

# SFDR entity level disclosure 2023

Statement on principal adverse impacts of investment  
decisions on sustainability factors

# Notes to the reader

## About Van Lanschot Kempen Investment Management NV

Van Lanschot Kempen Investment Management is the in-house investment management entity of Van Lanschot Kempen NV, a specialist, independent wealth manager dedicated to preserving and creating wealth, in a sustainable way, for both its clients and the society. Through our long-term focus, we create positive financial and non-financial value. Being a wealth manager with a long-term focus hinges on our ability to proactively strive to prevent negative consequences (do-no-harm) while aiming to create positive long-term financial and sustainability value, for our stakeholders: clients, employees, shareholders/bondholders, governments/regulators and business partners. See our [stakeholder engagement policy](#).

We act both as a Financial Market Participant and Financial Adviser as defined in the Sustainable Finance Disclosure Regulation (SFDR)<sup>1</sup>. In the present statement we describe 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 make better informed investment decisions, transparency in the market for sustainable investment products, to prevent greenwashing, and to increase transparency around sustainability claims made by financial market participants. Van Lanschot Kempen Investment Management, acting as a financial market participant and as a financial advisor, and its legal entities are subject to this regulation.

This entity-level disclosure document addresses the legal requirements included in the following provisions of the SFDR Delegated Regulation<sup>2</sup>:

- Article 4 (Statement by financial market participants that they do 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), and;
- Article 9 (References to international standards).

<sup>1</sup> 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.

<sup>2</sup> 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 the 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 the 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.

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# Summary

Van Lanschot Kempen Investment Management NV (LEI: HHG9K35P002IYX1DLM46), a subsidiary of Van Lanschot Kempen NV, considers the principal adverse impacts of its investment decisions on sustainability factors. This statement on principal adverse impacts of investment decisions on sustainability factors and how these are managed covers all collective and individual portfolios managed by Van Lanschot Kempen Investment Management.

As a wealth manager with a long-term focus, we aim to help our clients to navigate their investments through in our view the fundamental transitions of this time. By being active stewards on behalf of our clients, we aim to find the opportunities in these transitions and avoid the pitfalls. Our sustainability efforts focus on the themes: (a) climate change and biodiversity and (b) living better for longer, – and the following corresponding transitions: (a) the energy transition and (b) the food transition.

Moreover, at the very basis we require all of our investments to adhere to certain minimum criteria with regards to sustainability following from amongst others the UN Guiding Principles on Business and Human rights and OECD Guidelines for Multinational Enterprises. Both perspectives are reflected in the explanation section for some of the principal adverse impact indicators included in this disclosure.

This statement on principal adverse impacts of investment decisions on sustainability factors covers the reference period from January 1<sup>st</sup> to December 31<sup>st</sup> 2023.

## 2023 results

As Van Lanschot Kempen Investment Management, we reported on the mandatory Principal Adverse Indicators (PAIs), with the exception of PAI 17 and 18. The explanation 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 the engagements with investee companies.

## Samenvatting

Van Lanschot Kempen Investment Management NV (LEI: HHG9K35P002IYX1DLM46), een dochteronderneming van Van Lanschot Kempen NV, houdt rekening met de belangrijkste negatieve effecten van haar beleggingsbeslissingen op duurzaamheidsfactoren. Deze verklaring over de belangrijkste negatieve effecten van beleggingsbeslissingen op duurzaamheidsfactoren en hoe deze worden beheerd heeft betrekking op alle collectieve en individuele portefeuilles die door Van Lanschot Kempen Investment Management worden beheerd. 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. Door namens onze klanten als actieve rentmeesters te handelen, proberen we de kansen in deze transitie te vinden en de valkuilen te vermijden. Onze inspanningen op duurzaamheidsgebied richten zich op deze thema's: (a) klimaatverandering en biodiversiteit en (b) langer beter leven, – en de volgende bijbehorende transitie: (a) de energietransitie en (b) de voedseltransitie. Bovendien eisen we van meet af aan van al onze beleggingen dat ze voldoen aan bepaalde minimumcriteria op duurzaamheidsgebied, waarbij we de leidende beginselen van de Verenigde Naties inzake bedrijfsleven en mensenrechten en de OESO-richtlijnen voor multinationale ondernemingen volgen. Beide gezichtspunten komen aan bod in de toelichting bij enkele van de belangrijkste negatieve impactindicatoren die in deze publicatie zijn opgenomen. Deze verklaring over de belangrijkste negatieve effecten van beleggingsbeslissingen op duurzaamheidsfactoren heeft betrekking op de referentieperiode van 1 januari tot en met 31 december 2023.

## Resultaten over 2023

Als Van Lanschot Kempen Investment Management hebben we gerapporteerd over de verplichte belangrijkste negatieve impactindicatoren (Principal Adverse Indicators, 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 samenwerking met de bedrijven waarin we beleggen om de uitstoot van broeikasgassen terug te dringen.

