



VAN LANSCHOT  
KEMPEN

# Exclusion Policy

April 2025



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# 1. Introduction

The purpose of Van Lanschot Kempen is to preserve and create wealth for its clients and for society in a sustainable way. Our overall minimum standard is “to do no significant harm”, as described in international conventions<sup>1</sup>. As part of its sustainability offering, Van Lanschot Kempen excludes investments in companies and countries involved in activities with severe negative impact on people and/or the environment. These activities can be product / services based or conduct-based.

Van Lanschot Kempen adheres to international guidelines and standards and supports the OECD Guidelines for Multinational Enterprises, United Nations Global Compact, UN Guiding Principles on Business and Human Rights and the Principles for Responsible Investment. These key norms form the foundation of Van Lanschot Kempen’s ‘[Convention Library](#)’, which consists of international treaties, conventions and global norms. Furthermore, Van Lanschot Kempen follows a principle- based framework where relevant.

As the exclusions may be part of other Van Lanschot Kempen policies, e.g., on climate change, biodiversity, and government bonds, the exclusion texts in this policy are derived from these policies and reference to the specific policy is given. The exclusion process described below applies to the assets we manage (e.g. discretionary assets under management and in-house funds) and follows our ESG flavour framework. Other assets, such as assets under advice or administration, apply individual exclusion thresholds. All assets comply with our minimum requirements. Moreover, this Exclusion policy relates to all fund managers where Van Lanschot Kempen has influence. Additional exclusions may be applied in Van Lanschot Kempen’s solutions but are outside the scope of this policy.

This policy is organised into two sections: Exclusions and Governance & Reporting. The (sub)sections elaborate on both the why (reason) and the how behind the exclusions. The final section consists of the governance and reporting of this policy.

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<sup>1</sup> As described in our Convention Library [im-convention-library.ashx](#)

## 2. Exclusions

### 2.1 Tobacco

#### A. Why exclude

Van Lanschot Kempen recognises the potentially harmful outcomes emerging from tobacco production and consumption related to individual and societal health, economics and the environment. 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. Furthermore, tobacco products in themselves are not essential.

Van Lanschot Kempen uses a framework with objective criteria to come to product and services exclusions. The criteria have been formulated below, followed by the assessment for tobacco, leading to an overall conclusion to exclude.

#### 1. Harmful and high negative impact

The product / service has (a) to be, by definition, harmful to people and/or nature / environment; and (b) have a high negative impact on people and/or nature/environment when used as intended.

*Tobacco products are by definition harmful to people and cause severe negative impact on people due to a high number of deaths (more than 8 million people each year according to the WHO<sup>2</sup>), and diseases (tobacco use is one of the main risk factors for a number of chronic diseases, including cancer, lung diseases, and cardiovascular diseases).*

#### 2. Not essential

The product or service is not essential (no harmful effect if the product would no longer be there).

*Tobacco is not essential.*

#### 3. International treaties / conventions in place

There are international treaties / conventions that prohibit the use of the product / service or aim to significantly reduce the use of it.

*There is the first worldwide (legally binding) health treaty for tobacco use reduction, called the WHO Framework Convention on Tobacco Control (WHO FCTC, 2005).*

#### 4. Engagement not plausible alternative

Engagement with the company cannot change the situation towards non-harmful products/services (also considering innovation towards non-harmful products) - if used as intended.

*Engagement is not possible to move the product towards non-harmful (if used as intended).*

#### 5. Involvement in activity

Company directly involved in the product/service via production/manufacturing (>0% revenues) or significantly (>20% revenues) indirectly involved in the product/service via the distribution and/or sale (retailer, supplier).

*For companies directly involved and indirectly involved (meeting the thresholds).*

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<sup>2</sup> Tobacco (who.int)

## B. How to exclude

Companies which obtain >0% revenues from the production / manufacturing of tobacco products, which include – amongst others – cigarettes, chewing tobacco, and e-cigarettes, are excluded. Van Lanschot Kempen will not invest in companies which obtain >20% revenues indirectly from tobacco via retail or distribution of tobacco products. Companies with >20% revenues from supplying products essential to the tobacco industry are also excluded. For more<sup>3</sup> sustainable and impact funds, Van Lanschot Kempen sets the exclusion threshold on tobacco retail and distribution at >5% of revenues.

## C. Application of the Paris-Aligned Benchmark exclusion criteria

Van Lanschot Kempen adheres to the Paris-Aligned Benchmark exclusion criteria of the EU Benchmark Regulation (EU) 2020/1818 with respect to tobacco (article 12.1 (b)). We exclude investments in “companies involved in the cultivation and production of tobacco”.

