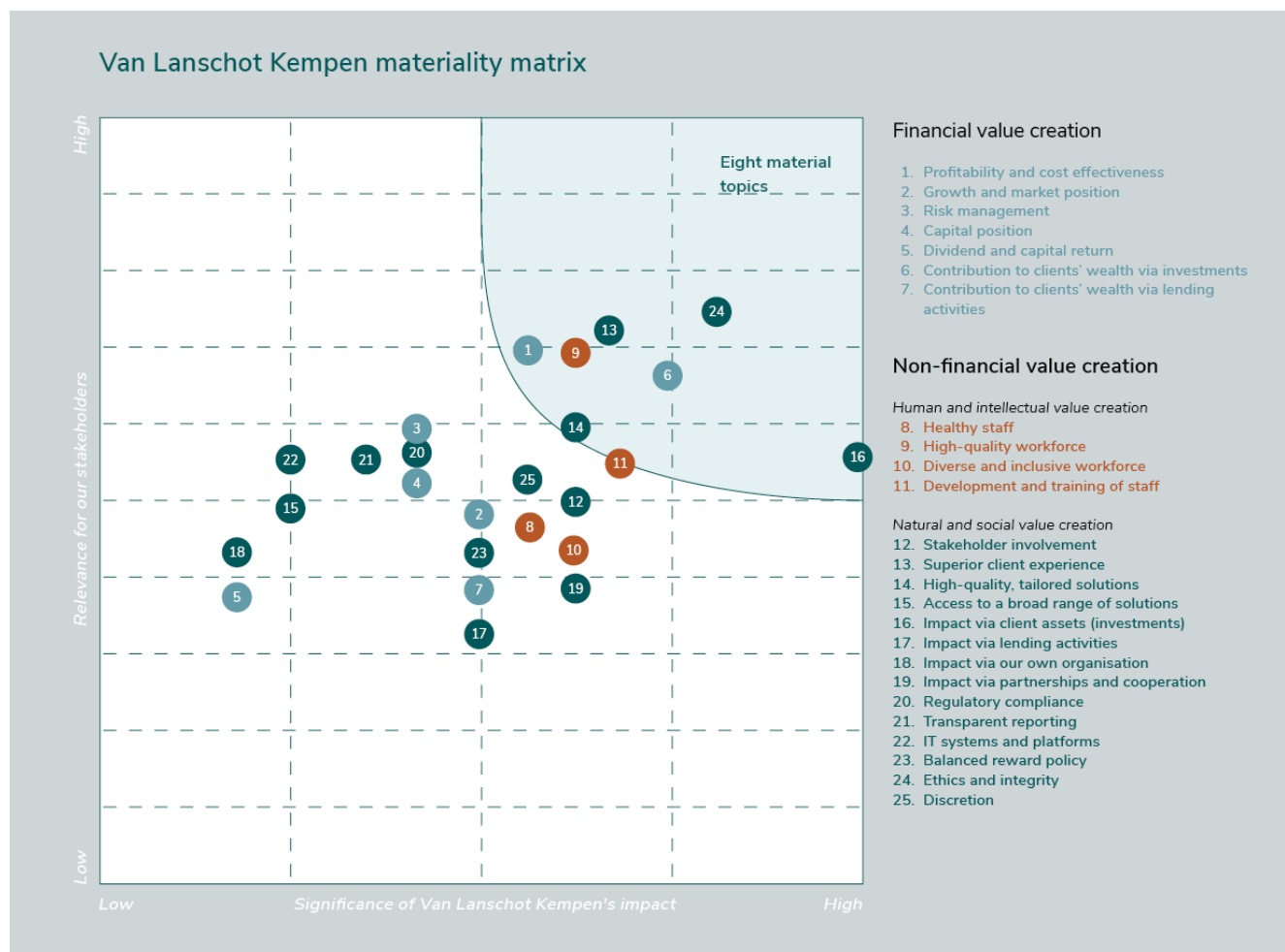
In the first break-out session, participants reflected on Van Lanschot Kempen's transition curve by answering various questions. Responding to the question "What needs to be improved?", they indicated that Van Lanschot Kempen should apply a clear focus, be more transparent about what we do, provide education to customers and make communication channels more accessible. In response to the subsequent question, "What should be done differently?", one participant indicated that we should be better able to run with new trends. Some participants were critical of the way our actual contribution as an organisation is communicated, asking "What are we really doing? What is behind the sustainability scores that stakeholders receive?". Some also felt that our product offerings should take into consideration sustainable impacts as well as financial returns. One area in which some participants said they'd like to see us doing more was helping "grey" areas go "green", emphasising the importance of staying close to Van Lanschot Kempen's sustainability themes. Other recommendations included promoting diversity, improving ESG data quality and no longer offering "old economy" products.

During the second break-out session, participants were asked to look at Van Lanschot Kempen's products in relation to the organisation's purpose and added value. Several innovative ideas came up, such as offering impact products that match our sustainability themes, lower management fees for more sustainable products, labelling solutions ranging from light green to dark green, and setting up our own engagement organisation with a focus on the sustainability themes. Many participants stressed the role of communication: we need to be clear about what is sustainable. Additionally, we can communicate better about impact – which begged the question: what does Van Lanschot Kempen want to achieve within the 2030 horizon?

Lastly, Erik van Houwelingen thanked participants for taking part. After summarising the insights of the afternoon, he added that we must continue to work on improving our impact. Van Houwelingen highlighted an earlier quote from one of the participants: "train other muscles". We need to focus on the next generation and look critically at what this means for our service offering, and to communicate clearly towards 2030. Van Houwelingen emphasised that the event had created a lot of material for further dialogue and expressed his gratitude.

OUR 2019 MATERIALITY MATRIX

Every two years, we update our materiality matrix. To assist with comparison of the most recent matrix (2021) with the former one (from 2019), we have added the latter below. The 2021 materiality matrix can be found in our 2021 annual report, p. 18.



RISKS AND OPPORTUNITIES

In addition to the trends and developments that impact our operating environment (see pp. 13-15 of our 2021 annual report), we recognise specific risks

and opportunities associated with our sector. The table below outlines the connections between our material topics (grouped under types of capital) and these risks and opportunities.

