

SFDR entity- level disclosure 2024

Statement on principal adverse impacts of investment
decisions on sustainability factors

Notes to the reader

About Van Lanschot Kempen NV

Van Lanschot Kempen NV (“Van Lanschot Kempen”) is an independent, specialist wealth manager active in private banking. Listed at Euronext Amsterdam, Van Lanschot Kempen is the Netherlands’ oldest independent financial services company, with a history dating back to 1737.

We act both as a financial market participant and as a financial adviser as defined in the Sustainable Finance Disclosure Regulation (SFDR).¹ This statement describes the principal adverse impacts of our investment decisions on sustainability factors as prescribed under the SFDR.

SFDR entity-level disclosure

The SFDR is a European Union regulation introduced to improve transparency in the market for sustainable investment products by setting entity- and product-level disclosure requirements on how financial intermediaries integrate sustainability into their investment decisions and advice. This contributes to helping investors to make better informed investment decisions, to achieving transparency in the market for sustainable investment products, to preventing greenwashing, and to increasing transparency around sustainability claims made by financial market participants. Acting as a financial market participant and as a financial adviser, Van Lanschot Kempen and its legal entities are subject to this regulation.

This entity-level disclosure document addresses the legal requirements stemming from the following articles of the SFDR Delegated Regulation²:

- Article 4 (Statement by financial market participants that they consider principal adverse impacts of their investment decisions on sustainability factors);
- Article 5 (Summary section);
- Article 6 (Description of the principal adverse impacts of investment decisions on sustainability factors);
- Article 7 (Description of policies to identify and prioritise principal adverse impacts of investment decisions on sustainability factors);
- Article 8 (Engagement policies);
- Article 9 (References to international standards);
- Article 10 (Historical comparison).

¹ Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

² Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of information in relation to the principle of “do no significant harm”, specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports.

Contents

4	Summary
5	Description of the principal adverse impacts on sustainability factors
13	Description of policies to identify and prioritise principal adverse impacts on sustainability factors Our sustainable investment policy house Sustainability objectives, promoted environmental/social characteristics, and considered principal adverse impacts per product Calculations and data
17	Our engagement policies
18	Reference to international standards
19	Historical comparison

Summary

Van Lanschot Kempen NV (LEI: 724500D8WOYCL1BUCB80) considers the principal adverse impacts of its investment decisions on sustainability factors. This statement covers all collective and individual portfolios managed by Van Lanschot Kempen NV (including Evi and its Belgian branch Mercier Van Lanschot). The intensity with which such impacts are considered may differ per product.

As a wealth manager with a long-term focus, we aim to help our clients navigate their investments through what we see as the fundamental transitions of this decade. Our sustainability efforts focus on the themes: (a) climate, (b) biodiversity and (c) inclusion & diversity. Fundamental to this is that we require all our investments to adhere to certain minimum sustainability criteria following from (among other sources of guidance) the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Both perspectives are reflected in the section below explaining some of the principal adverse impact indicators included in this disclosure.

For more information on the legal structure of Van Lanschot Kempen as at year-end 2024, see our 2024 annual report. Van Lanschot Kempen is a wealth manager that acts as a credit institution, a financial adviser and a financial markets participant (among other roles). The scope of this document is limited to how we consider the principal adverse impact indicators for the portfolios managed on a discretionary basis on behalf of clients of the credit institution that is Van Lanschot Kempen NV.

This statement on the principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2024.

2024 results

As Van Lanschot Kempen, we reported on the mandatory principal adverse impacts (PAIs), except for PAI 17 and 18. Explanations of and actions taken and planned to reduce any adverse impact are described per indicator below. Our main focus continues to be the reduction of greenhouse gas emissions, mainly through our engagements with investee companies of Van Lanschot Kempen Investment Management.

