

## Task Force on Climate-related Financial Disclosures

30 June 2024

### Recommendations

The Task Force on Climate-related Financial Disclosures (TCFD) has developed a number of recommendations on climate related financial disclosures, applicable to organisations across sectors and jurisdictions (see [fsb-tcf.org](https://www.fsb-tcf.org)). Given its aim to promote more informed investing, lending and insurance underwriting decisions, TCFD advises that all financial and nonfinancial organisations with public debt or equity implement its recommendations. TCFD also suggests that asset managers and asset owners implement its recommendations. To ensure that appropriate controls govern the production and disclosure of the required information, TCFD advises that the recommended disclosures should be included in mainstream (i.e. public) financial filings. TCFD's recommendations are structured around four thematic areas that represent core elements of how organisations operate: governance, strategy, risk management, and metrics and targets.

Governance	Strategy	Risk Management	Metric and targets
Disclose the organisation's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material	Disclose how the organisation identifies, assesses, and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.
<p>Recommended disclosures</p> <p>a) Describe the board's oversight of climate-related risks and opportunities.</p> <p>b) Describe management's role in assessing and managing climate related risks and opportunities.</p>	<p>Recommended disclosures</p> <p>a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.</p> <p>b) Describe the impact of climate related risks and opportunities on the organisation's businesses, strategy, and financial planning.</p> <p>c) Describe the resilience of the</p>	<p>Recommended disclosures</p> <p>a) Describe the organisation's processes for identifying and assessing climate-related risks.</p> <p>b) Describe the organisation's processes for managing climate related risks.</p> <p>c) Describe how processes for identifying, assessing, and managing climate-related risks are</p>	<p>a) Disclose the metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management process.</p> <p>b) Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions, and the related risks.</p> <p>c) Describe the targets used by the</p>

	organisation's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario	integrated into the organisation's overall risk management.	organisation to manage climate related risks and opportunities and performance against targets.
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The tables on the next pages describe how Van Lanschot Kempen Investment Management (UK) Ltd has implemented the recommendations.

Recommendations and supporting recommended disclosures

Item	Van Lanschot Kempen
Governance	
a) Board's oversight of climate-related risks and opportunities.	<p>Van Lanschot Kempen's Management Board is responsible for developing a vision for long-term value creation and an appropriate strategy. This includes taking account of risks as well as opportunities, which include climate-related risks. It is also responsible for identifying and managing risks and effective management of these risks, including climate-related risks. Van Lanschot Kempen has a Sustainability Board in place (with members from the Management Board – also the Management Board member responsible for Investment Management Clients – and involvement of the risk management function) to which the Management Board has delegated responsibility for driving and implementing the sustainable strategy for the whole of Van Lanschot Kempen. The Sustainability Board also has the final right of decision with regard to the outcome of the materiality assessment of different climate-related risks.</p> <p>Climate-related opportunities are discussed like any other opportunity. Within Van Lanschot Kempen, a new product approval (NPA) process is in place to assess new opportunities.</p>
b) Management's role in assessing and managing climate related risks and opportunities.	<p>For Van Lanschot Kempen's assets under management (AuM), the Sustainability Board is the highest governance body regarding environmental, social and governance (ESG) risks and opportunities. The Sustainable Investment Council (Council), which reports to the Sustainability Board, is deciding on implementation. The Council designed a specific climate change policy in 2020. The most recent update of this policy was in January 2024. Implementation of this climate change policy is delegated to the departments taking part in the Council.</p>