Type of capital	Material topics	Opportunities	Risks: potential impacts	Risk: probability	Mitigating measures	More information
Financial	<ul style="list-style-type: none"> – Profitability and cost effectiveness (1) – Contribution to clients' wealth via investments (6) 	<ul style="list-style-type: none"> – Act as one – Advance through digitalisation and analytics – Accelerate growth 	Van Lanschot Kempen <ul style="list-style-type: none"> – Weaker performance due to rising geopolitical and economic uncertainty, ongoing low interest rate environment, environmental developments and societal pressures (e.g. pandemic) 	Medium	<ul style="list-style-type: none"> – Continued application of strict credit acceptance and monitoring procedures 	See annual report pp. 13-15 (The world around us) pp. 26-28 (Financial capital), pp. 46-55 (Financial performance)
			Stakeholders <ul style="list-style-type: none"> – Clients: Weaker performance due to rising geopolitical and economic uncertainty, environmental developments and societal pressures (e.g. pandemic) 			
Human, intellectual and social	<ul style="list-style-type: none"> – High-quality workforce (9) – Development and training of staff (11) – Ethics and integrity (24) – Superior client experience (13) 	<ul style="list-style-type: none"> – Improve results, client satisfaction and reputation through a highly skilled, diverse and inclusive workforce – Achieve our sustainability ambitions by having staff with well-developed skills in sustainability in general and sustainable finance in particular – Attract, develop and retain our workforce 	Van Lanschot Kempen <ul style="list-style-type: none"> – Negative results due to low employee engagement, low-quality workforce, high absenteeism and high key staff turnover – Reputational risk due to cybercrime 	Medium	<ul style="list-style-type: none"> – Training, development and well-being programmes for employees – Employee surveys – Further enhancement of cyberdefence policies – Advanced dashboards for better management – Improvement of client apps – Client surveys 	See annual report pp. 30-33 (Human and intellectual capital), pp. 41-44 (Social capital), pp. 46-70 (Progress report)
			Stakeholders <ul style="list-style-type: none"> – Clients: Negative impacts due to cybercrime – Clients: Poor service due to low employee engagement, low-quality workforce, high absenteeism (partly due to Covid-19) and high key staff turnover – Employees: Redundancies due to innovation/new technologies and insufficient skillsets – Employees: Higher workload and absenteeism due to Covid-19 			
	<ul style="list-style-type: none"> – Impact via client assets (investments) (16) – High-quality, tailored solutions (14) 	<ul style="list-style-type: none"> – Improve reputation and brand positioning – Increase the number of new clients through the development of innovative sustainable and impact investing solutions – Achieve our sustainability ambitions by increasing the pool of our sustainability and impact investment and making it part of our default client offering 	Van Lanschot Kempen <ul style="list-style-type: none"> – Smaller investment universe due to sustainable investment criteria – Financial and reputational negative impact risk in the event of labour and human rights issues in the (value) chain of our investees 	Low to medium	<ul style="list-style-type: none"> – ESG policies (responsible business conduct, stewardship and engagement, voting, exclusion and avoidance) – ESG factors are part of the investment case for all core strategies and part of the external manager assessment – Sustainable and impact funds (with lower climate sensitivities) 	See annual report pp. 24-25 (Our value creation), pp. 26-28 (Financial capital), pp. 35-39 (Natural capital), pp. 41-44 (Social capital)
			Stakeholders <ul style="list-style-type: none"> – Clients: Financial and reputational negative impact risks in the event of labour and human rights issues in their investment portfolios 			
Natural	<ul style="list-style-type: none"> – Impact via client assets (investments) (16) 	<ul style="list-style-type: none"> – Improve reputation and increase number of new clients through more sustainable and impact investing (in line with EU sustainability regulation that focuses on contributing to climate neutrality) 	Van Lanschot Kempen <ul style="list-style-type: none"> – Relatively small climate risks (both physical and transitional) as client investments are well diversified (regions and sectors) and liquid 	Low	<ul style="list-style-type: none"> – ESG policies (responsible business conduct, stewardship and engagement, voting, exclusion and avoidance) – ESG factors are part of the investment case for all core strategies and part of the external manager assessment – Sustainable and impact funds (with lower climate sensitivities) 	See annual report pp. 35-39 (Natural capital), pp. 41-44 (Social capital) and our TCFD supplement vanlanschotkempen.com/en/sustainability/reporting/tfcd
			Stakeholders <ul style="list-style-type: none"> – Investees: Lower stock performance for climate-sensitive investees, as less capital is invested in their stocks 			

VALUE CREATION

The table below shows – by capital type – material topics, and stakeholder groups for whom value is created, as well as KPIs (per material topic) through which we manage

value creation and our results. Value creation is a main topic in our annual report. For every material topic, we indicate: 1) what it is; 2) why and for whom it is material;

3) how we manage it; 4) how we evaluate our management approach; and 5) the results we achieved in 2021 (see our 2021 annual report pp. 24-44).

Type of capital	Material topic (number in materiality matrix)	Stakeholder ¹	KPIs	KPI (number in annual report)	Target	Result 2021
Financial	Profitability and cost effectiveness (1)	C, E, S, O	Return on equity (CET 1) Efficiency ratio	2 3	10–12% 70–72%	● 15.7% ● 68.9%
	Contribution to clients' wealth via investments (6)	C	Three-year relative performance of discretionary management mandates a. Private Clients b. Evi	4a 4b	> benchmark > benchmark	● -0.8% ● -0.6%
Human and intellectual	High-quality workforce (9)	C, E	Employee engagement score Employer Net Promoter Score (eNPS) Gender balance in management positions	5 6 7	> 80% > 10 > 30% female > 30% male	● 88% ● 13 ● 22% female ● 78% male
	Development and training of staff (11)	C, E	Percentage of total number of training courses followed to develop new skills in order to adapt the workforce (e.g. technical, digital, adaptability) ²	8	> 25%	● 53%
Natural and social	Contribution to clients' wealth via investments (6) Superior client experience (13) High-quality, tailored solutions (14) Impact via client assets (investments) (16) Ethics and integrity (24)	C, E, S, O	Net Promoter Score (NPS)			
			a. Private Clients	9a	10	● 36
			b. Evi	9b	10	● 15
			c. Wholesale & Institutional Clients	9c	20	● 38
			Investment Banking Clients: number of successful transactions with repeat Corporate Finance clients (five-year period)	10	60-70%	● 46%
			Investment Banking Clients: bundled commission paid by repeat Securities clients	11	>80%	● 94%
			Investment Management: average Morningstar rating of investment strategies (institutional share class)	12	>3.5	● 3.6
			Percentage of employees who positively evaluate our culture regarding ethical behaviour and integrity ³	13	> industry average of 85%	● 90%
			Private Clients sustainability ambition: AuM invested in sustainable and/or impact investment wealth management solutions	14	last year +10%	● 2021: €4,367 + €1,304m (43%)
			Investment Management sustainability ambition			
			a. Percentage of internal and external fund managers on the approved list that meet the sustainability criteria	15a	> last year	● 76%
			b. Engagement cases with companies that our funds invest in per year	15b	80-100 cases	● 132
c. Engagements for change for which at least one milestone has been reached in the past year ⁴	15c	10-15 engagements	● 55			

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

Please note: as the table above is in line with our materiality matrix, the KPIs shown deviate slightly from those mentioned in our annual report. The table only contains those KPIs that relate to our material topics.

¹ C: clients; E: employees; S: shareholders O: other (civil society organisations, regulators, other banks, etc.).

² This KPI does not cover the full range of training offered within Van Lanschot Kempen. It is calculated based on training for employees working in the Netherlands, booked via our learning platform, training brokers and digital and IT departments' channels.

³ The score for this KPI is based on responses to the following statements in the employee engagement survey:

– We operate with integrity in our external dealings (with customers, suppliers, etc.); – We operate with integrity in our internal dealings (i.e. with employees); – I think I could report instances of dishonest or unethical practices to the appropriate level of authority without fear of reprisal.

⁴ Engagement consists of four stages. If it moves to the next stage, a milestone has been achieved. As of 2021, we apply a more stringent definition. In comparison with previous years, we no longer include the first milestone, which was to reach out to the company, meaning that a maximum of three milestones could be achieved per engagement.

Financial capital

In line with the International Integrated Reporting Framework, we define financial capital as the pool of funds available to an organisation for use in the production of goods or the provision of services. Funds can be obtained through financing, such as debt, equity or grants, or generated through operations or investments.