Samenvatting

Van Lanschot Kempen NV (LEI: 724500D8WOYCL1BUCB80) houdt rekening met de belangrijkste negatieve effecten van zijn beleggingsbeslissingen op duurzaamheidsfactoren. De mate waarin rekening wordt gehouden met deze effecten kan per product verschillen. Als vermogensbeheerder met een langetermijnfocus willen we onze klanten helpen om hun beleggingen door wat volgens ons de fundamentele transitie van dit decennium zijn te loodsen. Onze inspanningen op duurzaamheidsgebied richten zich op deze thema's: (a) klimaat, (b) biodiversiteit en (c) inclusie & diversiteit. Als uitgangspunt eisen we van al onze beleggingen dat ze voldoen aan bepaalde minimumcriteria op duurzaamheidsgebied waarbij we de leidende beginselen volgen van de Verenigde Naties inzake bedrijfsleven en mensenrechten en de OESO-richtlijnen voor multinationale ondernemingen. Beide gezichtspunten komen aan bod in de toelichting bij enkele van de belangrijkste negatieve impactindicatoren die in deze publicatie zijn opgenomen. Meer informatie over de juridische structuur van Van Lanschot Kempen per eind 2024 is te vinden in het jaarverslag 2024. Van Lanschot Kempen is een vermogensbeheerder die onder meer optreedt als kredietinstelling, financieel adviseur en deelnemer aan financiële markten. De reikwijdte van dit document is beperkt tot wat volgens ons de belangrijkste negatieve impact-indicatoren zijn voor de portefeuilles die namens klanten van Van Lanschot Kempen op discretionaire basis bij de kredietinstelling (Van Lanschot Kempen NV) worden beheerd. Deze verklaring over de belangrijkste negatieve effecten op duurzaamheidsfactoren heeft betrekking op de referentieperiode van 1 januari tot en met 31 december 2024.

Resultaten over 2024

Als Van Lanschot Kempen hebben we gerapporteerd over de verplichte belangrijkste negatieve impactindicatoren (principal adverse impacts, PAI's), met uitzondering van PAI 17 en 18. De verklaring en de ondernomen en geplande acties om eventuele negatieve effecten te verminderen staan hieronder per indicator beschreven. Onze belangrijkste focus blijft de vermindering van broeikasgasemissies, voornamelijk door onze betrokkenheid bij deelnemingsmaatschappijen via Van Lanschot Kempen Investment Management.

Description of the principal adverse impacts on sustainability factors³

Indicators applicable to investments in investee companies								
Climate and other environment-related indicators								
Adverse sustainability indicator		Metric	Unit	2024	2023	2022	Coverage 2024 ⁴	Explanation
Green-house gas emissions	1	GHG emissions	Scope 1 GHG emissions	tCO ₂ e	535,102	476,459	514,187	74.0%
			Scope 2 GHG emissions	tCO ₂ e	179,386	173,150	174,759	74.0%
			Scope 3 GHG emissions	tCO ₂ e	5,324,041	4,961,343	4,755,690	74.1%
			Total GHG emissions	tCO ₂ e	6,006,981	5,595,646	5,249,222	74.0%
	2	Carbon footprint	Carbon footprint	tCO ₂ e/m EUR of investments	251	321	330	74.0%
	3	GHG intensity of investee companies	GHG intensity of investee companies	tCO ₂ e/m EUR of revenues	644	724	809	75.8%
	4	Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	Share of investments, %	4.8%	4.4%	4.7%	75.6%
								As Van Lanschot Kempen, we are committed to help limit climate change to +1.5°C by the end of this century compared with pre-industrial levels (in accordance with the Paris Climate Agreement). For our AuM, we aim to be a net-zero investor by 2050. To this end, we have stepped up our ambitions, starting in 2024. Our goal is to reduce the annual weighted average carbon intensity (WACI) of our discretionary AuM by 7% a year for Scope 1 and Scope 2 emissions (against a 2019 baseline; when this is not available we use the first year for which data is available). The WACI reduction over 2024 was 17% and well above our target.
								We increasingly face a dilemma: whether to continue to engage with oil and gas companies or to divest. Although alignment with the Paris Climate Agreement is important for all companies, we believe the oil and gas sector in particular plays an essential role in the energy transition, and we urge oil and gas companies to be at its forefront. Over the past years, many oil and gas companies have increased their climate change reduction ambitions – though not yet enough to align with the Paris Climate Agreement. Through engaging with these companies through Van Lanschot Kempen Investment Management, we aim to help them navigate the energy transition.

³ Van Lanschot Kempen's required reporting scope for the description of principal adverse impacts on sustainability factors is not complete. The missing discretionary AuM account for approximately 14.0% of the total managed portfolios (€29.4 billion as of 31 December 2024) that should have been considered in this section. Due to the complicated data structures of these assets, we were unable to integrate these figures into this disclosure. We will do our best to resolve this issue for the next reporting year.

⁴ Coverage refers to the weighted average of coverage from in-scope portfolios and to the percentage of investee companies, institutions and governments for which the required PAI data are available.

