

Jointly reducing our impact

Van Lanschot Kempen's sustainable procurement principles



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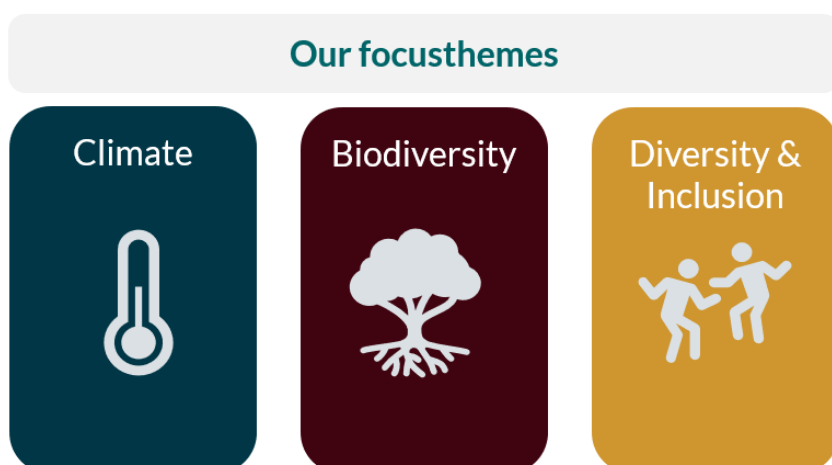
1. Sustainability within Van Lanschot Kempen

Van Lanschot Kempen has a history dating back to 1737. We have been able to thrive over such a long period because our predecessors have always been able to transition together with clients and other stakeholders to continue to add value for them. This need to transition is perhaps even more important now than ever before. Climate change, biodiversity loss and increasing inequality are some of the many challenges facing all of us in the 21st century. This calls for a dramatic transformation towards a more sustainable society.

Van Lanschot Kempen wants to remain a relevant player in this period of transition, and a significant part of this involves changing how we conduct our operations.

Given the extent of society's challenges, we would like to ask all our stakeholders to play their part. Our business partners are among our key stakeholders, and we particularly wish to encourage them to join us in enabling this transition.

Going forward, we therefore aim to collaborate more closely on sustainability, and specifically on one or more of our sustainability focus themes, as summarised below.



2. Van Lanschot Kempen's approach to sustainable procurement

Van Lanschot Kempen's main procurement categories are IT software, consultancy and external FTE. Most of the suppliers are based in the Netherlands, followed by United Kingdom and France.

To facilitate closer collaboration with our supplier base, we have introduced five sustainable procurement principles. These are designed to enable us to work on sustainability with our business partners, with an open invitation to challenge/help to further reduce our impact.

We will be setting further sustainability criteria and placing more weight on such criteria, linked to our sustainability focus themes, when selecting new business partners or renewing contracts.

Moreover, in anticipation of upcoming regulations we structurally screen on involvement in controversies ("due diligence"). We will frequently engage on and monitor whether we are achieving the sustainability goals we have set together with our business partners.

2.1 Sustainable procurement principles

1. We aim to limit our environmental and social impact, and ask our business partners to do the same
2. We encourage our business partners to pitch their most sustainable solutions and share their latest ideas with us
3. We regularly evaluate whether we are achieving the sustainability goals we have set together with our strategic business partners
4. We reserve the right to terminate collaboration with any supplier if they cause any form of significant adverse impact
5. We encourage anyone who has any information about controversies caused by us or our business partners to come forward

Within our three sustainability focus themes, the most concrete approach we currently have in place is on climate change. As part of this, we have integrated a specific requirement on our business partners to help us in limiting climate change. We have set an objective to annually reduce the carbon footprint of our operations by 8% per FTE (compared with 2019 as a baseline).

This 8% is a proxy for what is needed to achieve the goals of the Paris Climate Agreement. We consider this an ambitious objective and would therefore urge you to share any potential solutions you can offer, or ideas that might help to reduce our energy consumption/carbon footprint.

In the years ahead, we will further develop our approaches to climate, biodiversity and diversity & inclusion – working together in those areas will then also become a more prominent part of our collaboration.