Profitability and cost effectiveness (material topic 1)	
Description	Return on equity, efficiency ratio, and ability to keep costs under control
Why material and for whom?	See annual report, p. 26 (Financial capital)
Management approach	See annual report, p. 26 (Financial capital)
Evaluation of approach	Multi-year forecasts are regularly recalibrated and measures are taken in the event of deviations. Annual targets are measured every month and changes are made in the event of (interim) deviations.
Results in 2021	See annual report, p. 26 (Financial capital)

Contribution to clients' wealth via investments (material topic 6)	
Description	Positive contribution to the wealth of our clients via our investment solutions (financial performance)
Why material and for whom?	See annual report, p. 26 (Financial capital)
Management approach	See annual report, p. 26 (Financial capital)
Evaluation of approach	Our investment processes are periodically evaluated by the relevant investment teams and our Risk team. Their performance is monitored by the management teams of Client Management & Origination and Investment Strategies & Solutions.
Results in 2021	See annual report, p. 26 (Financial capital)

Human and intellectual capital

In line with the International Integrated Reporting Framework, we define human capital as people's competencies, capabilities and experience, and their motivation to innovate. This includes their alignment with, and support for, the organisation's governance framework, risk management approach and ethical values, as well as their ability to understand, develop and implement the organisation's strategy.

It also includes their loyalties and motivations for improving processes, goods and services, including their ability to lead, manage and collaborate. We define intellectual capital as organisational, knowledge-based intangibles, including intellectual property (such as patents, copyrights, software, rights and licences).

High-quality workforce (material topic 9)	
Description	Attraction and retention of talented employees who have the relevant expertise and required skillset
Why material and for whom?	See annual report, p. 30 (Human and intellectual capital)
Management approach	See annual report, p. 30 (Human and intellectual capital)
Evaluation of approach	Our HR policies are periodically evaluated by our HR department and our Management Board.
Results in 2021	See annual report, pp. 30-31 (Human and intellectual capital)

Development and training of staff (material topic 11)	
Description	Opportunities for employees to develop themselves to increase their employability and extend their skillset
Why material and for whom?	See annual report, p. 30 (Human and intellectual capital)
Management approach	See annual report, p. 30 (Human and intellectual capital)
Evaluation of approach	We ensure that all changes and updates to legal and regulatory requirements are reflected in the relevant (compulsory) part of our learning platform. With regard to non-compulsory training, we periodically review courses and preferred suppliers to reflect the needs and requirements of our workforce.
Results in 2021	See annual report, pp. 30-31 (Human and intellectual capital)

Natural capital

In line with the International Integrated Reporting Framework, we define natural capital as all renewables and non-renewable environmental resources and processes that provide goods or services that support the past, current or future prosperity of an organisation. Natural capital includes air, water, land, minerals, forests, biodiversity and eco-system health.

Impact via clients' assets (investments) (material topic 16)	
Description	Maximisation of positive environmental and social impact, and elimination of negative impact, by investing the assets of our clients in a responsible and sustainable manner
Why material and for whom?	See annual report, p. 35 (Natural capital)
Management approach	See annual report, p. 35 (Natural capital)
Evaluation of approach	The Sustainability Board approves strategic sustainability priorities and monitors the implementation of the strategy and execution of these priorities.
Results in 2021	See annual report, pp. 36-37 (Natural capital)

Social capital

In line with the International Integrated Reporting Framework, we define social capital as the institutions and relationships within and between communities, groups of stakeholders and other networks, as well as the ability to share information to enhance individual and collective well-being.

Social capital includes shared standards, values and behaviours; key stakeholder relationships; trust and willingness to engage; intangibles associated with the brand and reputation of an organisation; and an organisation's social licence to operate.

Superior client experience (material topic 13)	
Description	Relevant, easy-to-access, seamless customer journeys via various channels (e.g. app, face-to-face, phone) and providing clients with relevant solutions at the right time
Why material and for whom?	See annual report, p. 41
Management approach	See annual report, pp. 41-42
Evaluation of approach	The management teams of Client Management & Origination and Investment Strategies & Solutions periodically evaluate client experience, and develop specific actions to further improve it. Both evaluations and action plans are discussed by the Management Board.
Results in 2021	See annual report, p. 41

High-quality, tailored solutions (material topic 14)	
Description	Development of innovative solutions that meet evolving, individual client needs. Added value of our advisory services (quality, suitability and execution power)
Why material and for whom?	See annual report, pp. 41-42
Management approach	See annual report, pp. 41-42
Evaluation of approach	Depending on the type of policy, reviews are carried out by our Product Boards, the Compliance department and the Operational Risk Committee or other committees created for this purpose.
Results in 2021	See annual report, p. 41

Impact via clients' assets (investments) (material topic 16)	
Description	Maximisation of positive environmental and social impact, and elimination of negative impact, by investing the assets of our clients in a responsible and sustainable manner
Why material and for whom?	See annual report, p. 41
Management approach	See annual report, p. 41
Evaluation of approach	The Sustainability Board approves strategic sustainability priorities and monitors the implementation of the strategy and execution of these priorities.
Results in 2021	See annual report, p. 41

Ethics and integrity (material topic 24)	
Description	Company culture and moral compass by which employees are encouraged to behave ethically and with integrity
Why material and for whom?	See annual report, p. 41
Management approach	See annual report, pp. 41-42
Evaluation of approach	The effectiveness of our management approach regularly features on the agendas of the Compliance and Operational Risk Committee, the Management Board and the Audit and Compliance Committee of the Supervisory Board. We continue to evaluate this topic within these committees.
Results in 2021	See annual report, p. 41

GLOSSARY

This glossary provides insight into the definitions and the abbreviations used in this report.

De Nederlandsche Bank (DNB) (p. 4)

The Dutch central bank. [dnb.nl](https://www.dnb.nl)

DUFAS (p. 4)

Dutch Fund and Asset Management Association. DUFAS is an industry association for asset managers and investment institutions active in the Netherlands. [dufas.nl](https://www.dufas.nl)

Dutch Authority for the Financial Markets (AFM) (p. 4)

The regulator for financial institutions in the Netherlands. [afm.nl/en](https://www.afm.nl/en)

Engagement (p. 4)

A sustainability strategy that seeks, through active dialogue, to persuade companies, fund managers, borrowers and other stakeholders that their sustainability policies should be made compatible with international treaties and conventions.

Global Reporting Initiative (GRI) (p. 21)

An independent organisation which develops guidelines for sustainability reports. Van Lanschot Kempen's integrated annual report is based on GRI. [globalreporting.org](https://www.globalreporting.org)

Gold Standard (p. 19)

The Gold Standard is an independent sustainability label for carbon offset projects. Several of Van Lanschot Kempen's carbon offset projects qualify for the label. [goldstandard.org](https://www.goldstandard.org)

Greenhouse Gas Protocol (p. 16)

The Greenhouse Gas Protocol is the worldwide standard for accounting and reporting greenhouse gas emissions by companies. [ghgprotocol.org](https://www.ghgprotocol.org)

ISS ESG (p. 19)

The ISS ESG corporate rating provides an assessment of a company's environmental, social and governance performance. ISS ESG is a subsidiary of Deutsche Börse. [issgovernance.com](https://www.issgovernance.com)

MSCI (p. 19)

Well-established ESG data provider with almost 50 years of experience, used by over 1,400 investors. MSCI rates more than 8,700 companies on an ongoing basis. Companies receive a thorough review at least annually. [msci.com](https://www.msci.com)

OECD Guidelines for Multinational Enterprises (p. 3)

The OECD Guidelines for MNEs describe what the Dutch government expects from multinational enterprises when it comes to corporate social responsibility. They provide companies with guidance in the field of e.g. supply chain management, human rights, child labour, environment and corruption.