# 2.2 Controversial Weapons

## A. Why exclude

In line with international human rights law, Van Lanschot Kempen cannot condone controversial weapons. Controversial weapons are weapons whose effects are disproportionate, and which do not (cannot) distinguish between military and civil targets. 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 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.

In relation to controversial weapons, Van Lanschot Kempen applies a dual use criterion. This criterion is developed to prevent that companies that only develop, produce, test, store, maintain or trade generic parts that can be used in controversial weapons (e.g., steel, electronics, engines, fuel), are considered as being involved in controversial weapons. At the same time the dual use criterion guarantees that companies active in developing, producing, testing, storing, maintain and/or trading essential parts - parts that are specifically made for controversial weapons and don't have other – generic – applications -, are flagged as being involved in controversial weapons.

On cluster munitions and ammunition carriers, Van Lanschot Kempen follows a tertiary involvement approach:

- Van Lanschot Kempen does not invest in ammunition carriers which are involved in cluster munitions.
- Van Lanschot Kempen does not make a distinction between carriers specifically built as delivery platform for cluster munitions versus not specifically built as delivery platform for cluster munitions. However, the ammunition carrier needs to fulfil the following criteria: (1) Van Lanschot Kempen's data provider has evidence ('documented examples') that the aircraft/ship can be used as a delivery platform for these weapons; and/or (2) the carrier has been tested and certified for the use of these weapons.

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<sup>3</sup> More sustainable funds refer to the Flavour 4 “do better” classification of the Van Lanschot Kempen Sustainability Spectrum, while impact funds refer to Flavour 5 “do good”. For further information please refer to: [Integration \(vanlanschotkempen.com\)](https://www.vanlanschotkempen.com/integration)

- Van Lanschot Kempen complies with the Dutch Besluit marktmisbruik Wft article 21a<sup>4</sup> (since January 1, 2013). This local law forbids Dutch financial institutions to directly or indirectly support (foreign) companies (or their majority shareholder) if these companies are producing, selling or distributing cluster ammunition.

#### **B. How to exclude**

Companies are screened for involvement ties to controversial weapons. Companies with ties are excluded. Ties includes producers of weapons, weapon systems, components, and involvement via ownership. This applies to anti-personnel landmines, biological / chemical weapons, cluster munitions, depleted uranium weapons, blinding laser weapons, incendiary weapons (white phosphorous), and non-detectable fragments.

For more<sup>5</sup> sustainable and impact funds, companies with direct involvement in nuclear weapon production are excluded. Direct involvement is established if the company is involved in the production and/or storage of fissile materials used in/for nuclear weapons. It includes companies with contracts to operate/manage facilities involved in the manufacture of fissile materials for nuclear weapons. 'Nuclear fissile material production' demonstrates that the company involved has a direct link with the actual nuclear weapon.

Van Lanschot Kempen applies an exception for exclusion: financial institutions that have involvement in controversial weapons through financing are not excluded.

#### **C. Application of the Paris-Aligned Benchmark exclusion criteria**

Van Lanschot Kempen adheres to the Paris-Aligned Benchmark exclusion criteria of the EU Benchmark Regulation (EU) 2020/1818 with respect to controversial weapons (article 12.1 (a)). We exclude investments in "companies involved in any activities related to controversial weapons". "Controversial weapons shall mean controversial weapons as referred to in international treaties and conventions, United Nations principles and, where applicable, national legislation."

## **2.3 Conventional weapons – sustainable funds only**

#### **A. Why exclude**

Van Lanschot Kempen recognises the potential for harmful misuse of conventional weaponry and armaments. Weapons in themselves do harm to individuals, contrasting the 'do good principle'. Conventional weapons do not meet the requirement for inclusion in sustainable funds.

#### **B. How to exclude**

For more<sup>6</sup> sustainable and impact funds, Van Lanschot Kempen excludes companies which obtain some revenues from conventional weapons. Revenue thresholds are defined as >5% from the production of conventional weapons,

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<sup>4</sup> Source in Dutch only: <https://wetten.overheid.nl/BWBR0020417/2017-07-12>

<sup>5</sup> More sustainable funds refer to the Flavour 4 "do better" classification of the Van Lanschot Kempen Sustainability Spectrum, while impact funds refer to Flavour 5 "do good". For further information please refer to: [Integration \(vanlanschotkempen.com\)](https://www.vanlanschotkempen.com/integration)

<sup>6</sup> More sustainable funds refer to the Flavour 4 "do better" classification of the Van Lanschot Kempen Sustainability Spectrum, while impact funds refer to Flavour 5 "do good". For further information please refer to: [Integration \(vanlanschotkempen.com\)](https://www.vanlanschotkempen.com/integration)

and >15% revenues from weapon systems, components and support systems and services. This includes the production and sale of civilian firearms.