Indicators applicable to investments in investee companies

Climate and other environment-related indicators

Adverse sustainability indicator			Metric	Unit	2024	2023	2022	Coverage 2024 ⁴	Explanation	Actions taken, and actions planned and targets set for the next reference period
Green-house gas emissions	5	Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared with renewable energy sources, expressed as a percentage of total energy sources	Weighted average, %	64.1%	68.0%	73.8%	64.0%	We do not actively steer on this principal adverse impact indicator. However, we exclude companies that are involved in thermal coal and tar/oil sands (applying a >20% revenue threshold). For our sustainable and impact investment products and services, we apply an even stricter revenue exclusion threshold of >5%.	

Indicators applicable to investments in investee companies

Climate and other environment-related indicators

Adverse sustainability indicator		Metric	Unit	2024	2023	2022	Coverage 2024 ⁴	Explanation	Actions taken, and actions planned and targets set for the next reference period
Green-house gas emissions	6	Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high-impact climate sector	Agriculture, forestry and fishing (GWh/m EUR of revenue)	0.00003	0.00020	0.00013	70.3%	Our aim is to encourage companies in "high-impact climate sectors" to integrate climate risks and opportunities into their long-term business models and to enable them to thrive in the transition to a low-carbon economy. An example of a high-impact climate sector is the oil and gas industry. We engage with companies in this sector collaboratively. Two examples of collaborative engagements we frequently participate in are Climate Action 100+ and the Dutch Climate Coalition.
				Mining and quarrying (GWh/m EUR of revenue)	0.09096	0.01796	0.01539	69.4%	
				Manufacturing (GWh/m EUR of revenue)	3.86942	0.19355	0.26778	69.5%	
				Electricity, gas, steam and air conditioning supply (GWh/m EUR of revenue)	0.04137	0.07061	0.06707	69.5%	
				Water supply, sewerage, waste management and remediation activities (GWh/m EUR of revenue)	0.00293	0.00499	0.00407	69.6%	
				Construction (GWh/m EUR of revenue)	0.00188	0.00110	0.00111	69.6%	
				Wholesale and retail trade, repair of automobiles and motorcycles (GWh/m EUR of revenue)	0.04805	0.00472	0.03304	69.5%	
				Transport and storage (GWh/m EUR of revenue)	0.04281	0.02242	0.01816	69.5%	
				Real estate activities (GWh/m EUR of revenue)	0.00945	0.01061	0.01599	69.5%	

Indicators applicable to investments in investee companies

Climate and other environment-related indicators

Adverse sustainability indicator			Metric	Unit	2024	2023	2022	Coverage 2024 ⁴	Explanation	Actions taken, and actions planned and targets set for the next reference period
Biodiversity	7	Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	Share of investments, %	5.0%	0.1%	0.0%	83.3%	For our financial products that aim to promote environmental characteristics related to biodiversity and ecosystems, and those that are invested in sustainable investments with an environmental objective related to biodiversity and ecosystems, this principal adverse impact indicator serves as a key metric to determine whether issuers are adequately addressing biodiversity risk. We see an increase in this PAI partly due to growing data accuracy and an increase in coverage compared to prior year (from 65.5% to 83.3%).	
Water	8	Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	Weighted average in tonnes per million EUR of revenue	0.1	38.0	25.2	0.6%	Emissions to water is a datapoint that has limited coverage by our ESG data provider MSCI. We encourage investee companies and external managers to provide more transparency around this, particularly for the materials, consumer staples and utilities sectors.	
Waste	9	Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	Weighted average in tonnes per million EUR of revenue	0.6	1.0	1.3	50.9%	As inadequate management of these waste streams may have a significant impact on the environment, we encourage investee companies and external managers to provide more transparency around their environmental impact so as to be able to better take this element into account.	

Indicators applicable to investments in investee companies

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

Adverse sustainability indicator		Metric	Unit	2024	2023	2022	Coverage 2024	Explanation	Actions taken, and actions planned and targets set for the next reference period
Social and employee matters	10	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	Share of investments, %	0.0%	0.1%	0.1%	76.0%	Companies involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises are generally excluded (see Our minimum criteria).
	11	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/ complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	Share of investments, %	0.7%	34.4%	31.7%	75.6%	Compliance mechanisms are a prerequisite for companies to be able to self-identify (potential) breaches of the UNGC principles or OECD Guidelines for Multinational Enterprises. Companies that consistently violate international conventions and standards, such as the UNGC principles or OECD guidelines, and/or have shown no improvement over the past years will be excluded.
	12	Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	Average % of gender pay gap	13.6%	14.8%	13.8%	37.2%	Based on data from external data providers, we assess the average % of the gender pay gap for the holdings of our assets. We support shareholder proposals calling for equal pay or gender pay gap disclosures in our listed equity funds of Van Lanschot Kempen Investment Management.
	13	Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	Average % of female board members	35.3%	34.2%	33.2%	75.0%	Based on data from external data providers, we assess the average ratio of female to male board members at investee companies in our liquid portfolios, as this is what we have more complete data on. For our Van Lanschot Kempen funds, we vote in line with local quotas for board diversity and against board chairs when there are no women on the board.