Platform Carbon Accounting for Financials (PCAF) (p. 23)

PCAF is a global partnership of financial institutions that work together to develop and implement a harmonised approach to assess and disclose the greenhouse gas emissions associated with their loans and investments. [carbonaccountingfinancials.com](https://www.carbonaccountingfinancials.com)

Principles for Responsible Investment (PRI) (p. 4)

The Principles for Responsible Investment consist of six guidelines to which financial institutions can sign up, and which are aimed at encouraging responsible investment. We signed the PRI in 2009. [unpri.org](https://www.unpri.org)

Sustainability Board (p. 11)

The Sustainability Board within Van Lanschot Kempen approves strategic sustainability priorities and monitors the implementation of the strategy and these priorities.

Sustainable Development Goals (SDGs) (p. 3)

The Sustainable Development Goals are a set of 17 interlinked goals designed to be a "blueprint to achieve a better and more sustainable future for all by 2030". They have been adopted by all United Nations Member States.

Sustainalytics (p. 20)

One of the leading providers of ESG research and ratings and part of the investment research group Morningstar. Sustainalytics reports are widely commissioned by institutional investors, banks and asset managers. [sustainalytics.com](https://www.sustainalytics.com)

Task Force on Climate-Related Financial Disclosures (TCFD) (p. 7)

The TCFD has developed a framework to help public companies and other organisations disclose climate-related risks and opportunities. [fsb-tcfd.org](https://www.fsb-tcfd.org)

Tax Transparency Benchmark (p. 20)

Ranks 77 Dutch companies on the level of transparency they provide on tax.

Transparency Benchmark (Transparantiebenchmark) (p. 20)

A benchmark constructed by the Dutch Ministry of Economic Affairs to provide insight into how Dutch businesses report their activities in relation to corporate social responsibility. [transparantiebenchmark.nl/en](https://www.transparantiebenchmark.nl/en)

United Nations Guiding Principles (UNGP) (p. 20)

The UNGP are a set of guidelines for states and companies to prevent, address and remedy human rights abuses committed in business operations. [business-humanrights.org/en/](https://www.business-humanrights.org/en/)

VBDO (p. 4)

The Dutch Association of Investors for Sustainable Development (VBDO) has set itself the goal of making the capital market more sustainable. [vbdo.nl/en](https://www.vbdo.nl/en)

APPENDICES

Our sustainability key data

Sustainability key data	Van Lanschot Kempen			Van Lanschot Kempen (Netherlands)			Van Lanschot Kempen (other countries)		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
Environmental management and purchasing									
Energy consumption (million Kwh)	4.6	5	6.2	4.2	4.4	5.5	0.4	0.6	0.7
Green energy (%)	100	99.9	99.9	100	100	100	100	99.2	100
Natural gas consumption (m ³)	64,573	55,461	60,813	—	—	—	64,573	55,461	60,813
Biogas consumption (m ³)	209,853	181,907	250,241	209,853	181,907	250,241	—	—	—
Water consumption (m ³)	9,417	12,393	14,738	8,704	11,576	13,742	713	817	996
Paper consumption (kg)	22,357	28,991	49,293	17,391	25,180	40,825	4,966	3,811	8,468
Paper recycling (kg)	3,812	16,461	54,134	10,124	12,552	47,890	3,802	3,909	6,244
Waste (kg)	51,274	90,462	161,283	45,060	82,308	149,285	6,214	8,154	11,998
Business air travel (flights)	475	488	3,844	431	417	3,385	44	71	459
Company car kilometres (million)	9.9	9.6	13.4	8.1	8.0	10.3	1.8	1.6	3.1
Company car petrol (litres)	344,652	334,304	530,604	265,038	283,646	488,077	79,614	50,658	42,527
Company car diesel (litres)	52,455	104,008	267,854	22,101	51,314	142,176	30,344	52,694	125,678
Company car LPG (litres)	—	—	665	—	—	665	—	—	—
Carbon emissions (tonnes)	1,984	1,965	4,220	1,470	1,510	3,407	514	455	813
Employees⁵									
Employees (FTEs)	1,654	1,564	1,560	1,412	1,397	1,184	241	166	375
Sick leave (%) ⁶	2.2	2.3	3.0	2.3	2.2	3.3	2.1	3.0	2.0
Investment in training (million €)	2.9	2.0	2.8	2.7	1.9	2.0	0.2	0.1	0.8

⁵ The "Van Lanschot Kempen (other countries)" column comprises Belgium (excluding Mercier Vanderlinden), Switzerland and the United Kingdom.

⁶ The number of days lost to sick leave (excluding maternity leave) as a percentage of the potentially available number of working days in a year.

Sustainability key data	Van Lanschot Kempen		
	2021	2020	2019
Employees			
Employee motivation and engagement (%)	88	No score; actions taken on health and engagement scan	82
Employment contract – internal staff			
– FTEs	1,654	1,564	1,560
– Male / female (%)	68/32	67/33	65/35
Employment contract – external staff			
– FTEs	151	117	201
– Male / female (%)	65/35	71/29	73/27
Employment contract			
– External staff / internal staff (%)	9.1	7.5	12.9
Employment contract – full-time			
– Number	1,086	995	1,203
– Male / female (%)	79/21	80/20	77/23
Employment contract – part-time			
– Number	698	695	440
– Male / female (%)	47/53	46/54	31/69
Employment covered by collective bargaining agreements (%) ⁷	85	83	74
Ratio highest paid individual to median annual total compensation all employees ⁸	14.7	14.0	16.0
Turnover rate			
– Percentage	5	5	7
– Male / female	56/33		
– Region: Netherlands / other regions	65/24		
– Age group: Under 30s / 30-45 / over 45s	16/48/25		
New employee hires			
– Number	244	181	176
– Male / female	162/82	120/61	110/66
– Region: Netherlands / other regions	212/32	144/37	165/11
– Age group: Under 30s / 30-45 / over 45s	130/77/37	75/69/37	68/77/31

Performance and career development reviews
All employees receive regular performance and career development reviews.

⁷ Only Van Lanschot Kempen in the Netherlands.

⁸ The median in the calculation excludes Belgium, Switzerland and United Kingdom employees. The ratio reflects fixed pay – defined as full-time salary, holiday allowance, and the so-called 13th month payment. For specification of the highest-paid individual, see annual report, pp. 203-204 (Remuneration of the Management and Supervisory Board). As of 2020, an FTE equals 40 working hours for all employees, instead of 36 hours for some employees, as previously. This adjustment had an impact of around 40 FTEs as of 1 January 2020.

Our environmental footprint

As a financial services provider, Van Lanschot Kempen has a direct environmental impact that is relatively limited. However, we have worked hard in recent years to reduce our environmental footprint.

Calculating our environmental footprint

Our footprint shows at a glance where our most material emissions occur, making it a useful guide when drawing up carbon reduction measures. We began to calculate it in 2011. The methodology that we use is in line with the international Greenhouse Gas Protocol.

