

Sustainability & Investing

How important do you consider sustainability for the selection of your investments?



Sustainability has undeniably become more important in our society. Just think of issues such as climate change mitigation, enhancing biodiversity, circular manufacturing and the protection of human rights. This requires a transition to a more sustainable economy. Through your investments you can have an impact on these sustainability themes. As a socially engaged wealth manager, Van Lanschot Kempen Switzerland Ltd. (hereafter referred to as “Van Lanschot Kempen”) has the ability and the ambition to contribute to the transition to a more sustainable economy. In the years ahead we will focus mainly on the energy, food and materials transitions. We see sustainability as both a responsibility and an opportunity for our clients and society to create positive impact and return over the long run. How our clients' assets are invested is critically important in this regard. We very much want to support you in navigating these transitions and managing their impact on your investments. It is up to you to decide how and to what extent you wish to invest sustainably. In order to put this into effect, we are asking you to indicate how important you consider sustainability to be for the selection of your investments. When making our recommendations we will then take your ESG preferences into account. In doing so we are complying with European and Swiss laws and regulations.

Based on your ESG preferences we will, together with you, define your sustainability profile. You can choose between three sustainability profiles: Neutral, Aware and Committed. In this brochure we will explain what these profiles mean and how they differ, and describe how we will help you determine which profile suits you best.

If you do not wish to define your ESG preferences, you can also indicate this. We would then consider you to have a Neutral sustainability profile. In that case nothing will change in terms of the range of investment solutions available to you. If you do have specific ESG preferences, we would allocate you to either the Aware or Committed sustainability profile, depending on your wishes. For each sustainability profile we can offer you fitting solutions. In this brochure we will explain which investment concepts fit our different sustainability profiles.

If you have any questions, please do not hesitate to contact your International Wealth Manager.

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Van Lanschot Kempen and sustainability

As a socially engaged wealth manager, we have the ability and the ambition to contribute to the transition to a more sustainable economy. How our clients' assets are invested is critically important in this regard. We believe that one of our primary missions is to help you navigate the inevitable transitions of our age, allocate capital to the companies that are part of these transitions and select the winners and losers of the future in good time. As engaged long-term shareholders our internal and external portfolio managers engage with these companies in order to realise positive impact and return in the longer term.

We live in a world where, in addition to our climate, various other crises also demand our attention. Especially given the current circumstances, the transition to more sustainable energy will improve energy security in the medium term and may result in more stable energy prices.

But we believe that the energy transition is not the only turnaround that is needed to restore the liveability of our planet. The health of our planet and human health are two sides of the same medal. The depletion of natural resources and the growing world population also make a food transition unavoidable. Furthermore, the rapid rate of global warming and the huge losses in terms of biodiversity, make the materials transition and circular manufacturing and consumption essential.

In the years ahead, Van Lanschot Kempen will focus mainly on the energy, food and materials transitions. For now our primary focus is on the energy transition and reaching the goals of the Paris Climate Agreement, but we are also giving increasing attention to the food transition, for instance by further developing our biodiversity policy. We wish to help you navigate these transitions and will therefore, in the years ahead, further enhance the sustainability of our investment offering. Looking after your assets is our main priority. At the same time we can help your assets grow in a sustainable manner whilst also realising positive impact and returns in the long run. By being close to you, we want to gain an even better understanding of your sustainability requirements. That is how we want to put sustainability in action and arrive at successful solutions.



Susan Leerkes
CEO Van Lanschot Kempen (Switzerland) Ltd.



1. Your ESG preferences

Sustainability covers a wide range of subtopics, such as climate mitigation, protecting human rights and promoting diversity in corporate governance. Investments play an important part in the transition to a more sustainable society. You decide to what extent you wish to contribute to this transition through your investments. By opting for sustainable investing you can, for instance, make a positive contribution to climate mitigation and containing the loss of biodiversity or enhancing health through your investments. We are keen to take your personal wishes with regard to sustainable investing into account when making our recommendations. We are therefore asking you to indicate how important you consider sustainability for the selection of your investments.