## Zusammenfassung

Van Lanschot Kempen Investment Management NV (LEI: HHG9K35P002IYX1DLM46), eine Tochtergesellschaft von Van Lanschot Kempen NV, berücksichtigt die wichtigsten negativen Auswirkungen ihrer Investitionsentscheidungen auf Nachhaltigkeitsfaktoren. Diese Erklärung zu den wichtigsten negativen Auswirkungen von Anlageentscheidungen auf Nachhaltigkeitsfaktoren und wie diese verwaltet werden, gilt für alle von Van Lanschot Kempen Investment Management verwalteten kollektiven und individuellen Portfolios. Als langfristig orientierter Vermögensverwalter wollen wir unsere Kunden dabei unterstützen, ihre Anlagen durch die – unserer Ansicht nach – grundlegenden Transformationen dieses Jahrzehnts zu steuern. Indem wir uns aktiv für unsere Kunden einsetzen, versuchen wir, die Chancen im Zusammenhang mit diesen Transformationen zu erkennen und die Fallstricke zu vermeiden. Unsere Nachhaltigkeitsbemühungen konzentrieren sich auf folgende Themen: (a) Klimawandel und Biodiversität und (b) länger besser leben, – und die damit verbundenen Transformationen: (a) die Energiewende und (b) die Ernährungswende. Grundsätzlich verlangen wir darüber hinaus von allen unseren Investitionen die Einhaltung bestimmter Mindestkriterien in Bezug auf die Nachhaltigkeit, die sich unter anderem aus den UN-Leitprinzipien für Wirtschaft und Menschenrechte und den OECD-Leitsätzen für multinationale Unternehmen ergeben. Beide Perspektiven werden in den Erläuterungen zu einigen der wichtigsten Indikatoren für negative Auswirkungen, die in dieser Offenlegung enthalten sind, berücksichtigt. Diese Erklärung zu den wichtigsten negativen Auswirkungen von Anlageentscheidungen auf die Nachhaltigkeitsfaktoren bezieht sich auf den Berichtszeitraum vom 1. Januar bis 31. Dezember 2023.

## Ergebnisse 2023

Wie Van Lanschot Kempen Investment Management haben wir über die obligatorischen Principal Adverse Impact Indicators (PAI), mit Ausnahme der PAI 17 und 18, berichtet. Die Erklärung und die ergriffenen und geplanten Maßnahmen zur Verringerung etwaiger negativer Auswirkungen werden nachstehend für jeden Indikator beschrieben. Unser Hauptaugenmerk liegt nach wie vor auf der Zusammenarbeit mit Unternehmen, in die wir investieren, um die Treibhausgasemissionen zu reduzieren.

## Résumé

Van Lanschot Kempen Investment Management NV (LEI : HHG9K35P002IYX1DLM46), une filiale de Van Lanschot Kempen NV, prend en considération les principales incidences négatives de ses décisions d'investissement sur les facteurs de durabilité. Cette déclaration sur les principales conséquences négatives des décisions d'investissement sur les facteurs de durabilité et la manière dont elles sont gérées couvre tous les portefeuilles communs et dédiés gérés par Van Lanschot Kempen Investment Management. En tant que gestionnaire de fortune s'inscrivant dans une perspective à long terme, nous aspirons à aider nos clients à faire fructifier leurs investissements dans le contexte de ce que nous estimons être les transitions fondamentales de cette décennie. En adoptant une gestion active au nom de nos clients, nous visons à identifier les opportunités offertes par ces transitions et à en éviter les pièges. Nos efforts en matière de durabilité s'articulent autour des thèmes suivants : (a) le changement climatique et la biodiversité et (b) vivre mieux plus longtemps, - et des transitions correspondantes suivantes : (a) la transition énergétique et (b) la transition alimentaire. En outre, nous exigeons que tous nos investissements respectent certains critères minimaux en matière de durabilité, conformément notamment aux principes directeurs des Nations Unies relatifs aux entreprises et aux droits de l'homme et aux principes directeurs de l'OCDE à l'intention des entreprises multinationales. Ces deux perspectives se retrouvent dans la section d'explication de certaines des principales incidences négatives incluses dans la présente publication. Cette déclaration sur les principales incidences négatives des décisions d'investissement sur les facteurs de durabilité couvre la période de référence du 1er janvier au 31 décembre 2023.

## Résultats 2023

Comme Van Lanschot Kempen Investment Management, nous avons rendu compte des principales incidences négatives (PAI) obligatoires, à l'exception des PAI 17 et 18. L'explication et les mesures prises et prévues pour réduire toute incidence négative sont décrites par indicateur ci-dessous. Nous continuons de nous concentrer sur l'engagement auprès des entreprises investies en ce qui concerne la réduction des émissions de gaz à effet de serre.

## Resumen

Van Lanschot Kempen Investment Management NV (Identificador de entidad jurídica): HHG9K35P002IYX1DLM46), filial de Van Lanschot Kempen NV, tiene en cuenta las principales incidencias adversas de sus decisiones de inversión sobre los factores de sostenibilidad. Esta declaración sobre las principales incidencias adversas de las decisiones de inversión sobre los factores de sostenibilidad y cómo se gestionan comprende todas las carteras de inversión colectiva e individuales gestionadas por Van Lanschot Kempen Investment Management. Como gestora patrimonial orientada al largo plazo, nuestro objetivo es ayudar a nuestros clientes a guiar sus inversiones a través de las que consideramos que son las transiciones fundamentales de esta década. Como administradores responsables activos por cuenta de nuestros clientes, tratamos de encontrar las oportunidades en estas transiciones y evitar los escollos. Nuestros esfuerzos en materia de sostenibilidad se centran en los siguientes temas: (a) el cambio climático y la biodiversidad, y (b) vivir mejor durante más tiempo; y las siguientes transiciones correspondientes: (a) la transición energética y (b) la transición alimentaria. Además, exigimos fundamentalmente que todas nuestras inversiones se adhieran a ciertos criterios mínimos en materia de sostenibilidad siguiendo, entre otros, los Principios rectores de las Naciones Unidas sobre las empresas y los derechos humanos y las Líneas Directrices de la OCDE para Empresas Multinacionales. Ambas perspectivas se reflejan en el apartado en el que se explican algunos de los indicadores de las principales incidencias adversas incluidos en esta divulgación de información. Esta declaración sobre las principales incidencias adversas de las decisiones de inversión sobre los factores de sostenibilidad comprende el período de referencia del 1 de enero al 31 de diciembre de 2023.