## 2.4 Climate related exclusions

### A. Why exclude

Van Lanschot Kempen 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 believes that thermal coal mining and oil sands have the most adverse impact on climate change and the environment, and can be substituted. As part of its climate change policy, Van Lanschot Kempen is therefore committed to not investing in companies breaching revenue-based thresholds from thermal coal mining and/or oil sands. The full climate change policy can be found on the Van Lanschot Kempen [website](#).

### B. How to exclude

#### Thermal coal

Van Lanschot Kempen will not invest in companies which obtain a significant part of revenues (>20%) from thermal coal mining. For more sustainable and impact funds<sup>7</sup>, Van Lanschot Kempen applies the Paris Aligned Benchmark exclusion, with respect to thermal coal.

#### Oil sands

Van Lanschot Kempen will not invest in companies which obtain a significant part of revenues (>20%) from oil sands. For more sustainable and impact funds, oil sands are excluded through the oil exclusion described below.

#### Oil & gas – Sustainable Funds only

For more sustainable and impact funds, Van Lanschot Kempen applies the Paris Aligned Benchmark exclusions. The funds therefore exclude companies which obtain >10% revenues from the extraction, manufacturing or distribution of oil. The funds exclude companies which obtain >50% revenues from the extraction, manufacturing or distribution of gaseous fuels.

#### Power Generation – Sustainable Funds only

For more sustainable and impact funds, Van Lanschot Kempen excludes companies which obtain >50% revenues from power generation with intensity >100 gCO<sub>2</sub>e/kWh. This complies with the Paris Aligned Benchmark exclusions.

## 2.5 Government bond exclusions

### A. Why exclude

Sovereign entities have an obligation to protect and respect human rights. As a minimum, Van Lanschot Kempen does not want to be involved with countries that violate this obligation.

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<sup>7</sup> more sustainable funds refer to the Flavour 4 “do better” classification of the Van Lanschot Kempen Sustainability Spectrum, while impact funds refer to Flavour 5 “do good”. For further information please refer to: Integration ([vanlanschotkempen.com](http://vanlanschotkempen.com))



### **B. How to exclude**

Van Lanschot Kempen will not invest in government bonds from countries that i) are subject to EU / UN Sanctions through weapon embargos; and ii) are involved in severe violations of human rights not covered through sanctions.

For the more sustainable and impact funds, Van Lanschot Kempen invests in government bonds of countries which i) do not have significant adverse environmental impact (including climate change and biodiversity); ii) are not involved in adverse human and labour rights issues; and iii) do not have weak governance/institutions. Our assessment framework includes data points from MSCI, SolAbility (Global Sustainable Competitive Index, the International Trade Union Confederation (ITUC) (Global Rights Index), and the Economic Intelligence Unit (EIU) (Democracy Index).

## **2.6 OECD Alignment**

### **A. Why exclude**

There are a number of companies that can pose a significant reputational, financial or other risk to Van Lanschot Kempen's investments. 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. The controversies these companies are involved in are considered very severe.

### **B. How to exclude**

All companies that fail to comply with the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises based on MSCI ESG Research methodology will be added to the Van Lanschot Kempen exclusion list within three months of the new assessment. Investment teams will have six months to sell their position in the company.

### **C. Application of the Paris-Aligned Benchmark exclusion criteria**

Van Lanschot Kempen adheres to the Paris-Aligned Benchmark exclusion criteria of the EU Benchmark Regulation (EU) 2020/1818 with respect to international conventions (article 12.1 (c)). We exclude investments in "companies that benchmark administrators find in violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises". There are two important caveats. First, the assessment of the benchmark administrator that we apply is that of MSCI. Second, we have a divestment process in place for existing investee companies that may be in violation of the UNGC or the OECD Guidelines for Multinational Enterprises as described under section 2.6B.