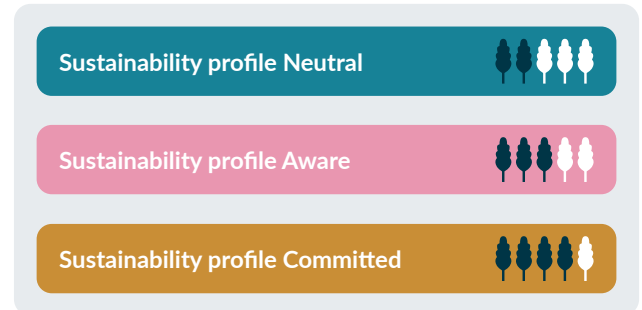
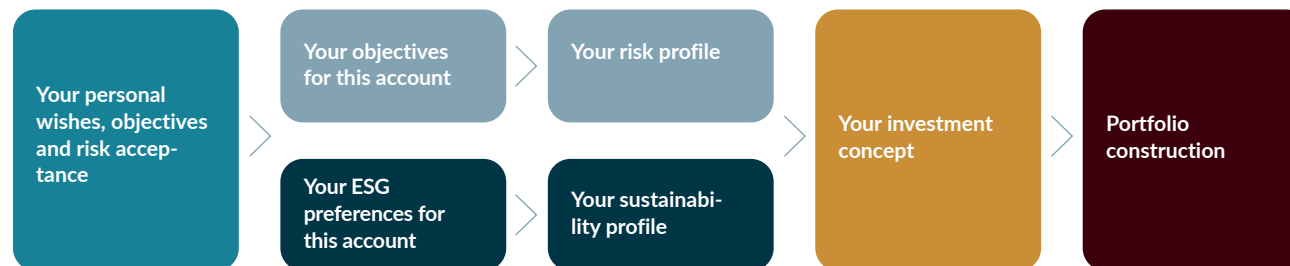
What will change?

If you choose Portfolio Management or Investment Advice we will define your risk profile together with you. You will indicate how much investment expertise you have, what your investment objective is and how much risk you are willing to accept. What will change is that,

in addition, we will also ask you questions about your ESG preferences. Based on your ESG preferences we will define your sustainability profile. We will subsequently take your risk profile and your sustainability profile into account when presenting our investment offering. If you hold multiple investment portfolios with different investment objectives at our bank, we will agree a risk profile and sustainability profile for each portfolio.

Your sustainability profile

Together we will agree on a sustainability profile that matches your wishes. If you indicate that sustainability should be taken into account when choosing your investments, we will ask you to detail your ESG preferences. We will elaborate on these aspects in [‘2. ESG preferences’](#). This will involve you indicating how important you find the degree of engagement of your investments with regard to the impact on people, planet and society. Depending on your ESG preferences, we will allocate you to one of three sustainability profiles: **Neutral**, **Aware** or **Committed**.



If you do not wish to define your ESG preferences, you can also indicate this. We would then consider you to have a **Neutral** sustainability profile. For the **Neutral** sustainability profile Van LanschotKempen's standard exclusion policy is applied. You can find the criteria for this exclusion policy in [‘3. Our sustainability profiles’](#).

If you have specific ESG preferences, we will confirm that your sustainability profile is either **Aware** or **Committed**, depending on your wishes. For these sustainability profiles we apply stricter sustainability criteria than for the Neutral sustainability profile. In [‘3. Our Sustainability profiles’](#) we discuss the three sustainability profiles. We give a detailed description of how we take your ESG preferences into account for each sustainability profile. We do this, among other things, by excluding investments, by means of an engagement policy and through a best-in-class approach. In [‘Sustainability and investing at Van Lanschot Kempen’](#) we describe how Van Lanschot Kempen puts this into practice.