Indicators applicable to investments in investee companies

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

Adverse sustainability indicator			Metric	Unit	2024	2023	2022	Coverage 2024	Explanation	Actions taken, and actions planned and targets set for the next reference period
Social and employee matters	14	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacturing or selling of controversial weapons	Share of investments, %	0.0%	0.0%	0.0%	75.9%	Companies involved in controversial weapons are generally excluded (see Our minimum criteria).	

Indicators applicable to investments in investee companies

Indicators applicable to investments in sovereigns and supranationals

Adverse sustainability indicator			Metric	Unit	2024	2023	2022	Coverage 2024	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	15	GHG intensity	GHG intensity of investee countries	Weighted average tCO ₂ e per million EUR of GDP	264	349	320	18.1%	We support meaningful engagement letters through PRI, Dufas or Eumedion to governments in relation to GHG intensity.	
Social	16	Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	Number of countries invested #, (%)	6 (5.9%)	7 (6.9%)	5 (5.7)%	21.6%	We use data from external data providers for our exclusion policy screening. For government bonds the screening takes place annually. Countries being involved in severe violations of international treaties and conventions are excluded (see Our minimum criteria).	

Indicators applicable to investments in investee companies

Indicators applicable to investments in real estate assets

Adverse sustainability indicator			Metric	Unit	2024	2023	2022	Coverage 2024	Explanation	Actions taken, and actions planned and targets set for the next reference period
Fossil fuels	17	Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	Share of investments, %	Not available	Not available	Not available	Not available	Currently, ESG data availability on our illiquid assets is very limited, so we have not been able to report on these PAIs. We are working to improve the data quality and coverage for these portfolios in order to report on these indicators in future.	
Energy efficiency	18	Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	Share of investments, %	Not available	Not available	Not available	Not available		

Additional climate and other environment-related indicators

Climate and other environment-related indicators

Adverse sustainability indicator			Metric	Unit	2024	2023	2022	Coverage 2024	Explanation	Actions taken, and actions planned and targets set for the next reference period
Emissions	4	Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	Share of investments, %	23.9%	18.4%	25.3%	75.3%	Our Van Lanschot Kempen Investment Management's climate change policy outlines active engagement with companies to integrate climate risks and opportunities into their business models, and excludes investments in companies significantly involved in coal mining and tar sands to support the transition to a low-carbon economy. Emphasis is also placed on reducing GHG intensity through these exclusions and engagements. We see an increase in this PAI partly due to an increase in coverage compared to prior year (from 64.9% to 75.3%).	

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

Adverse sustainability indicator			Metric	Unit	2024	2023	2022	Coverage 2024	Explanation	Actions taken, and actions planned and targets set for the next reference period
Human Rights	14	Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis	Weighted average, #	0.02	0.02	0.01	75.7%	Companies subject to allegations of severe violations of the UNGC principles or OECD Guidelines for Multinational Enterprises are generally excluded (see Our minimum criteria).	

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

At Van Lanschot Kempen, we consider the principal adverse impacts of investment decisions on sustainability factors. To this end, we have detailed screening policies in place and review the impact of investment decisions on sustainability factors, whether material or likely to be material. Sustainability factors mean “environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters”.⁵ Van Lanschot Kempen’s policies are updated on a regular basis and the date on which the governing body approved those policies is mentioned in the respective policies.

This section outlines the structure of our overall sustainable investment policy “house” and our sustainability focus areas. The intensity with which we consider such impacts may vary per investment product. For more information, see the precontractual SFDR disclosures for each such product.

Our sustainable investment policy house

As a wealth manager with a long-term focus, we proactively seek to prevent negative consequences for all stakeholders, while aiming to create positive long-term financial value in a sustainability way. We believe that we can achieve the most significant social and environmental impact via our clients’ investments. We help them navigate their investments through the fundamental transitions of our time. This central ambition forms the basis of our policy house and follows from our [purpose](#). Our vision on helping our clients navigate these transitions is outlined in our white paper [Navigating through transitions](#).