## Resultados de 2023

Como Van Lanschot Kempen Investment Management, informamos sobre las principales incidencias adversas (PIA), a excepción de las PIA 17 y 18. La explicación y las medidas adoptadas y previstas para reducir cualquier incidencia adversa se describen a continuación por indicador. Nuestro principal objetivo sigue siendo la implicación con las empresas participadas para la reducción de las emisiones de gases de efecto invernadero.

## Resumo

A Van Lanschot Kempen Investment Management NV (LEI: HHG9K35P002IYX1DLM46), uma filial da Van Lanschot Kempen NV, considera os principais impactos negativos das decisões de investimento sobre os fatores de sustentabilidade. A presente declaração sobre os principais impactos negativos das decisões de investimento sobre os fatores de sustentabilidade e sobre de que forma são geridos cobrem todas as carteiras coletivas e individuais geridas pela Van Lanschot Kempen Investment Management. Sendo uma entidade de gestão de património com uma abordagem a longo prazo, procuramos ajudar os nossos clientes a investir à luz daquelas que na nossa opinião são as principais transições desta década. Temos como objetivo identificar oportunidades nestas transições e evitar as armadilhas, fazendo uma gestão ativa em nome dos nossos clientes. Em matéria de sustentabilidade, os nossos esforços incidem nos temas seguintes: (a) alterações climáticas e biodiversidade; e (b) viver melhor durante mais tempo, e as seguintes transições correspondentes: (a) a transição energética; e (b) a transição alimentar. Além disso, como ponto de partida, exigimos que todos os nossos investimentos respeitem determinados critérios mínimos em matéria de sustentabilidade, nomeadamente, os Princípios Orientadores das Nações Unidas sobre Empresas e Direitos Humanos e as Diretrizes da OCDE para as Empresas Multinacionais. Ambas as perspetivas estão refletidas na secção explicativa para alguns dos indicadores dos principais impactos negativos incluídos nesta declaração. A presente declaração sobre os principais impactos negativos das decisões de investimento sobre os fatores de sustentabilidade abrange o período de referência de 1 de janeiro a 31 de dezembro de 2023.

## Resultados de 2023

A Van Lanschot Kempen Investment Management comunica os principais impactos negativos (PAI, na sigla em inglês) obrigatórios, com exceção dos PAI 17 e 18. A explicação e as medidas adotadas e previstas para reduzir quaisquer impactos negativos são descritas por indicador abaixo. A principal prioridade continua a ser dialogar com as empresas beneficiárias do investimento sobre a redução das emissões de gases com efeito de estufa.

## Sammanfattning

Van Lanschot Kempen Investment Management NV (LEI: HHG9K35P002IYX1DLM46), ett dotterbolag till Van Lanschot Kempen NV, beaktar de huvudsakliga negativa konsekvenserna av sina investeringsbeslut för hållbarhetsfaktorer. Denna redogörelse för de huvudsakliga negativa konsekvenserna av investeringsbeslut för hållbarhetsfaktorer och hur dessa hanteras omfattar alla kollektiva och individuella portföljer som förvaltas av Van Lanschot Kempen Investment Management. Som en förmögenhetsförvaltare med långsiktigt fokus strävar vi efter att hjälpa våra kunder att navigera sina investeringar genom, enligt vår uppfattning, de viktigaste omställningarna under detta årtionde. Genom att vara aktiva förvaltare för våra kunders räkning strävar vi efter att hitta möjligheterna i dessa omställningar och undvika fallgroparna. Vårt hållbarhetsarbete fokuserar på följande teman: (a) klimatförändringar och biologisk mångfald samt (b) att leva bättre längre – och följande motsvarande omställningar: (a) energiomställningen och (b) matomställningen. Som utgångspunkt kräver vi dessutom att alla våra investeringar uppfyller vissa minimikriterier när det gäller hållbarhet enligt bland annat FN:s vägledande principer för företag och mänskliga rättigheter och OECD:s riktlinjer för multinationella företag. Båda perspektiven återspeglas i förklaringsavsnittet för några av de viktigaste indikatorerna för negativ påverkan som ingår i detta meddelande. Denna redogörelse för de huvudsakliga negativa konsekvenserna för hållbarhetsfaktorer omfattar referensperioden från den 1 januari till den 31 december 2023.

## Resultaten för 2023

I egenskap av Van Lanschot Kempen Investment Management rapporterade vi de obligatoriska indikatorerna för de huvudsakliga negativa konsekvenserna (PAI), med undantag för PAI 17 och 18. Förklaringen samt åtgärderna som vidtagits eller planeras att vidtas för att minska eventuella negativa konsekvenser beskrivs utifrån varje indikator nedan. Vårt främsta fokus är att fortsätta vårt engagemang med de företag vi investerar i för att minska utsläppen av växthusgaser.