2. ESG preferences

If you indicate that sustainability should be taken into account when choosing your investments, we will ask you to detail your ESG preferences. This will involve us asking you about your ESG preferences with regard to the extent to which you wish us to take into consideration the principal adverse impacts of investments on sustainability factors.

The principal adverse impacts on sustainability factors

Even sustainable activities, in addition to their positive impact, often have a (smaller) negative impact on sustainability factors. For instance, by building a dam renewable energy may be generated from hydropower, but often part of the landscape needs to be flooded, which has an impact on local biodiversity. In recent years a number of agreements about the principal adverse impacts on sustainability factors (referred to 'Principal Adverse Impacts' or 'PAIs') have been laid down in European regulation¹. One example are emissions of greenhouse gases. You will find an overview of the principal adverse impacts on sustainability factors in the text box on the right-hand side.

If you invest, you can take the principal adverse impacts on sustainability factors into account in various ways. For our sustainability profiles we do this by means of exclusions, engagement (active dialogue with companies) and a best-in-class approach. In '[Sustainability and investing at Van Lanschot Kempen](#)' we describe how Van Lanschot Kempen puts this into practice.

Principal adverse impacts on sustainability factors

A range of agreements concerning the principal adverse impacts on sustainability factors have been laid down in European laws and regulations.

Factors relating to the corporate sector

- Greenhouse gas emissions
- CO₂ footprint
- Fossil fuel-related activities
- Impact on biodiversity
- Emissions in water
- Hazardous and/or radioactive waste
- Social themes and labour conditions (including violations of the principles of the UN Global Compact or the Guidelines for Multinational Enterprises of the Organisation for Economic Cooperation and Development (OECD).
- Uncorrected wage gap between men and women
- Gender diversity on company boards

Factors concerning real estate

- Greenhouse gas emissions
- Violations of social rights
- Exposure to fossil fuels via real estate assets
- Exposure to energy inefficiency via real estate assets

¹ EU Regulation 2019/2088 on Sustainability-Related Disclosures in the Financial Services Sector (the "SFDR")

3. Our sustainability profiles

Our three sustainability profiles

We are asking you to indicate how important you consider sustainability to be for the selection of your investments. Depending on your replies, we will agree a sustainability profile with you. Next, we will offer you investments that are aligned with your ESG preferences. In the following paragraph we will describe the three sustainability profiles in more detail.

In '4. Sustainability profiles and investment concepts' you will read which investment concepts fit with our sustainability profiles.

The table gives an overview of the **Neutral**, **Aware** and **Committed** sustainability profiles. In the Annex '[Criteria per sustainability profile](#)' you will find a more detailed overview of the sustainability criteria for each sustainability profile.

Sustainability profile Neutral



Sustainability profile Aware



Sustainability profile Committed



Distinction between sustainability profiles

Legend:

- Exclusion, engagement and best-in-class

| Limiting adverse impact ² | | Limiting adverse impact ² |
|--|--|---|
| Exclusion of: <ul style="list-style-type: none"> – companies that generate power from coal (>20% of revenues) – companies that are involved in extracting oil from tar and oil sands (>20% of revenues) – companies that are involved in the production of controversial weapons (such as anti-personnel mines, cluster munition, chemical and biological weapons or nuclear weapons) – companies that are active in the tobacco industry (>20% of revenues) | Exclusion of: <ul style="list-style-type: none"> – companies that generate power from coal (>20% of revenues) – companies that are involved in extracting oil from tar and oil sands (>20% of revenues) – companies that are involved in the production of controversial weapons (such as anti-personnel mines, cluster munition, chemical and biological weapons or nuclear weapons) – companies that are active in the tobacco industry (>20% of revenues) | Best-in-class approach: focus on companies with the highest scores for sustainability factors Investment funds use best-in-class criteria, which means that the fund manager actually invests in companies that are front-runners in sustainability. For passive investment funds, individual stocks, corporate bonds and structured products, this translates into excluding investments with an MSI ESG score of BB, B- or CCC or a similar score from another reputable ESG data analysis company. |
| | | Exclusion of: <ul style="list-style-type: none"> – companies involved in serious violations of environmental, social or governance standards (MSCI red flag) Engagement: We ask the managers of third-party investment funds to sell their positions in companies with a red flag. If this dialogue with the fund manager eventually proves ineffective, we may end up selling or issuing a sell recommendation for the fund. |
| <ul style="list-style-type: none"> – countries that have not ratified the Paris Climate Agreement – countries that are subject to EU and/or UN sanctions – countries that are involved in serious violations of the rights of their own citizens | <ul style="list-style-type: none"> – countries that have not ratified the Paris Climate Agreement – countries that are subject to EU and/or UN sanctions – countries that are involved in serious violations of the rights of their own citizens | Exclusion of: <ul style="list-style-type: none"> – companies that are involved in tar and oil sand extraction (>10% of revenues) – companies that generate power from coal (>10% of revenues) – companies that are involved in the production of controversial weapons (such as anti-personnel mines, cluster munition, chemical and biological weapons or nuclear weapons). – companies that are active in the tobacco industry (>5% of revenues) – companies with a weak score for criteria concerning environmental policy/democracy/safeguarding labour and human rights |
| Sustainability profile Neutral | Sustainability profile Aware | Sustainability profile Committed |

² These criteria currently apply to investments in (listed) equities, corporate bonds, government bonds and investment funds that invest in these asset categories. For some instruments, no unambiguous method is available yet for relating this category to any ESG preferences that you might have. We can therefore not yet take into account your ESG preferences when considering these types of investments.

Sustainability profile Neutral

If you do not wish to define your ESG preferences with regard to sustainability, you can indicate this. We would then consider you to have a **Neutral** sustainability profile. For the **Neutral** sustainability profile Van Lanschot Kempen's standard exclusion policy is applied. For this profile, we want to avoid investing in companies that are involved in the production or distribution of tobacco or controversial weapons.

In addition, we pursue an engagement policy, which means that we initiate a dialogue with fund managers or the management of companies in order to encourage them to improve their sustainability performance³.

Sustainability profile Aware

For the sustainability profile **Aware** we apply additional exclusions, in addition to our standard exclusion policy as set out for the **Neutral** sustainability profile. By doing so we aim to avoid investing in companies that are involved in serious incidents that cause harm to people, planet and/or society. These are companies that have been given a 'red flag' by research agency MSCI ESG.

For this profile we also pursue an engagement policy, which means that we initiate a dialogue with fund managers or the management of companies in order to encourage them to improve their sustainability performance³.

Sustainability profile Committed

For the sustainability profile **Committed** we take into account more extensive exclusion criteria, in addition to our standard exclusion policy and the companies with a red flag from MSCI ESG. For instance, companies that derive more than 10% of their revenues from generating power in coal-fired power stations or mining or refining coal for energy production are excluded. In addition to our engagement policy we apply a best-in-class approach for this profile, which involves selecting investments with a relatively high score based on sustainability criteria.

For sustainability profile **Committed**, you will have access to a more limited part of our Portfolio Management concepts and Investment Advice product offering, because for this profile all investments must comply with a more extensive set of criteria concerning adverse impacts on people and planet. For an overview of the investment concepts that fit with our sustainability profiles we refer to '[4. Sustainability profiles and investment concepts](#)'.

Determination of your sustainability profile

The extent to which the principal adverse impact on sustainability factors is taken into account is the determining factor for where assets can be invested. This is the reason why this is the principal consideration for determining which sustainability profile suits you best.

Modifying your sustainability profile

We will periodically ask you whether your ESG preferences have changed, but you may modify your ESG preferences at any time. In order to do so, please contact your International Wealth Manager.

³ If investment fund managers include companies in their portfolios that do not comply with our sustainability criteria, we will initiate a dialogue with these fund managers. We will ask actively managed investment funds to sell the relevant investment. Passively managed investment fund will get a request from us to modify their methodology and bring it in line with Van Lanschot Kempen's policy. If this dialogue with the fund manager eventually proves ineffective, we may end up removing the fund from our Portfolio Management portfolios or issuing a sell recommendation for the fund.