Our focus themes and the transitions can be considered the floors of our policy house. We have selected these themes/transitions based on an assessment of which are the most pressing sustainability issues (taking into account the probability of impacts occurring, the severity of these impacts and their irremediable character) and where we, as Van Lanschot Kempen, can make the most meaningful contribution. This has mainly been a qualitative assessment, leaving somewhat of a margin of error in the sense that unsustainable development may also give rise to other potentially more severe and irremediable impacts.

Our approach to achieving sustainability goals related to these focus areas and other topics is organised along four pillars: (a) exclusion, (b) ESG integration, (c) active ownership, and (d) positive impact. The various pillars of our policy house are summarised in our [sustainable investment charter](#).

At the most basic, we require all our investments to adhere to certain minimum sustainability criteria (e.g. to the UN Global Compact). For more details, see [Our minimum criteria](#). These criteria are listed in our [convention library](#) and result in our [exclusion policy](#).

In general, our sustainable investment policies are reviewed and evaluated every year. These reviews are typically initiated by the leads for these policies within our Sustainable & Impact Investing team and discussed by the Sustainability Investment Council. The most recent review of our climate change policy took place in January 2024, and our [biodiversity policy](#) was reviewed in November 2024.

Within Van Lanschot Kempen, accountability for implementing and embedding sustainability has been delegated from the Management Board to the Sustainability Board. Sustainability Board representatives are appointed by the Management Board. The Sustainability Board has a subcommittee: the Sustainability Investment Council. This Council has ultimate responsibility for drafting and implementing our sustainable investment policies. Its members are appointed by the Sustainability Board and comprise senior representatives of relevant business units.

Our Strategy, Sustainability & Corporate Development department is part of the CEO domain. This team is responsible for several key activities, including defining the sustainability strategy and monitoring its execution, advising on embedding our sustainability ambition in the strategy of the business lines, and developing the company’s sustainability roadmap, including monitoring its execution. This department maintains contact with diverse stakeholder groups, both inside and outside the organisation. Within Investment Management Clients, colleagues from Business Management are responsible for overseeing compliance with sustainability regulations, ensuring unambiguous sustainable investment definitions, and centralised sustainability data purchasing.

⁵ SFDR Article 2:24

For more information on how we have organised sustainability within Van Lanschot Kempen, see our [website](#).

Climate

As a long-term investor, we believe climate change represents a systemic risk to the economy, our society and environment, and we want to explicitly consider the risks and opportunities this presents for our investments in the coming decades.

We aim to be a net-zero investor by 2050 by aligning our assets under management (AuM) with a long-term carbon intensity reduction pathway of, on average, 7% a year, in terms of weighted average carbon intensity (WACI). We aim to use 2019 as our baseline for the long-term WACI reduction of our portfolios. When this is not available, we use the first year for which data is available. This pathway is derived from the Paris Climate Agreement and EU Climate Benchmarks. WACI measures a portfolio's exposure to carbon-intensive issuers and serves as a proxy for a portfolio's exposure to climate transition risks. By 2030, our discretionary AuM should be on this pathway.

To deliver on these commitments and objectives, we use the following pillars:

- **Exclusion:** We do not invest in coal companies which derive a significant part of their revenues (>20%) from thermal coal mining, or in tar sands.
- **ESG integration:** We prefer to invest in companies (via our internal and external fund managers) that integrate their climate risks and opportunities into their organisations, and are able to move towards a low carbon economy.
- **Active ownership:** We ask internal and external fund managers to engage with relevant investee companies of Lanschot Kempen Investment Management and ask for Science Based Targets or equivalent, as well as Scope 3 reporting. For funds of Van Lanschot Kempen Investment Management that go the extra mile on sustainability, we expect fund managers to engage with their companies on how their activities relate to climate-related EU regulation and the UN Sustainable Development Goals.
- **Positive impact:** We recognise that climate solutions will also be needed. We provide solutions to our clients for different asset classes where possible.

For more information, see our [climate change policy](#) and/or our [climate strategy & action plan](#).

Biodiversity

Biodiversity is negatively impacted by economic activities, but at the same time these economic activities are dependent on ecosystems. So we see biodiversity decline – like climate change – as a systemic risk facing the economy, our society and the environment, and we are considering the risks and opportunities this presents to our investments in the coming decades. However, we currently find that only a limited number of issuers adequately report on diversity loss.