## Sammendrag

Van Lanschot Kempen Investment Management NV (LEI: HHG9K35P002IYX1DLM46), et datterselskap av Van Lanschot Kempen NV, vurderer de viktigste negative virkningene av investeringsbeslutningene sine på bærekraftsfaktorer. Denne uttalelsen om viktige negative virkninger av investeringsbeslutninger på bærekraftsfaktorer og hvordan disse forvaltes, dekker alle kollektive og individuelle porteføljer forvaltet av Van Lanschot Kempen Investment Management. Som formuesforvalter med et langsiktig fokus tar vi sikte på å hjelpe oppdragsgiverne med investeringene sine i det som vi anser som dette tiårets grunnleggende overganger. Som aktive forvaltere på vegne av oppdragsgiverne tar vi sikte på å finne mulighetene i disse overgangene og unngå fallgruvene. Arbeidet vårt med bærekraft fokuserer på disse temaene: (a) Klimaendringer, biologisk mangfold og (b) det å leve bedre lengre – og følgende tilsvarende overganger: (a) energiovergangen og (b) matovergangen. Videre krever vi i utgangspunktet at alle investeringene våre skal følge visse minimumskriterier med hensyn til bærekraft, blant andre FNs veiledende prinsipper for næringsliv og menneskerettigheter og OECDs retningslinjer for flernasjonale selskaper. Begge perspektivene gjenspeiles i forklaringsdelen for noen av de viktigste indikatorene på negativ påvirkning som er inkludert i denne redegjørelsen. Denne uttalelsen om de viktigste negative virkningene av investeringsbeslutninger på bærekraftsfaktorer dekker referanseperioden fra 1. januar til 31. desember 2023.

## Resultater for 2023

Som Van Lanschot Kempen Investment Management rapporterte vi om de viktigste negative indikatorene (PAI), med unntak av PAI 17 og 18. Forklaring og tiltak som er iverksatt og planlagt for å redusere eventuell negativ påvirkning, er beskrevet per indikator nedenfor. Hovedfokuset vårt er fortsatt på engasjementet med selskaper vi investerer i, om reduksjon av klimagassutslipp.

# Description of the Principal Adverse Impacts on Sustainability Factors<sup>3</sup>

For Van Lanschot Kempen Investment Management, fund on fund investing may occur for our internal funds. When this occurs, the Principal Adverse Impact of this investee fund is accounted for twice and as a consequence, overreporting of the impact may occur.

Indicators applicable to investments in investee companies								
Climate and other environment-related indicators								
Adverse sustainability indicator		Metric	Unit	2023	2022	Coverage 2023 <sup>4</sup>	Explanation	Actions taken, and actions planned and targets set for the next reference period
Green-house gas emissions	1	GHG emissions	Scope 1 GHG emissions	tCO <sub>2</sub> e	2,139,221	1,813,964	46.6%	At year-end 2023, 88% of our funds met our target to reduce carbon intensity by an average of 7% per year (against a 2019 baseline) in accordance with the Paris Agreement-aligned benchmark or EU climate transition benchmark (See KPI 13.b.i in our group annual report).  We've made a commitment to help limit climate change to +1.5°C. For our AuM, we aim to be carbon neutral by 2050. To this end, we have stepped up our ambitions starting in 2024: we aim to reduce the annual weighted average carbon intensity (WACI) of our discretionary AuM by 7% per year for scope 1 and 2 (against a 2019 baseline in the case of most portfolios).
			Scope 2 GHG emissions	tCO <sub>2</sub> e	746,849	609,807	46.6%	
			Scope 3 GHG emissions	tCO <sub>2</sub> e	22,716,599	16,222,097	46.5%	
			Total GHG emissions	tCO <sub>2</sub> e	25,510,687	18,598,357	46.4%	
	2	Carbon footprint	Carbon footprint	tCO <sub>2</sub> e/m EUR of investments	304	324	46.3%	
3	GHG intensity of investee companies	GHG intensity of investee companies	Weighted average tCO <sub>2</sub> e/m EUR of revenue	845	837	49.7%		
4	Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	Share of investments, %	2.9%	3.0%	50.2%	For 2023, we have a KPI on engaging with the companies representing the top 50% of carbon footprint of our Van Lanschot Kempen funds on their energy transition strategy and climate risks, which are mainly companies in industries marked as 'high impact climate sectors' such as the oil & gas industry. We engaged with 44 out of the 49 top 50% most carbon-intensive companies in the portfolios of our listed funds, and divested from three – falling short of our target ( see KPI 14.c in our group annual report). Our aim is to encourage these companies 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.	

<sup>3</sup> The required reporting scope of Van Lanschot Kempen Investment Management is not complete for the Description of Principal Adverse Impacts on Sustainability Factors. The missing assets account for approximately 14.0% of the total assets that should have been considered in this section. Due to the complicated data structures of these assets, we were not able to integrate this figures into this disclosure. We do our best to resolve this issue for next reporting year.

<sup>4</sup> Coverage refers to the weighted average of coverage from the in-scope portfolios and refers to 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	2023	2022	Coverage 2023 <sup>4</sup>	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 to renewable energy sources, expressed as a percentage of total energy sources	Weighted average, %	69.9%	75.5%	36.6%	We do not actively steer on this Principal Adverse Impact indicator. Although, we maintain an engagement with the companies representing top 50% of the carbon footprint of our listed Van Lanschot Kempen funds. These engagements focus on these companies disclosing information on their GHG emissions, climate risks/opportunities, and implementing effective and ambitious strategies to align their operations with a Paris aligned reduction pathway. In addition, for our sustainable and impact investment products and services we exclude companies that are involved in thermal coal and tar/oil sands (applying a >20% revenue threshold).	