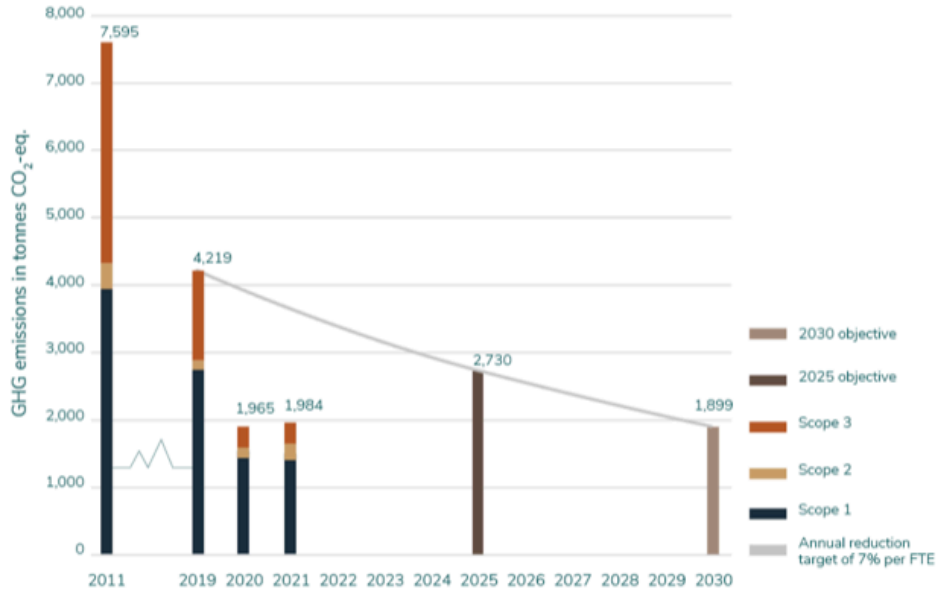
Carbon reporting according to Greenhouse Gas Protocol	2021 tonnes CO ₂	2020 tonnes CO ₂	2019 tonnes CO ₂
Scope 1 (direct emissions)	1,425	1,547	2,751
Natural and biogas consumption for heating of offices ⁹	310	295	431
Company car use (business and private)	1,114	1,252	2,320
Scope 2 (indirect emissions electricity)	240	116	141
Electricity consumption	—	3	5
District heating for selection of offices	240	113	136
Scope 3 (other indirect emissions)	320	302	1,327
Business air travel	81	132	1,039
Business car use (non-company cars; petrol)	154	42	75
Business public transport kilometres	6	14	13
Paper	72	94	160
Goods transport (couriers)	4	16	36
Water	3	4	4
CO₂ total (tonnes) – own organisation	1,984	1,965	4,220
FTE internal	1,654	1,564	1,560
FTE external	151	113	201
CO₂ (tonnes) per FTE	1.10	1.17	2.40
Supplement on Scope 3			
Investments via balance sheet ¹⁰	51,061	54,383	48,679
Investments via assets under management (in millions tonnes) ¹¹	3.6	4.9	4.7

⁹ As of 2020, district heating will be added up under Scope 2 (in the past this was Scope 1). The numbers for 2019 and 2020 have been revised.

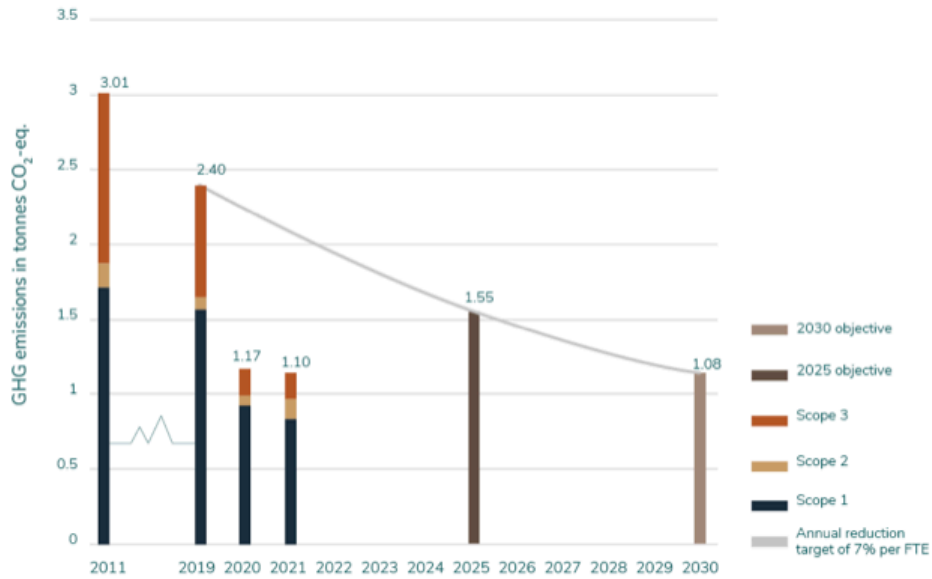
¹⁰ The carbon footprint via the assets on our balance sheet was estimated for the sixth time. All material assets were in scope: cash and cash equivalents and balances at banks; financial instruments; loans and advances; and other. We revised our methodology to be more in line with the PCAF methodology. The 2019 and 2020 numbers have been revised.

¹¹ The carbon footprint via our assets under management (AuM) was estimated for the fourth time. Our estimate covers equities, corporate bonds and government bonds. For approximately 59% of our assets under management, data is available on the carbon emissions of the underlying issuers. The aggregated carbon footprint is based on the absolute footprint metric.

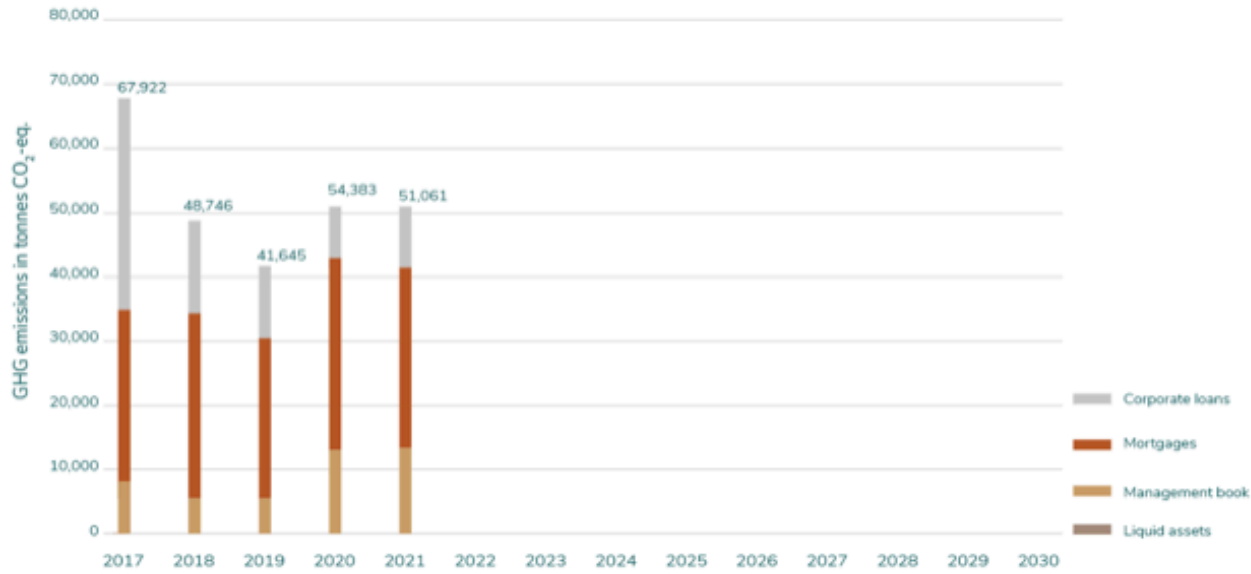
Absolute carbon footprint of own operations



Relative carbon footprint of own operations - per FTE



Carbon footprint of balance sheet



Carbon footprint of Assets under Management



Environmental policy objective

We have an environmental policy objective in place and have undertaken various initiatives to reduce our environmental impact.