We are committed to limiting climate change and to mitigating and reversing biodiversity loss by contributing to the energy and food transitions. In relation to biodiversity, the food system and the coming food transition are especially important, as the food production system is the primary human activity responsible for biodiversity loss.⁶

In 2021, Van Lanschot Kempen signed the Finance for Biodiversity Pledge. Via this pledge we committed ourselves to implement and drive biodiversity-related best practices, including collaboration, engagement through Van Lanschot Kempen Investment Management, and setting concrete targets by the end of 2024.

We focus on biodiversity within our investment process through four pillars: exclusion, ESG integration, active ownership and positive impact. We believe that all pillars are needed to provide a robust framework for the integration of biodiversity in the portfolios. By means of these four pillars we aim to cease (via exclusion and active ownership), prevent or mitigate our adverse biodiversity impact (via ESG integration and active ownership) and contribute to positive solutions (via positive impact).

- **Exclusion:** One of the direct drivers of biodiversity loss is climate change. We have drawn up exclusion objectives for coal mining and tar sands for all fund managers where we have influence.⁷ See our [climate change policy](#) for more details.

⁶ IPBES (2019), Global Assessment Report on Biodiversity and Ecosystem Services; the report can be found [here](#). BCG (2021), The Biodiversity Crisis Is a Business Crisis. The report can be found [here](#). MSCI (2022), Biodiversity & Food: The Double Burden.

⁷ By “influence” we mean more than merely actively managed funds. We generally have influence: (1) where allocation amounts are high (for active and passive fund managers); (2) for mandates, via BestSelect; and (3) where the selected fund is a co-creation between Van Lanschot Kempen and the asset manager in question.

- **ESG integration:** This topic is included in our ESG monitoring as well in our assessments via ESG ratings, controversies and business involvement. We seek to integrate ESG both directly – through our funds' investments – as well as through our external solutions. The screens (including ESG ratings and controversies) are based on international standards and conventions, such as the OECD Guidelines, UN Global Compact and the Convention on Biological Diversity. With the screens, we aim to identify companies with activities negatively affecting biodiversity-sensitive areas, and risks of water stress and waste. Using data vendors, we measure the impacts and risks related to issues of biodiversity loss, deforestation and land use within the companies' own operations and/or their supply chains. For non-listed assets, we have minimum certification standards and a no deforestation policy requirement in place for land investments.
- **Engagement:** We actively engage through Van Lanschot Kempen Investment Management with companies on biodiversity-related controversies where applicable. Due to our size and available resources, we also aim to engage collectively to increase our leverage.
- **Positive impact:** We invest in strategies that support nature and climate, as well as providing solutions to our clients for different asset classes. We recognise that solutions with a positive impact on biodiversity are also needed.

For more information, see our [biodiversity policy](#).

Inclusion & diversity

Our commitment to inclusion and diversity goes hand in hand with our ambition to contribute to a sustainable and more inclusive world. Independent of our motivation to foster an inclusive workplace, taking inclusion and diversity seriously is also necessary simply to keep up with developments in our environment and in society as a whole.

In the coming years, our aim is to build on our accumulated experience with minority groups so as to grow into an increasingly diverse organisation. This approach enhances innovation and adaptability, allowing us to better meet the needs of our diverse client base. Key aspects include promoting gender diversity and ensuring equal pay for equal work, which helps to both attract and retain diverse talent, and ensures a dynamic workforce.

Our policy on this topic also emphasises the importance of bringing different perspectives to the table, which is crucial for executing our wealth management strategy. We consider our policy not to be a static document and aim to continuously evolve our approach to meet the needs of stakeholders.

For more information, see our [inclusion and diversity policy](#).

Our minimum criteria

Our minimum standard is “to do no harm”. This means that, as part of our sustainability approach, we do not want to invest in companies and countries involved in activities with severe negative impact on people and/or the environment. These activities can be product- or services-based (controversial weapons, tobacco, coal mining, tar sands) or related to conduct (government bond exclusions, MSCI red flags).

Weapons

Van Lanschot Kempen does not invest in companies that have ties to controversial weapons, defined as cluster munitions, landmines, biological/chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or weapons that injure by non-detectable fragments. In addition, companies involved in the production and/or storage of fissile materials used in/for nuclear weapons are classified as involved with controversial weapons. As a policy, we exclude investments in companies that trade weapons and ammunition (both conventional and controversial) if there is a substantial risk that these weapons will be used for violence against civilians (in fragile or failing states, or countries that are in civil war), terrorist organisations and (organised) crime.