3. Sustainable procurement principles

3.1 Introduction

With a history dating back to 1737, Van Lanschot Kempen is the oldest independent financial institution in the Netherlands. We have continued to thrive over such a long period because our predecessors have always been able to transition together with clients and other stakeholders to continue to add value for them. This need to transition is perhaps more important now than ever before.

Climate change, biodiversity loss and increasing inequality are some of the many challenges we face in the 21st century. There is a need to reinvent the economic system so that it meets all people's needs without overshooting the earth's life-giving systems. We need a radical transformation towards a more sustainable society.

Van Lanschot Kempen wants to remain a relevant player in this period of transition, to be part of this transition, and to continue to transition its operations. Given the extent of society's challenges, we would like to ask all our stakeholders to be part of this transition. We would particularly like to ask our business partners to join us in helping to achieve it.

We consider sustainability to be an integral part of everything we do. This is reflected in the criteria we set to select business partners, which assign a substantial weight to sustainability factors. In particular, we give substantial weight to factors related to our sustainability focus themes:

- Climate
- Biodiversity
- Diversity and inclusion

Going forward, this means that we commit to the following five sustainable procurement principles:

Principle 1

We aim to limit our environmental and social impact, and ask our business partners to do the same

We are aware that how we conduct our operations has a bearing on the challenges described above. In recent years, we have been working to reduce the impact of our operations, including the impact further down our business partners' supply chains. However, we recognise that we still need to substantially reduce the impact of our operations. With regard to our carbon footprint, we have therefore set a target to annually reduce this by 8%. Another commitment we have made is to increase gender diversity across our senior management; we have set a target to reach at least 30% women in senior management positions. Additionally, we measure our gender pay gap and aim to reduce this below 2% in 2023. To achieve these targets and increase our overall positive social impact, we need the help of our business partners. Moreover, to address these societal challenges – for instance, limiting climate change to +1.5°C – we need the support of all actors. This is why we ask all our business partners to also commit to and work on reducing their impact. We specifically require all our business partners to:

- **Commit to limiting global warming** to +1.5oC compared with pre-industrial levels and to an action plan to reduce their carbon footprint;
- **Promote diversity & inclusion** by (at a minimum) issuing a public statement on their commitment to gender diversity (particularly in senior positions) and informing us on how they ensure that inclusion and diversity are prioritised within their organisation, including an outline of how they approach the gender pay gap.

Principle 2

We encourage our business partners to pitch their most sustainable solutions and share their latest ideas with us

To achieve our sustainability goals, we encourage our business partners to pitch their most sustainable solutions to our (common) challenges and to share their latest ideas with us. If a business partner thinks they can challenge us with their most sustainable solutions or if they have suggestions for more sustainable solutions than those they currently provide to us, they shouldn't hesitate to get in touch with their contact at Van Lanschot Kempen, or to reach out to our Procurement team (e-mail: procurement@vanlanschotkempen.com)

Principle 3

We regularly evaluate whether we are achieving the sustainability goals we have set together with our strategic business partners

Because of the importance we assign to sustainability, we regularly evaluate whether we are achieving the sustainability goals we have set together with our strategic business partners. If we are not achieving these jointly agreed sustainability goals, we will review any actions we need to take in order to do so. If a business partner does not deliver the promised sustainability performance and we do not trust that corrective action will enable them to deliver this, we may terminate our collaboration.

Principle 4

We reserve the right to terminate collaboration with any supplier if they cause any form of significant adverse impact

As a responsible wealth manager, we are committed to respecting the environment, international human rights, labour rights and other domestic and international standards designed to prevent significant adverse impacts on the environment and communities. To underline our position, we are a signatory of the UN Global Compact. We require that all of our business partners also respect such standards and monitor whether they themselves or their partners in the value chain might be violating these. If any of our business partners cause significant adverse impacts, we require them to take decisive action to minimise and mitigate these. In all instances we retain the right to immediately end our collaboration with a business partner.

Principle 5

We encourage anyone who has any information about controversies caused by us or our business partners to come forward

If anyone has any information about possible controversies/significant adverse impacts – e.g. environmental pollution, discrimination, inhumane treatment of animals – caused by us, our business partners or the value chain partners of our suppliers, we ask that they share this information with us. Please feel free to contact us at corporatesustainability@vanlanschotkempen.com