4. Sustainability profiles and investment concepts

Alignment between sustainability profiles and our investment concepts

In recent years Van Lanschot Kempen has enhanced the sustainability of its investment concepts. For each sustainability profile we can now offer one or more suitable investment solutions. When providing investment advice we ensure that your investments are aligned with your ESG preferences. If you decide to change your ESG preferences at any point, we may subsequently recommend that you change investment concepts.

Depending on your sustainability profile you may select one or more of our investment concepts. The sustainability profile **Committed** does not align with all of our investment concepts.

CO₂ reduction targets for Portfolio Management

For our Portfolio Management concepts Active and Sustainable, we aim for an annual reduction of the CO₂ intensity of the portfolios, in addition to the sustainability criteria described in '3. Our sustainability profiles'. Your portfolio thus contributes indirectly to the energy transition and to realizing the various climate goals of the Paris Climate Agreement.

For our Portfolio Management concept Active, in addition to the sustainability criteria described in '3. Our sustainability profiles', we also apply at least the EU Climate Transition Benchmark (CTB). This means that we aim to reduce the CO₂ intensity of the portfolios by 7% per annum, from a baseline that is already 30% lower than for the portfolio's benchmark.

For the Portfolio Management concept Sustainable we, at a minimum, apply the EU Paris Aligned Benchmark (PAB). Again, we aim to reduce the CO₂ intensity of the portfolios by 7% per year. In this case the baseline for the portfolio is 50% lower than for the portfolio's sustainability criteria.

Investment concepts per sustainability profile

| Investment concept | Sustainability profile | | |
|--------------------|------------------------|-------|-----------|
| | Neutral | Aware | Committed |
| Portfolio Mgmt | | | |
| Sustainable | • | • | • |
| Active | • | • | |
| Index | • | • | |
| Smart | • | • | |
| Investment Advice | | | |
| Portfolio-based | • | • | • |
| Product-based | • | • | • |

Notes to the table

This table shows how the various investment concepts align with the criteria of our sustainability profiles.



Sustainability and investing at Van Lanschot Kempen

When selecting investments you can, in addition to financial return also take into account the impact of investments on people, planet and society. Van Lanschot Kempen implements this in various ways, as outlined below.

Exclusion

By excluding certain investments we want to prevent you from investing in companies or countries that are to some extent responsible for or involved in serious abuses. All our Portfolio Management and Investment Advice concepts are subject to our exclusion policy. By means of this policy we aim to exclude investments in companies that are involved in the production and/or distribution of controversial weapons, such as cluster munition and nuclear weapons. We believe that these weapons have a disproportional effect, because they make no distinction between civilian and military targets.

We also do not wish to invest in companies that are involved in the production or sale of tobacco products. Furthermore, we exclude investments in sovereign bonds issued by countries subject to EU or UN sanctions. The exclusion criteria that apply on top of our exclusion policy, vary per sustainability profile. For further information about exclusions we refer to '[3.Our sustainability profiles](#)'.

Engagement and voting

Engagement means that Van Lanschot Kempen, either by itself or together with other investors, holds intensive discussions with fund managers or with the management of companies in order to encourage them to improve their sustainability performance. By this means we try to mitigate the adverse impact on, for instance the environment, labour and human rights and corruption, while also trying to help companies accelerate their transitions in various areas, such as the energy transition. In addition, Van Lanschot Kempen may itself or through external fund managers, exercise voting rights at shareholder meetings of companies in order to urge those companies to make their business practices more sustainable. For further information we refer to our Stewardship and Engagement Policy.