Tobacco

We use a principle-based framework, which is explained in our [exclusion policy](#). Based on this framework, we are committed to not investing in companies involved in tobacco products. Overall, tobacco has severe negative impacts on people (death and disease), which are reflected in the first worldwide (legally binding) health treaty for tobacco use reduction.

Climate-related exclusions: coal mining and tar sands

We have assessed several activities which are likely to be detrimental to the transition towards a low-carbon economy and to meeting the Paris Climate Agreement goals. Within the transition, we believe that coal mining and tar sands have the most adverse impact on climate change and environment, and can be substituted (oil and gas are still needed in the transition, albeit ideally in diminishing quantities). As part of our climate change policy, we are therefore committed to not investing in companies that derive most of their revenues from coal mining and/or tar sands. For our full [climate change policy](#), see our website.

Government bond exclusions

As a minimum, we do not want to provide financial means to governments of countries that are subject to sanctions as a result of violation of the basic rights of their own citizens or those of other countries. Additionally, countries which are involved in severe adverse human rights issues but are not subject to sanctions will be excluded. For our more sustainable investments, we only invest in government bonds of countries which are not known to have excessively adverse environmental impacts (including climate change), do not have adverse human and labour rights issues and do not have weak governance/institutions.

MSCI Red Flags

A number of companies face very severe controversies for the way they conduct business and impact labour or human rights, or the environment. The risks such companies pose can be both from a reputational perspective and from an investment perspective. These are companies that structurally violate international conventions and standards and/or have demonstrated no improvement over recent years.

Sustainability objectives, promoted environmental/social characteristics, and considered principal adverse impacts per product

In addition to the above minimum criteria, specific financial products we make available promote environmental/social characteristics or have (partial) sustainable investment objectives. For more information on the sustainability objectives, promoted environmental/social characteristics, and/or considered principal adverse impacts of each product/service, see our respective pre-contractual SFDR disclosures via either:

[Duurzaamheidsinformatie | Van Lanschot \(NL\)](#),
[Duurzaamheidsinformatie | Van Lanschot \(BE\)](#),
[Duurzaamheidsinformatie | Evi van Lanschot](#), or
[Vermogensbeheer voor Vennootschappen | Van Lanschot](#).

Calculations and data

For the reporting in this annex, the formulas stipulated in Annex I of the Commission Delegated Regulation (EU) 2022/1288 have been incorporated, and the PAIs have been aggregated at the entity level using appropriate methods for their calculation. Disclosed PAI values are based on the figures on 31 March 2024, 30 June 2024, 30 September 2024 and 31 December 2024. To monitor the impacts associated with investment portfolios, particularly in terms of principal adverse impacts, we primarily use of data provided by MSCI ESG. It is important to note that data quality and coverage may vary across different asset classes and PAIs. To provide our stakeholders with meaningful context, we offer coverage information for the different PAIs throughout the year 2024. We have limited data coverage for our illiquid asset classes and currently have not been able to report on PAI 17 and 18. We continue working on data coverage improvements.

Our engagement policies

We consider engagement through Van Lanschot Kempen Investment Management to be an important policy instrument for us in managing principal adverse impacts on sustainability factors in our investment portfolios. If issuers we invest in do not comply with the international norms and standards we endorse (e.g., the UN Global Compact and OECD Guidelines) we may initiate an engagement process. When issuers do not adhere to such norms, based on Van Lanschot Kempen Investment Management's [stewardship and engagement policy](#), we select the most severe cases for "engagement for change". A case becomes more severe if it negatively impacts a larger group of people, if it creates impact that can no longer be remedied, and/or if it is the result of structurally weak company policies or systems. When external fund managers invest in such issuers, we may enter into an engagement with these fund managers on their reasons for investing in these. If there is evidence that issuers or external funds are breaching international norms and are not able or willing to address the issue, we will seek to divest.

Engagements with issuers may be effected and conducted on our behalf alone, or (with a view to increasing leverage) in collaboration with other asset managers and/or asset owners. Moreover, we challenge clients, industry peers and rating agencies to pursue responsible investment and other policies. For more information, see Van Lanschot Kempen Investment Management's [stewardship and engagement policy](#).