For our own organisation, our objective was brought in line with our other climate objectives, and with the goals of the Paris Agreement: to reduce our average carbon emissions per FTE by 7% a year from 2022 onward. For mortgages, our objective is to reduce annually our carbon emissions per euro. In 2021, we also set climate change objectives for our clients' assets – in line with the goals of the Paris Agreement.

As a methodology for setting science-based targets for financial sector organisations was published in October 2020 (sciencebasedtargets.org/sectors/financial-institutions), we will investigate further how to use this information to better align our balance sheet targets with the Paris Agreement.

Policy implementation

For our own organisation, the central Purchasing, Contract Management & Facilities department implements our environmental policy, with advice (where needed) from our Sustainability Centre. To constantly improve our environmental footprint, we try to implement sustainable alternatives (such as circular initiatives in our offices) and collaborate with other companies in areas such as collective reduction of residual waste and emissions from logistics. The implementation of our climate change policy for client assets is delegated to the Sustainability Centre, together with the portfolio managers within Van Lanschot Kempen.

Results for 2021

The graphs on the previous pages give an overview of our carbon reduction for the own organisation, balance sheet and AuM. We have made a clear contribution towards a net-zero economy since we started measuring the footprint of our own organisation in 2011 (74% carbon reduction). 2020 and 2021 were extraordinary years in this regard as – due to Covid-19 – we travelled less and worked from home more often. Compared with 2020, Covid-19 restrictions were less strict in 2021, which meant that our absolute carbon footprint increased slightly. Due to

our increased workforce, emissions per FTE decreased by 6.2%.

In 2021, we also decreased the carbon footprint of our balance sheet (from 54,383 tonnes CO₂e in 2020 to 51,061 tonnes CO₂e) and the aggregate carbon footprint of our AuM (from: 4.9 million tonnes CO₂e in 2020 to 3.6 million tonnes CO₂e in 2021). Both reductions are likely due in part to the pandemic-related lockdowns over the course of 2020. The data which we use to determine these footprints is only available one year later.

Over the course of 2021, we made progress in calculating our indirect carbon footprint: we further refined – and applied – our methodology for measuring emissions via our balance sheet, although the results are still estimates. The refinement mainly related to better embedding our data and calculations in our systems, especially regarding the carbon footprint of our mortgage portfolio. In 2022, we will further develop our methodologies, aim to increase the AuM covered by our carbon footprint measurement, and continue to explore opportunities to reduce our indirect footprint.

Carbon offset

In addition to our measures to reduce the carbon emissions resulting from our operations, we offset the remaining emissions through voluntary schemes. As of 2019, we aim to offset all carbon emissions resulting from our operations. In 2021, we offset our emissions via emission reduction units from renewable energy projects designated as Gold Standard.

Our sustainability ratings

Van Lanschot Kempen is assessed on sustainability by various leading rating organisations and sustainability benchmarks, e.g. the Transparency Benchmark, Sustainalytics and ISS ESG. In most of these rankings and ratings we hold high positions (see table on the right).

Carbon Disclosure Project (CDP)

Due to the increasing prevalence of climate reporting, via e.g. the TCFD guidelines and the EU Sustainable Finance regulation, we see rather limited added value for our stakeholders from participating in CDP and will therefore discontinue our participation from 2022 onward.

		
	A research agency that assesses companies on sustainability	1 st position (in sector mid-sized diversified financials)
	An instrument of the Dutch Ministry of Economic Affairs and Climate that assesses Dutch companies on transparency in the field of sustainability	8 th of 486 companies
	An organisation that assesses companies on climate policies and results	C rating
	A benchmark that assesses the tax policy of multinationals	18 th of 77 companies
	An organisation that assesses the integration of ESG in the investment process of financial	A/A+ rating
	A research agency that assesses companies on sustainability	C+ rating
	An agency that measures companies' resilience to long-term, industry-relevant sustainability risks	AA rating

ESG scoring funds

In 2018, we started rating internal and external fund managers on our approved list, with the ultimate aim to rate them all. In line with various standards in the marketplace, we categorised these into the following five levels of sustainable investing: (1) Compliant, (2) Basic, (3) Responsible, (4) Sustainable, and (5) Impact. In 2021, we screened 390 funds against the criteria for these categories (2020: 147 funds), accounting for 57% of our AuM. As a percentage of assets under management, the scores are: 0% Compliant, 9% Basic (primarily passive funds), 63% Responsible, 25% Sustainable, and 2% Impact. From next year, we will use a new KPI to grow the percentage of AuM invested in Sustainable and Impact solutions by 5% a year.

Responsible lending policy (results)

In recent years, we have been winding down our corporate loan portfolio, reducing our corporate credit exposure over time, including the exposure to sectors which are more sensitive in sustainability terms.

For the past few years, a risk filter has been used to screen the sustainability of corporate loans to avoid negative impacts in areas such as environmental issues, labour and human rights violations. This process did not identify any material sustainability issues in the portfolio.

Progress in implementation of responsible lending policy	2021	2020	2019
Number of corporate loans	1,808	2,114	2,211
Of which "potentially high risk"	16	9	17

At the end of 2021, only sixteen of our 1,808 corporate loan clients were designated as "potentially high risk". Most of these potentially high risk corporate borrowers are businesses in "sensitive sectors" (e.g. clothing and other manufacturing sectors) which import from non-western countries. The number of clients classified as 'potentially high risk' increased in comparison with last year, because we considered more IT companies as potentially high risk due to various recent privacy and digital human rights controversies.

Our responsible lending policy is in line with the OECD Guidelines for MNEs and with the UNGP. This means that our policy outlines in detail our due diligence and engagement process, including possible remedy measures, in relation to possible negative environmental and social impacts on relevant – and affected – stakeholders. For more details and reports on our compliance, see vanlanschotkempen.com/en/sustainability/policy/banking-activities.

Reporting principles

Purpose

Our 2021 annual report (which includes the sustainability supplement and the GRI content index) is intended to inform our stakeholders – in line with GRI Standards – on our financial and non-financial policies and the associated efforts and results recorded in 2021. This provides more details, especially in relation to our financial and non-financial value creation.

Scope

The report covers, as far as possible, the entire Van Lanschot Kempen organisation unless indicated otherwise.

Reporting period

This report covers the period from 1 January 2021 to 31 December 2021 inclusive, while also including data from the previous year in order to provide a clearer picture of developments over time. Brief reference is made in a number of places to relevant developments following the closure of the reporting period; where this is the case, it is explicitly noted that the development in question occurred during the first months of 2022.