## **2.7 Additional sustainability exclusions**

In certain cases, the Kempen Sustainable Funds may have stricter exclusion thresholds. For specific thresholds, please see the table on page 10. The funds have an additional overlay of exclusions, including, but not limited to, adult entertainment, alcohol, animal welfare, arctic drilling, gambling, and fossil fuels (i.e., shale oil/gas). For further



details on how this is applied per investment strategy, please refer to the specific fund ESG policies<sup>8</sup>. Governance & Reporting

## 2.8 Governance

The Business Management team within Van Lanschot Kempen Investment Management prepares the Exclusion list and the Van Lanschot Kempen Sustainable Investment Council ("Council") reviews it. The Council meets at least four times a year. The policy will be reviewed annually.

### Implementing the exclusion policy

Van Lanschot Kempen uses data from external data providers for its exclusion policy screening. This screening takes place on a quarterly basis for controversial weapons, conventional weapons, tobacco, climate-related exclusions, and failure to comply with OECD guidelines. For government bonds the screening takes place annually.

### Removal of companies from the exclusion list

Companies that are no longer breaching thresholds established by the Van Lanschot Kempen exclusion criteria, based on the evidence provided by our data providers, will be reviewed by the Business Management team. The decision to remove the companies from the exclusion list rests with the Council.

## 2.9 Reporting

After the Exclusion list is approved by the Council, the list is publicly disclosed on the Van Lanschot Kempen website. The most recent exclusion list can be found here: [Exclusion \(vanlanschotkempen.com\)](#)

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<sup>8</sup> ESG policies can be found per fund in our fund library: [Fund Library | Van Lanschot Kempen Investment Management](#)

### 3. Exclusion criteria overview

Exclusion category	Screening criteria	Thresholds		
		General ESG exclusions <sup>9</sup>	More <sup>10</sup> Sustainable & impact funds	Kempen Sustainable funds
<b>Controversial weapons</b>	Any Ties	Yes	Yes	Yes
<b>Conventional weapons</b>	Revenues from production	Not required	>5%	>5%
	Revenues from weapon systems, components and support systems and services	Not required	>15%	>5%
<b>Tobacco</b>	Producers	Yes	Yes	Yes
	Revenues from retail, distribution	>20%	>5%	>5%
	Revenues from suppliers	>20%	>20%	>20%
<b>Thermal coal mining</b>	Revenues from production	>20%	>1%	>1%
	Power generation based on coal	Not required	Not required	>5%
<b>Oil sands</b>	Revenues from production	>20%	>10%	>5%
	Revenues from facilitating production	Not required	Not required	>25%
<b>Oil &amp; Gas</b>	Revenues from Oil extraction, manufacturing or distribution	Not required	>10%	>5%
	Revenues from Gas extraction, manufacturing or distribution	Not required	>50%	>5%
	Revenues from facilitating production	Not required	Not required	>25%
<b>Power Generation</b>	Revenues with carbon intensity >100 gCO <sub>2</sub> e/kWh	Not required	>50%	>50%
<b>Government Bond</b>	EU / UN arms embargoes sanctions	Yes	Yes	Yes
	Additional criteria environmental, human and labour rights, governance	Not required	Yes	Yes
<b>OECD Alignment</b>	Failure to comply	Yes	Yes	Yes
<b>Additional Sustainability exclusions - environmental</b>	For example arctic drilling, and shale oil & gas.	Not required	Not required	Yes

<sup>9</sup> This applies to the assets we manage (e.g. discretionary assets under management and in-house funds) and refers to “avoid harm”. For further information please refer to: [Integration \(vanlanschotkempen.com\)](https://www.vanlanschotkempen.com/integration).

<sup>10</sup> More sustainable funds refer to the Flavour 4 “do better” classification of the Van Lanschot Kempen Sustainability Spectrum, while impact funds refer to Flavour 5 “do good”. For further information please refer to: [Integration \(vanlanschotkempen.com\)](https://www.vanlanschotkempen.com/integration)

Exclusion category	Screening criteria	Thresholds		
		General ESG exclusions <sup>11</sup>	More <sup>12</sup> Sustainable & impact funds	Kempen Sustainable funds
<b>Additional Sustainability exclusions - social</b>	For example adult entertainment, alcohol, animal welfare, and gambling.	Not required	Not required	Yes

<sup>11</sup> This applies to the assets we manage (e.g. discretionary assets under management and in-house funds and refers to “avoid harm”. For further information please refer to: [Integration \(vanlanschotkempen.com\)](https://www.vanlanschotkempen.com/integration).

<sup>12</sup> More sustainable funds refer to the Flavour 4 “do better” classification of the Van Lanschot Kempen Sustainability Spectrum, while impact funds refer to Flavour 5 “do good”. For further information please refer to: [Integration \(vanlanschotkempen.com\)](https://www.vanlanschotkempen.com/integration)

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## Additional information

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