## Indicators applicable to investments in investee companies

### Climate and other environment-related indicators

Adverse sustainability indicator			Metric	Unit	2023	2022	Coverage 2023 <sup>4</sup>	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)	0.00011	0.00012	45.1%	For 2023, we have a KPI on engaging with the companies representing the top 50% of carbon footprint of our Van Lanschot Kempen funds on their energy transition strategy and climate risks, which are mainly companies in industries marked as 'high impact climate sectors' such as the oil and gas industry. We engaged with 44 out of the 49 top 50% most carbon-intensive companies in the portfolios of our listed funds, and divested from three – falling short of our target ( see KPI 14.c in our group annual report). Our aim is to encourage these companies 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.	
				Mining and quarrying (GWh/m EUR of revenue)	0.02219	0.01528	44.5%		
				Manufacturing (GWh/m EUR of revenue)	0.17466	0.60752	46.8%		
				Electricity, gas, steam and air conditioning supply (GWh/m EUR of revenue)	0.05739	0.06169	44.4%		
				Water supply, sewerage, waste management and remediation activities (GWh/m EUR of revenue)	0.00458	0.00230	44.6%		
				Construction (GWh/m EUR of revenue)	0.00103	0.00100	45.5%		
				Wholesale and retail trade, repair of automobiles and motorcycles (GWh/m EUR of revenue)	0.00605	0.00881	46.8%		
				Transport and storage (GWh/m EUR of revenue)	0.01420	0.01118	42.6%		
				Real estate activities (GWh/m EUR of revenue)	0.01846	0.03341	46.3%		

## Indicators applicable to investments in investee companies

### Climate and other environment-related indicators

Adverse sustainability indicator			Metric	Unit	2023	2022	Coverage 2023 <sup>4</sup>	Explanation	Actions taken, and actions planned and targets set for the next reference period
Bio-diversity	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, %	0.1%	0.0%	50.2%	For our financial products that aim to promote environmental characteristics related to biodiversity and ecosystems or those that are invested in sustainable investments with an environmental objective related to biodiversity and ecosystems, this principal adverse impact indicator is a key metric to determine whether issuers are adequately addressing biodiversity risk. We recognise that in general a limited number of issuers are adequately reporting on whether they have sites/ operations in or near to biodiversity-sensitive areas. We encourage our investee companies to provide transparency around this. We also seek to increase the number of strategic engagements with investee companies on biodiversity.	
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	63	26	0.5%	Emissions to water is a datapoint that has limited coverage through our ESG data provider MSCI. We encourage our investee companies to provide more transparency around this, particularly for the sectors materials, consumer staples and utilities.	
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	1.4	3	13.8%	A limited number of companies discloses information on hazardous waste and radioactive waste. Thereby this indicator has limited coverage through our ESG data provider MSCI. 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 this 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	2023	2022	Coverage 2023	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, %	0.1%	0.1%	50.2%	Companies being involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises are generally excluded (see: <a href="#">Living better for longer</a> and <a href="#">Our minimum criteria</a> )	
	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, %	27.0%	22.7%	50.2%	Compliance mechanisms are a pre-requisite for companies to be able to self-identify (potential) breaches with the UNGC principles or OECD Guidelines for Multinational Enterprises, we therefore generally require these from companies.	
	12	Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	Average % of gender pay gap	17.6%	17.2%	12.1%	Based on data from external data providers, we assess the average % of gender pay gap in our listed equity portfolios. We support shareholder proposals calling for equal pay or gender pay gap disclosure in our listed equity funds.	
	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	34.0%	32.8%	48.7%	For our Van Lanschot Kempen funds, our Voting policy is to (a) in countries with requirements on board diversity vote in favour of proposed appoints in accordance with these requirements and (b) in all other countries to vote against the (re)appointment of male board members when the board fully consists of men.	
	14	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	Share of investments, %	0.0%	0.0%	50.3%	Companies being involved in controversial weapons are generally excluded (see: <a href="#">Our minimum criteria</a> ).	

### Indicators applicable to investments in investee companies

#### Indicators applicable to investments in sovereigns and supranationals

Adverse sustainability indicator			Metric	Unit	2023	2022	Coverage 2023	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 <sub>2</sub> e million EUR of GDP	547	792	16.6%	We generally exclude countries that have not ratified the Paris Climate Agreement.	
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 (6.4%)	6 (6.5%)	11.8%	Countries being involved in violations of international treaties and conventions are generally excluded (see: <a href="#">Living better for longer</a> and <a href="#">Our minimum criteria</a> ).	

### Indicators applicable to investments in investee companies

#### Indicators applicable to investments in real estate assets

Adverse sustainability indicator			Metric	Unit	2023	2022	Coverage 2023	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	Currently, ESG data availability on our illiquid assets is very limited and as a consequence, we have not been able to report these PAIs. We are working to improve the data quality and coverage for these portfolios in order to report these indicators in the 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		

### Additional climate and other environment-related indicators

#### Climate and other environment-related indicators

Adverse sustainability indicator			Metric	Unit	2023	2022	Coverage 2023	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, %	15.4%	17.8%	49.2%	We maintain an engagement with the companies representing top 50% of the carbon footprint of our listed Van Lanschot Kempen funds. These engagements focus on these companies disclosing information on their GHG emissions, climate risks/opportunities, and implementing effective and ambitious strategies to align their operations with a Paris aligned reduction pathway.	