Item	Van Lanschot Kempen
Strategy	
<p>a) Climate-related risks and opportunities the organisation has identified over the short, medium, and long term</p>	<p><b>Risks</b></p> <p>Van Lanschot Kempen manages €124.2 of AuM per end of 2023, of which €6.1bn in the UK. As a long-term investor, we believe climate change represents a systemic risk facing the economy, society and environment. We therefore want to consider these risks and opportunities in relation to our investments in the coming decades. Examples of climate risks are investments in oil companies whose share price could fall if these companies' assets were to become stranded due to policy effects if these companies could not make the transition to sustainable activities in time. Another example is an investment in non-listed/illiquid real estate that gets flooded. As we expect most negative impacts to appear in oil &amp; gas, mining, utilities and industrials, we have incorporated these sectors in our climate change policy.</p> <p>We expect climate risks to increase due to more climate-related guidelines and regulations by governments and regulators (transition risks) and increasing physical climate risk. For more information, see Risk management.</p> <p><b>Opportunities</b></p> <p>Although we have seen a strong increase in interesting projects and initiatives, climate-related investable opportunities (fitting with our strategy, business and size) have been relatively small so far. However, we note that for our fiduciary management clients this is shifting. Due to the launch of an increasing number of investment products tailored for this client group, the opportunities to invest in funds that address climate change mitigation and/ or adaptation are growing. Clients are increasingly looking to invest in portfolios in which climate change is an important theme. We expect that national and international (regulatory) developments will continue to increase such client demand. We encourage and facilitate this development.</p>
<p>b) Impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.</p>	<p>Although we see that climate-related risks are increasing, until now they have not affected our business, strategy or financial planning.</p> <p>We see strong interest for investment in funds with either exclusion of non-sustainable exposures or funds with explicit targets for sustainable impact. This is important for the majority of our fiduciary clients. For example, the following funds have specific sustainable requirements: SSGA TPI Global Equity Fund, SSGA Emerging market debt (hard currency and local currency funds), LGIM Net Zero Corporate Bond Fund, iShares ESG Screened Global Corp Bonds ETF, iShares MSCI SRI ETF GBP Hedged, NT Emerging Market Sustainable Select SDG</p>
<p>c) The resilience of our strategy under different</p>	<p>Since 2018, Van Lanschot Kempen has performed ever more advanced scenario analyses. In 2020, we took an important step, by integrating climate change into our asset allocation scenarios via GDP assumptions (i.e. climate</p>

climate-related scenarios, including a 2°C or lower scenario.	scenarios ranging from 1.5°C to 4°C). We also developed a climate change policy and set the objective to align our investments with 1.5°C climate scenarios.
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Item	Van Lanschot Kempen
Risk management	
a) Our organisation's processes for identifying and assessing climate-related risk	For our AuM, our Sustainable Investment Council has developed a specific climate change policy with the aim for the organisation to become a net zero investor by 2050, with a mid-term ambition (2030) and short-term objectives (2025). Climate risks are identified by measuring the carbon intensity of all investments in the most carbon-intensive sectors (e.g. oil & gas, mining, utilities). We use an external data provider for these carbon data.
b) Our processes for managing climate-related risks	<p>To manage our climate-related risks we have developed climate objectives for our portfolios, plus underlying objectives for our ESG pillars, namely:</p> <ul style="list-style-type: none"> <li>• ESG integration – integrate climate risks and opportunities;</li> <li>• exclusions – divestments in companies with majority revenues coming from coal mining and tar sands;</li> <li>• active ownership – set up sector climate engagements (utilities, oil &amp; gas, real estate);</li> <li>• impact – invest in more green bonds.</li> </ul> <p>We can engage on our own (via our own funds) and also together with other investors. Joint engagements are done, for example, via our active membership of the Institutional Investor Group on Climate Change (IIGCC) and the Principles for Responsible Investment.</p>
c) How our processes for identifying, assessing, and managing climate-related risks are integrated into our overall risk management	See a) and b)

Item	Van Lanschot Kempen
Metrics and targets	
a) Our metrics used to assess climate-related risks and opportunities	For our AuM we measure the carbon intensity, relative and absolute emissions of all companies we invest in for our own funds. When analysing the results we pay close attention to the most carbon-intensive sectors (e.g. oil & gas, mining, utilities and industrials).
b) Our disclosures on scope 1, 2 and 3 (emissions as defined in GHG document)	We started calculating carbon emissions in 2016 for engagement purposes. We then further evolved our methodology in 2017 and hired an external consultant (ISS) to deliver more carbon data and to calculate the carbon footprint of our AuM. The calculated carbon footprint was published in Van Lanschot Kempen's annual reports and in <a href="#">Van Lanschot Kempen's stewardship and responsible investment report</a> . Three different carbon metrics related to our AuM are presented: an absolute footprint (tCO <sub>2</sub> e), a carbon intensity number (tCO <sub>2</sub> e/€m sales) and a relative footprint (tCO <sub>2</sub> e /€m invested). Due to fragmented reporting of the underlying companies and lack of data on private investments, the three metrics can't be calculated for total AuM.
c) Our targets used to manage climate-related risks and opportunities and our performance against targets	Having monitored the carbon footprint of our AuM since 2017, we have updated our climate change policy with a long-term commitment (net zero investor by 2050), a mid-term ambition (2030) and climate objectives for 2025. In 2023, the aggregate carbon footprint of our AuM was 4.0 million tonnes for Van Lanschot Kempen AuM.