We focus in particular on engaging with the companies in which we invest via our own investment funds on (a) climate issues such as additional emissions disclosures, emission mitigation efforts and the development of cleaner technologies (to thereby address the principal adverse impact indicators "1. GHG emissions", "3. GHG intensity of investee companies"), and (b) social and/or governance issues (to thereby address the principal adverse impact indicators "10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises", "12. Unadjusted gender pay gap" and "13. Board gender diversity").

We generally review our topical sustainability policies, such as our climate change policy, on a regular annual basis, and then evaluate (among other questions) whether we need to refocus our engagement efforts through Van Lanschot Kempen Investment Management and/or increase our engagement targets.

Reference to international standards

We align our sustainability investment policies with relevant international standards. As part of the quarterly screening against [Our minimum criteria](#) of our investment portfolios and those of external managers, we examine on an issuer level whether issuers meet the requirements of the international treaties and conventions as listed in our [convention library](#) (which is aligned with the conventions screened against by our data provider MSCI ESG via their ESG ratings and issuing of “red flags”). In addition, the following policies align with the international standards as listed below:

Climate change policy

- The Paris Climate Agreement goals;
- The climate commitment of the financial sector as set out in the Dutch Climate Agreement (Klimaatakkoord);
- The ambition laid out by the European Commission to become a net-zero economy by 2050;
- The IPCC’s +1.5°C climate scenarios;
- The Net Zero Asset Managers Initiative.

Biodiversity policy

- The COP 15 UN Biodiversity Conference.

We aim to address climate change by means including: (i) aligning our listed portfolios with the EU Climate Transition Benchmark or the Paris-Aligned Benchmark, i.e. tracking their carbon intensity in terms of Scope 1 and Scope 2 GHG emissions per €m of revenue, via our data provider ISS ESG, (ii) maintaining engagements through Van Lanschot Kempen Investment Management with the top 50% largest contributors to the carbon footprint of our listed Van Lanschot Kempen funds, i.e. in terms of Scope 1 and Scope 2 GHG emissions as tracked via ISS ESG, and (iii) excluding investments in companies that derive a significant part of their revenues (>20%) from thermal coal mining, or tar sands (>20%), as tracked by ISS ESG.

We do not yet apply forward-looking climate scenarios for all our products and services. We acknowledge that quality and scope of climate models are improving rapidly. Therefore we are currently testing these models for inclusion in our ESG risk analysis.

We want to further address biodiversity loss by means including engagement through Van Lanschot Kempen Investment Management with companies to lower their impact in or near to biodiversity-sensitive areas, and on a selection of other principal adverse impact indicators. However, we currently find that only a limited number of issuers adequately report on this. We encourage our investee companies to provide transparency around such impacts.

Historical comparison

This year's report contains the historical comparison of PAI indicators for the period from 1 January 2024 to 31 December 2024. Data of 2024 is compared with data of 2023 and 2022 (see section "Description of the main negative impacts on sustainability factors"). Regarding the comparative data, we have not made any changes to the figures published in our prior reports. It is important to note that data quality and coverage may vary across different asset classes and PAIs. Despite improvements we made in data coverage, such as increased look-through for external funds and enhanced data delivery, we recognise the widespread industry view that data availability and quality remain significant challenges in sustainable finance, including PAI management. In this context, we will closely monitor the EU Commission's proposed simplifications of the SFDR for corporates, expected in Q4 2025.

Beethovenstraat 300
1077 WZ Amsterdam
Postbus 75666
1070 AR Amsterdam

T +31 20 348 80 00
vanlanschotkempen.com

Disclaimer

The information contained within this publication is provided for general and reference purposes only. Under no circumstances may the information contained within this publication be construed as an offer nor may any rights be derived therefrom. In preparing this publication, we have exercised the greatest possible care in the selection of external sources. We provide no guarantees whatsoever that the information provided by these sources and contained within this publication is correct, accurate, and complete, nor that it will remain so in the future. We accept no liability whatsoever for any misprints or typesetting errors. Subject to regulatory requirements, we are under no obligation whatsoever to update or modify the information we have included in this publication. All rights with respect to the contents of the publication are reserved, including the right of modification.

Van Lanschot Kempen NV has its registered office at Hooge Steenweg 29, 5211 JN 's-Hertogenbosch, the Netherlands, COC no. 16038212 with VAT identification number NL001145770B01, is registered as a bank with the Netherlands Authority for the Financial Markets (AFM) and De Nederlandsche Bank N.V. (DNB) in the Financial Supervision Act (Wft) register. Van Lanschot Kempen may act as a provider of payment, savings and credit products, as an agent for insurance and credit products, and as a provider and/or administrator of investment services.