### 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	2023	2022	Coverage 2023	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	0.01	49.9%	Companies being subject to allegations of severe violations of the UNGC principles or OECD Guidelines for Multinational Enterprises are generally excluded (see: <a href="#">Living better for longer</a> and <a href="#">Our minimum criteria</a> ).	

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

Within Van Lanschot Kempen Investment Management, we consider 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”<sup>5</sup>. Van Lanschot Kempen’s policies are updated on a regular basis and date on which the governing body approved those policies is mentioned in the respective policies.

In this section we outline our overall sustainable investment policy house and our sustainability focus areas.

## Our sustainable investment policy house

Being a wealth manager with a long-term focus means that we proactively strive to prevent negative consequences for all stakeholders - while aiming to create positive long-term financial and sustainability value. We believe that we can achieve the most significant social and environmental impact via the investments of our clients. We are helping our clients to navigate their investments through - in our view - the fundamental transitions of this time, i.e. energy and food. Acting on these transitions also involves considering the other major transitions that are closely aligned, most notably the materials transition, which is necessary for the energy transition. By being active stewards on behalf of them, we aim to find opportunities in these transitions and avoid the pitfalls. This central ambition forms the basis of our policy house and follows from our [purpose](#). Our vision on helping our clients navigating the transitions is outlined in our white paper [Navigating through transitions](#).

Our focus themes and the transitions can be considered as the floors of our policy house. Via these policies we aim to address a wide variety of sustainability issues or principal adverse impacts. We have selected these themes/transitions based on an assessment of which are the most pressing sustainability issues (taking into account the probability of occurrence, severity of the impact, and irremediable character) and where we as Van Lanschot Kempen have the most meaningful contribution. This has mainly been a qualitative assessment, leaving somewhat of a margin of error in the sense that unsustain-

able development may also give rise to other (more) severe and irremediable impacts. Our approach for achieving sustainability goals related to these focus areas and other topics, is organized 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 [ESG Policy & ambitions](#) document.

At the very basis we require all our investments to adhere to certain minimum criteria with regards to sustainability (e.g., adhering to the UN Global Compact). For more details, see the section: [Our minimum criteria](#). These criteria are listed in our [Convention library](#) and result in [exclusions](#).

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 Sustainability & Impact Investing Team and discussed in the Sustainable Investment Council. The last review of the Climate Change policy took place in January 2024, whereas our [Biodiversity policy](#) and [Living better for longer policy](#) have been reviewed in respectively February and June 2023.

Within Van Lanschot Kempen, the accountability for developing, implementing and embedding sustainability goals has been delegated from the Management Board to the Sustainability Board. The Sustainability Board representatives are appointed by the Management Board. The Sustainability Board has two sub-committees, including the Sustainable Investment Council. This Council has ultimate responsibility for drafting and implementing the sustainable investment policies. The members of this council are appointed by the Sustainability Board and consist of senior representatives of all relevant business units.

The Strategy, Sustainability & Corporate Development Team is part of the CEO domain. The team is responsible for several key activities including defining the sustainability strategy and monitoring its execution, advising on embedding the sustainability ambition in the strategy of the business lines and developing the sustainability roadmap for the company including monitoring its execution. The department maintains contact with diverse stakeholder groups, both inside and outside the organisation. The Sustainable & Impact Investing Team is part of the Investment Management Clients segment and focuses on

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growing and expanding Van Lanschot Kempen's sustainable and impact investing offering. The team is responsible for Van Lanschot Kempens' Impact & Transition framework, investment and sustainability related policies, adherence to SFDR regulations and advising on active ownership. More information on how we have organised sustainability within Van Lanschot Kempen can be found on our [website](#).

### Climate change and the energy transition

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

We have set a long-term commitment (2050), a mid-term ambition (2030) and short-term objectives (2025) on climate change:

- **Commitment 2050:** As a long-term investor, we are committed to aligning with the Paris Agreement goals and contributing to the transition to a low carbon economy by 2050. We commit to have net-zero emission investments by 2050.
- **Ambition 2030:** By 2030 we aim to be aligned with a path to achieving the Paris Agreement and Dutch Klimaatakkoord goals for all listed and non-listed investments.
- **Objective 2025:** By 2025, we aim to be aligned with a path to achieving the Paris Agreement and Dutch Climate Agreement (Klimaatakkoord) goals for all listed investments. For the more sustainable and impact investments we expect climate aligned pathways in line with the EU Benchmarks<sup>6</sup> or alike.

Objectives for 2025 are:

- **Van Lanschot Kempen listed funds:** We will, on an aggregate level, aim to be aligned with a path to achieving the Paris Agreement and Dutch Klimaatakkoord goals, including on carbon intensity metrics.
- **Fiduciary management clients:** We will advise and encourage clients to align listed equity investments with a path to achieving the Paris Agreement and Dutch Klimaatakkoord goals.

<sup>6</sup> The EU Benchmarks consists of two climate benchmarks, Climate Transition Benchmark and Paris Aligned Benchmark, which have the aim to reach net-zero emissions by 2050 - in line with the +1.5°C scenarios from the UN IPCC.