Reporting process

We have set out Van Lanschot Kempen's annual reporting process in an internal reporting protocol. This specifies who is involved in the drafting of the report, how the subjects to be covered in the report are determined, how the data for the report is collected, what definitions are used for this data, how the collected data is verified, processed and consolidated, and how the final report is published. There is a separate reporting protocol for KPIs.

GRI

Van Lanschot Kempen has been following the guidelines of the Global Reporting Initiative (GRI, [globalreporting.org](https://www.globalreporting.org)) for its sustainability reporting since 2009. GRI is the international standard for transparent sustainability reporting. The GRI content index showing how GRI has been incorporated in our 2021 annual report can be found on our website (vanlanschotkempen.com/en/sustainability/reporting/rankings-and-ratings). This report has been prepared in accordance with the GRI Standards: Comprehensive Option.

Stakeholder engagement

The dialogue with our stakeholders is the most important source of information on what our stakeholders expect from us. We identify five main stakeholder groups: clients, shareholders, employees, government/regulators and others, including all those who might be affected by the decisions and activities of Van Lanschot Kempen (e.g. society at large, suppliers and competitors). In our annual report and the sustainability supplement we set out how we engage our stakeholders in the development of our policies, which topics stakeholders have raised with us in 2021 and how we responded to them. Once a year, we also gather our stakeholders during our so-called stakeholder event; more information on this event can be found on page 5 and at vanlanschotkempen.com/en/sustainability/stakeholders. Stakeholders with whom we engage are selected based on the stakeholder's link with the theme under discussion, stakeholder interest in participating in dialogue and pre-existing relationships. We warmly invite you to share your opinions and views with us – contact details can be found on the final page.

Materiality

Our 2021 annual report mainly contains information on our material topics. A topic is deemed to be (most) material if it is important to our stakeholders (i.e. it can significantly influence their view of the topic and the decisions they take in response) and is also important in terms of Van Lanschot Kempen's impact (i.e. we can make a significant positive or negative economic, environmental or social impact via this specific topic). As material topics are relatively stable over time, their identification is carried out once every two years. The most recent identification of material topics for our stakeholders was carried out in the second quarter of 2021. The identification process comprised two steps:

- To assure that we took all stakeholder expectations into consideration, we first gathered relevant data from a large number of information sources that became available in the year, e.g. the results of client satisfaction surveys and client panels; client feedback at client meetings; complaints submitted to the Complaints department; employee feedback (through employee surveys and ideas committees); shareholder feedback during discussions and the annual general meeting; responses and suggestions from regulators; feedback from various stakeholders directly to the Sustainability Centre department; feedback from third parties (via investorrelations@vanlanschotkempen.com, sustainability@vanlanschotkempen.com or social media); analysis of other banks' annual reports (best practices); external benchmarks and rating results.
- In step 2, all these data were further structured and condensed to create a more concise overview, in line with our strategy. The list ultimately comprised 20 different topics relevant to our business, structured under four types of capital.

The list of 20 topics was then incorporated into two surveys. The first survey asked stakeholders to assess the extent to which each of the 20 topics influences the decisions they make regarding Van Lanschot Kempen. This survey was sent to 785 stakeholders, of which 277 responded (35% response rate). The respondents were spread across different stakeholder groups including clients, employees, shareholders, civil society organisations, regulators and other banks. In addition, a group of senior managers indicated – in a second survey – the significance of the impact Van Lanschot Kempen has via each topic, and this was subsequently cross-checked with a panel of external sustainability experts. Impact refers to positive impact and prevention of negative impact. The 2021 materiality matrix, which resulted from this process, indicates ten material topics and was ultimately approved by the Management Board in July 2021. The outcomes of this assessment and the corresponding KPIs will guide reporting over 2022 and 2023. For a detailed overview of all material topics and KPIs, see page 18 and 19 of our 2021 annual report.

Choices made when reporting activities in the value chain
 Through our annual reporting we aim to provide all information that our key stakeholders require to make an informed assessment of our performance. As an integrated wealth manager, our activities cover various parts of the financial sector value chain and have links to both asset owners (those who provide capital) and the real economy (generally companies that require capital to run and grow their business). In the process of allocating funds, we touch various groups of stakeholders, e.g. our employees, our shareholders.

We consider the information that is crucial for them to form their assessment to be "material". To understand which themes, topics and information they find important we conduct a materiality assessment once every two years. We use materiality as the basic principle for further reporting our activities in the value chain. What this means in practice is that we chiefly report on topics that are material to our stakeholders, within our sphere of influence and within our own organisation. We do not generally report on chain issues or other topics that our stakeholders do not consider material, over which we have no direct influence, or which are otherwise situated outside Van Lanschot Kempen. In line with GRI, we have assessed – for each material topic externally reported – the so-called “boundaries” (see the table below).

A boundary indicates:
 1) Where the impact (most likely) occurs (inside or outside Van Lanschot Kempen), and
 2) What Van Lanschot Kempen's involvement with these impacts is. We may be involved because we
 a) caused the impact;
 b) contributed to the impact; or
 c) are directly linked to the impact through business relationships.

Material topic	Material to ¹²	Boundaries (where the impact occurs / type of involvement)				Explanation
		Inside Van Lanschot Kempen	Involvement	Outside Van Lanschot Kempen	Involvement	
Profitability and cost-effectiveness (1)	Clients, employees, shareholders, others	•	Causing	•	Causing	We cause impacts within Van Lanschot Kempen when we manage our cost effectiveness (e.g. impact on employees due to reorganisations). Our cost management can also cause outside impacts, e.g. for suppliers, clients, shareholders or other stakeholders.
Contribution to clients' wealth via investments (6)	Clients			•	Causing	Although we enable a significant part of the impact internally (via our investment process), the impact itself occurs mainly outside our organisation, with our clients.
High-quality workforce (9)	Employees, clients	•	Causing	•	Causing	Impact is caused inside Van Lanschot Kempen, as our HR policies are focused on our employees. In addition, there is also potential impact outside Van Lanschot Kempen, as the quality of our workforce can also impact our clients (e.g. via the service that our employees provide).
Development and training of staff (11)	Employees, clients	•	Causing	•	Causing	Impact is caused inside Van Lanschot Kempen (via training and development) but can also move (via our employees) outside our organisation (clients).
Superior client experience (13)	Clients			•	Causing	Although we enable an important part of the impact internally (via e.g. the creation of tools, systems and apps), the impact itself occurs mainly outside Van Lanschot Kempen (with clients).
High-quality, tailored solutions (14)	Clients			•	Causing	Although we cause an important part of the impact internally (via our employees and our solutions), the impact itself occurs mainly outside Van Lanschot Kempen (with clients).
Ethics and integrity (24)	Clients, employees, shareholders, others	•	Causing	•	Causing	Potential impacts can be caused both within our organisation (by our employees) as well as outside our organisation (via the behaviour of our employees).
Impact via client assets (investments) (16)	Clients, others			•	Directly linked	We are directly linked to our client investments as we invest in companies, via our own funds and via external funds. Impacts can occur at investees, our clients and other stakeholders.

¹² Others: suppliers, competitors, society at large, etc.