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

- **Exclusion:** We do not invest in coal companies which obtain a significant part of revenues (>20%) from thermal coal mining, or tar sands (>20%).
- **ESG integration:** We prefer to invest in companies (via our internal and external fund managers) which integrate their climate risks and opportunities into their organisation and are able to move towards a low carbon economy.
- **Active ownership:** We will start or continue the dialogue with relevant investee companies (with the highest greenhouse gas emissions relative to the fund) and fund managers and ask for Science Based Targets or equivalent as well as scope 3 reporting. For funds 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. For our listed Van Lanschot Kempen funds we will engage with oil and gas investee companies if they are involved in Arctic oil/gas and shale oil/gas extraction with the aim to minimise negative environmental impact.
- **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, please consult our [Climate change policy](#) and/or [Climate change strategy & action plan](#).

### Biodiversity and the food transition

Biodiversity is negatively impacted due to economic activities, but at the same time these economic activities are dependent on ecosystems. Similarly as for climate change, we therefore perceive biodiversity decline to be a systemic risk facing the economy, the environment and our society and we are considering the risks and opportunities this presents to our investments in the coming decades.



We are committed to limit climate change and to mitigate and reverse biodiversity loss by contributing to the energy and food and materials transitions. In relation to biodiversity, the food system and subsequent food transformation are especially important as the food production system is the primary human activity responsible for biodiversity loss<sup>7</sup>.

In 2021 Van Lanschot Kempen signed the Finance for Biodiversity Pledge. Through this pledge, we commit ourselves to implement and drive biodiversity-related best practices, varying from collaboration to engagement and setting concrete targets by the end of 2024 (similar as to listed equity funds above related to climate change and the energy transition).

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 on the integration of biodiversity in the portfolios. By means of these four pillars we aim to cease (via exclusions and active ownership), prevent or mitigate our adverse biodiversity impact (via ESG integration and active ownership) and contribute to positive solutions (via positive impact):

- **Exclusions:** One of the direct drivers of biodiversity loss is climate change. We have formulated exclusion objectives for coal mining and tar sands for all fund managers where we have influence.<sup>8</sup> See our [Climate change policy](#) for more details.
- **ESG integration:** The 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 to 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.

- **Active ownership:** We actively engage with companies on biodiversity-related controversies where applicable. Due to our size and resources available, we also aim to engage collectively to increase our leverage. Next to engagements we use our voting rights to express our views on biodiversity matters such as a company's performance regarding topics within this theme.
- **Positive impact:** We invest in strategies that support nature and climate next to 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, please consult our [Biodiversity policy](#).

### Living better for longer

As a long-term investor, we believe that risks and challenges that negatively impact human health and well-being pose a systemic risk to society, the economy and the environment and we want to consider these risks. Health and well-being is a sustainability focus area for us. This focus area includes the risks and issues which can pose threats or barriers to health and well-being as well as considering opportunities where we can contribute to progress and development in this field. We seek to act to avoid harm (do no harm), benefit stakeholders (being employees, the value chain, affected communities and end-users or consumers) as well as contribute to solutions.

<sup>7</sup> 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.

<sup>8</sup> By 'influence' we refer to a broader term than active funds, we refer to: (1) we generally have influence where allocation amounts are high (for active and passive fund managers); (2) we have influence for mandates via BestSelect; (3) we have influence where the selected fund is a co-creation between Van Lanschot Kempen and the asset manager in question.

Our [Human Rights and Labour Rights policy](#) forms part of the base of this theme and our approach to long-term value creation. Human rights and labour rights violations can create significant barriers to living better and living longer, therefore these controversies act as a constructor to this theme. To underline our position on international human rights, we are a signatory to the [UN Global Compact \(UNGC\)](#), a global standard for companies to align their strategies and operations with universal principles on human rights, labour, environment and anti-corruption. We support the [UN Guiding Principles on Business and Human Rights \(UNGPR\)](#), the [OECD Guidelines for Multinational Enterprises \(OECD\)](#), the [Principles for Responsible Investment](#) as well as a range of other International Labour Organization and UN Conventions, listed in our [Convention library](#). While many of these principles and conventions primarily target large, listed companies, we explicitly apply these to our private markets investments as well. To understand how the OECD Guidelines for Multinational enterprises apply to Van Lanschot Kempen Investment Management, consult our [OECD Guidelines Compliance statement](#).

### Our minimum criteria

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

### Weapons

Van Lanschot Kempen Investment Management 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 non-detectable fragments. In addition, companies involved in the production and/or storage of fissile materials used in/for nuclear weapons are classified as controversial weapons. As a policy, Van Lanschot Kempen will exclude investments in companies that trade weapons and ammunition (both conventional and controversial) if there is a substantial risk that the weapons will be used for violence against civilians (in fragile or failing states, countries that are in civil war), terrorist organisations and (organised) crime.

### Tobacco

Van Lanschot Kempen follows a principle-based framework, which is explained in the exclusion policy. Based on that framework, Van Lanschot Kempen is committed to not investing in companies involved in tobacco products. Overall, tobacco has severe negative impacts on people (deaths and diseases) which are reflected in the first worldwide (legally binding) health treaty for tobacco use reduction.

### Climate related exclusions: coal mining and tar sands

Van Lanschot Kempen Investment Management has assessed several activities which are likely to be detrimental to the transition towards a low-carbon economy and to meeting the Paris Agreement goals. Within the transition, Van Lanschot Kempen Investment Management believes 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 its climate change policy, Van Lanschot Kempen Investment Management is therefore committed to not investing in companies with most of their revenues coming from coal mining and/or tar sands. The full [climate change policy](#) can be found on Van Lanschot Kempen Investment Management's website.