Data collection process

The collection of data is a joint effort of several departments. For the KPI data collection process, the Finance, Reporting & Control department played a leading part, assisted by the Sustainability Centre, which had an advisory role, especially in relation to non-financial data. The Sustainability Centre played a leading role in gathering non-KPI data. To collect KPI data, we have used qualitative and quantitative surveys based on a variety of external guidelines endorsed by Van Lanschot Kempen and on internal policy principles. The surveys were sent to all relevant divisions and/or departments within the organisation. Some of the data are drawn from central management information systems and some from local sources. The Sustainability Centre performs a plausibility check on the data supplied and collates them.

Accuracy

Most of sustainability data we report were drawn from standard reporting systems and external sources. However, in some cases where such data was found to be lacking, we used assumptions or estimates. An illustrative example is that for some of our office locations outside the Netherlands we estimate annual energy consumption. For those locations, data on energy consumption is not available because buildings are being occupied by multiple tenants.

Carbon calculation for our own organisation

Carbon emissions were calculated and reported in line with the Greenhouse Gas Protocol ([ghgprotocol.org](https://www.ghgprotocol.org)), using the conversion factors set out by internationally recognised organisations and published on [co2emissiefactoren.nl](https://www.co2emissiefactoren.nl). We applied the following assumptions and estimates:

- Because no final annual accounts were available at the beginning of 2022 for Van Lanschot Kempen's gas, electricity and water consumption for the full financial year 2021, these figures have partially been extrapolated.
- Diesel consumption when testing emergency systems within Van Lanschot Kempen in the Netherlands was estimated.
- Average fuel consumption of non-company cars for business travel is not known. We therefore apply a generic emission factor for the GHG emissions resulting from car travel in the Netherlands.

- Several assumptions and estimates were used for all business travel using public transport when converting expense claims into kilometres travelled.
- Total transport in kilometres for the delivery of office supplies and catering relates solely to Van Lanschot Kempen's activities in the Netherlands and is based in part on estimates.

There is very little likelihood that potential errors or inaccuracies in the estimates and assumptions referred to above would have a significant impact on the final results, given that the elements in question only account for a limited proportion of total calculated carbon emissions.

Carbon calculation for balance sheet items

We estimate the carbon emissions associated with our balance sheet items, and assets under management, in accordance with the methodology of the Platform for Carbon Accounting Financials (PCAF). In comparison with previous years, we have updated the emission factors to calculate the carbon emissions related to energy consumption at real estate we finance via mortgages, and revised the method to allocate emissions associated with mortgages from using the latest known loan-to-value ratio to the loan-to-value ratio at origination. Deviating from the PCAF methodology, we only calculated carbon emissions for mortgages that had been on our books for at least three years and for which three years of public energy data were available.

Balance

To ensure that our own annual report is balanced, we report both positive and negative financial and non-financial performance. We capture the development of our performance by showing historic figures.

Clarity

We aim to present information that is understandable, accessible, and usable by our stakeholders. Our annual report describes the financial and non-financial impact of our organisation for our material topics. We provide additional information, especially on our value creation. We have also added a reference table in response to legislation on disclosure of non-financial information, to make it easier for our stakeholders to see how we comply. In addition, we include a GRI content index in which we state, for instance, our material topics and where to find relevant information.

Comparability

For the seventh year running, we are publishing an integrated annual report. This means that the most material financial and non-financial information is covered in our annual report; less material topics are discussed in our sustainability supplement and on our website. Our policy and objectives in terms of the social aspects of doing business have not changed from the previous reporting period. The definitions we use are still in line with our report for 2020 as far as possible, so that the data remains readily comparable. Where earlier definitions or figures have been adjusted in 2021, this is expressly stated in the text or in the footnotes.

Ambition for reporting policy

We intend to continue reporting in line with GRI standards in 2022 and beyond, and to further improve our integrated report. In 2022, we will again invite our stakeholders to contribute constructively to our thinking on reporting structure and disclosures.

Verification

Earlier versions of the annual report were submitted for comments to internal departments, the Management Board and the Supervisory Board. The final version has been approved by the Management Board. Non-financial information included in the annual report, as well as the underlying data collection and data aggregation processes, have been reviewed by our independent external auditors, PricewaterhouseCoopers Accountants NV (PwC). For more information on the scope of this verification, the activities performed by PwC and the results of these activities, please refer to PwC's assurance statement, see pp. 252-255 of our 2021 annual report. The Management Board is closely involved in the verification process and related findings. The findings of the review are shared with the Management Board and Supervisory Board.

Other relevant sustainability publications

Detailed public information on our sustainability policies can be found on [vanlanschotkempen.com/en/sustainability](https://www.vanlanschotkempen.com/en/sustainability) and [kempen.com/en/asset-management/esg](https://www.kempen.com/en/asset-management/esg).

Reference table: disclosure of non-financial information act

Decree on Disclosure of Non-financial Information (*Besluit bekendmaking niet-financiële informatie*)

In 2017, a new Dutch regulation came into force that made reporting on a number of non-financial themes compulsory for companies that qualify as a large public interest entity

(grote organisatie van openbaar belang) with more than 500 employees.

These themes comprise environmental, social and employee issues, as well as anti-corruption, bribery and human rights. For each of these themes, companies are obliged to report on the relevant policies, results, risks (including management of these risks), and non-financial

key performance indicators.

The regulation also requires companies to describe their business models in their annual reports.

The reference table shows where the required non-financial information can be found and also whether this information relates to our material topics.

Scope	Dutch legislation themes	Material topics	Requirements	Where to find our disclosures (page numbers) ¹³		W VLK: vanlanschotkempen.com/en/sustainability W K: kempen.com/en/asset-management
				AR	S	
Van Lanschot Kempen	Business model	—	Business model	20-22	—	—
Own organisation	Environmental	—	Policy	20-21, 24	19	W VLK:/policy/procurement-policy W VLK:/reporting/tfcd
			Results	22, 35-37	16-19	
			Risks and management	58, 66	—	
			KPIs	22, 35-37	16-17	
	Social and employees Human rights Anti-corruption and bribery	9, 11, 24	Policy	20-21, 24, 30-33, 41-42	—	
			Results	22, 30-33, 41-42	8, 14-15	
			Risks and management	57, 63-68	7	
			KPIs	22, 30-33, 38-39	8	
Balance sheet	Environmental	—	Policy	20-21, 24, 35-39	19-20	W VLK:/policy/banking-activities W VLK:/reporting/tfcd
			Results	22, 35-39	17, 19-20	
			Risks and management	58, 67	—	
			KPIs	22, 24, 35-39	19	
	Social and employees Human rights Anti-corruption and bribery	—	Policy	20-21, 24, 41	—	
			Results	41-44, 67	19	
			Risks and management	66-67	19	
			KPIs	—	—	
Assets under management (AuM)	Environmental	16	Policy	20-21, 24, 36	16-19	W VLK:/policy/banking-activities W VLK:/reporting/tfcd W K:/esg
			Results	22, 35-39	17	
			Risks and management	58, 67-68	7	
			KPIs	22, 36	8	
	Social and employees Human rights Anti-corruption and bribery	—	Policy	20-21, 24, 41	—	
			Results	22, 41-44, 67	—	
			Risks and management	41, 67-68	7	
			KPIs	22, 41	8	

¹³ AR: annual report S: sustainability supplement W: website.

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We welcome your views and opinions – please see our contact details above.

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