### Government bond exclusions

As a minimum, Van Lanschot Kempen Investment Management does not want to provide financial means to governments that, as indicated by sanctions, violate the basic rights of their own inhabitants or those of other countries. Additionally, countries which are involved in severe adverse human rights issues and not captured by sanctions will be excluded. As climate change is one of Van Lanschot Kempen Investment Management's focus areas, it further only considers government bonds of countries which have ratified the Paris Agreement for investments. For the more sustainable investments, Van Lanschot Kempen Investment Management only invests in governments bonds of countries which do not have adverse environmental impact (including climate change), do not have adverse human and labour rights issues and do not have weak governance/institutions.

### MSCI Red Flags

There are a number of companies that face very severe controversies based on the way they conduct business and impact labour or human rights or the environment. This risk can be either from a reputational perspective or from an investment perspective. These are companies that structurally violate international conventions and standards and/or have demonstrated no improvement over the last years.

### Sustainability objectives or promoted environmental/social characteristics per product

More information on the sustainability objectives-, promoted environmental/social characteristics, and/or considered principal adverse impacts of our investment funds can be found in the respective SFDR pre-contractual disclosure which are included in the 'documents' section of each product in the [fund library](#).

### Calculations & data

For the purpose of reporting 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. The disclosed PAI values are based on the figures from the dates of 31<sup>st</sup> of March 2023, 30<sup>th</sup> of June 2023, 30<sup>th</sup> of September 2023 and 31<sup>st</sup> of December 2023. To monitor the impact that can be associated with investment portfolios in particular in terms of the principal adverse impacts we primarily make use of data provided by MSCI ESG. It is important to note that the quality and coverage of data may vary across different asset classes and PAIs. To provide our stakeholders with a meaningful context, we offer coverage information for the different PAIs throughout the year 2023. We have limited data coverage for our illiquid asset classes and we are working to improve this in order to report these indicators in the future.

# Our engagement policies

We consider engagement an important policy instrument in managing principal adverse impacts on sustainability factors. If issuers we invest in, do not comply with the international norms and standards we endorse (e.g., UN Global Compact, OECD Guidelines) we may initiate an engagement process. When issuers do not adhere to such norms, based on our [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 remediated 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 please see our [stewardship and engagement policy](#).

We focus in particular on engaging with the companies in which we invest via our own investment funds: (a) with companies representing the top 50% of the carbon footprint of the total portfolio (to thereby address the principal adverse impact indicators ‘1. GHG emissions’, ‘3. GHG intensity of investee companies’), and (b) on 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 annually review our topical sustainability policies, such as our climate change policy, and then amongst others evaluate whether we need refocus our engagement efforts and/or increase our engagement targets.

Notable engagements on the aforementioned and other topics in 2023 include our dialogues with:

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

For more information on our engagement efforts, please refer to our latest [stewardship & responsible investment report](#).

# References to international standards

We align our sustainability investment policies with relevant international standards. Within the quarterly screening on [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 listed respective international standards:

## Climate change policy

- the Paris Agreement goals;
- the Climate Commitment of the financial sector of 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, and;
- the Net Zero Asset Managers Initiative.

## Biodiversity policy

- the COP 15 UN Biodiversity Conference

We aim to address climate change by amongst others: (i) aligning our listed portfolios with the EU Climate Transition- or Paris Aligned Benchmark (i.e., tracking the carbon intensity in terms of scope 1 and 2 GHG emissions per € m of revenue – via our data provider ISS ESG), (ii) maintaining an engagement with the top 50% largest contributors to the carbon footprint of our Van Lanschot Kempen listed funds (i.e., in terms of scope 1 and 2 GHG emissions – via our data provider ISS ESG), and (iii) excluding investments in coal companies which obtain a significant part of revenues (>20%) from thermal coal mining, or tar sands (>20% ; provided by our data provider ISS ESG).

We do not yet apply forward-looking climate scenarios for all our products and services. Although we acknowledge these can provide valuable insights, we currently find there are limitations in applying these to portfolios that contain investments in asset classes beyond listed-equity in developed markets.

In addition, we want to further address biodiversity loss by amongst others engaging with companies to lower their impact in or near to biodiversity-sensitive areas and a selection of other principal adverse impact indicators. However, we currently find that in general a limited number of issuers adequately report on this. We encourage our investee companies to provide transparency around this.

# Remuneration policies in relation to the integration of sustainability risks

We take sustainability risks into account in our remuneration policy for investment professionals and other senior staff by aligning their financial incentives with the long-term interests of our clients and the long-term success of our own organisation. The scorecards we use for the allocation of variable remuneration to employees working for our various client segments therefore include KPIs linked to sustainability aspects. The specific KPIs that are considered depend on the client segment and specific area of expertise of the investment professional/senior staff, an illustrative example is the reduction of the carbon intensity of a portfolio.

Our remuneration policy also promotes a sound and effective risk management culture that protects the value of the investment portfolios. Sustainability risks are defined as environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of the investment. These risks are part of this risk management policy and culture, in just the same way as all other forms of risk. To promote the adequate consideration of sustainability risks, since these might materialise in the long-term future, we have included the possibility for the Risk Management department to make corrections in the determination of variable remuneration (pools) for such risks.

Specifically, the remuneration of the Management Board consists of fixed remuneration only, and includes a relatively large proportion in shares (with a five-year lock-up period). By abolishing variable remuneration and paying a relatively large proportion in shares, we aim to design a balanced and sustainable remuneration structure that is focused on the long term. More information on the remuneration of our Management Board can be found in our [Remuneration policy](#).

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