Van Lanschot Kempen periodically assesses the sustainability policies of investment funds. Furthermore, we assess whether the companies that these funds invest in meet our sustainability criteria. We do the same thing for direct investments in equities, bonds and other asset categories. If this assessment shows that fund managers have included companies that do not align with our sustainability criteria, we start a dialogue with these fund managers. We ask actively managed investment funds to sell these investments and request that passively managed investment funds bring their methodology in line with Van Lanschot Kempen's sustainability policy. If the fund does not comply with our request, this may result in removal of the fund from the asset management portfolios and from Van Lanschot Kempen's recommended lists.

Best-in-class

A best-in-class approach implies the selection of investments with relatively high scores based on sustainability criteria. These criteria generally match or are related to the principal adverse impacts on sustainability factors. This approach implies that fund managers select companies with a strong score based on sustainability criteria and, in addition, exclude the least sustainable companies.

Impact investing

Impact investing means that in addition to a financial return a measurable social return is sought. An example is a company that invests in renewable energy generation in order to contribute to help slow down climate change. Impact investing goes a step further than sustainable investing. While for sustainable investors financial return is the main objective, impact investing focuses on a combination of financial returns and social or environmental impact.

Insight into sustainability

If you have indicated that you have ESG preferences, we will inform you periodically about the sustainability of your investments by means of our reports.

For our Portfolio Management concepts that fit with the sustainability profiles Aware and Committed, we periodically provide information about:

- the CO₂ emissions of the companies represented in your portfolio,
- how your investments contribute to realising the goals of the Paris Climate Agreement,



Annex Criteria per sustainability profile

| Sustainability profile Neutral | Sustainability profile Aware | Sustainability profile Committed |
|--|---|--|
| Country exclusions | | |
| <p>We exclude countries that:</p> <ul style="list-style-type: none"> – have not ratified the Paris Climate Agreement, – are subject to EU or UN sanctions, – are involved in serious violations of the rights of their own citizens. | <p>We exclude countries that:</p> <ul style="list-style-type: none"> – have not ratified the Paris Climate Agreement, – are subject to EU or UN sanctions, and/or – are involved in serious violations of the rights of their own citizens. | <p>We exclude countries that:</p> <ul style="list-style-type: none"> – have not ratified the Paris Climate Agreement, – are subject to EU or UN sanctions, – are involved in serious violations of the rights of their own citizens, and/or – have weak scores for criteria relating to environmental policy, democracy and safeguarding labour and human rights. |
| What we do to prevent/limit adverse impacts⁴ | | |
| Exclusion of companies | | |
| <p>We exclude companies that:</p> <ul style="list-style-type: none"> – earn more than 20% of their revenue by generating power in coal-fired plants or by mining or refining coal for energy production. – earn more than 20% of their revenue by extracting oil from tar and oil sands. – are involved in the production and/or distribution of controversial weapons (including anti-personnel mines, cluster munition, chemical and biological weapons or nuclear weapons). – produce tobacco or earn more than 20% of their revenue by distributing tobacco products, marketing tobacco products or providing goods and services to tobacco manufacturers. | <p>We exclude companies that:</p> <ul style="list-style-type: none"> – earn more than 20% of their revenue by generating power in coal-fired plants or by mining or refining coal for energy production. – earn more than 20% of their revenue by extracting oil from tar and oil sands. – are involved in the production and/or distribution of controversial weapons (including anti-personnel mines, cluster munition, chemical and biological weapons or nuclear weapons). – manufacture tobacco products or earn more than 20% of their revenue by distributing tobacco products, marketing tobacco products or providing goods and services to tobacco manufacturers. – are involved in serious controversies, such as inflicting serious harm on people, planet and/or society through actions of the company itself or via its products, services or working methods. These are companies that have been given a 'red flag' by research agency MSCI ESG. | <p>We exclude companies that:</p> <ul style="list-style-type: none"> – earn more than 10% of their revenue by generating power in coal-fired plants or by mining or refining coal for energy production. – earn more than 10% of their revenue by extracting oil from tar and oil sands. – are involved in the production and/or distribution of controversial weapons (including anti-personnel mines, cluster munition, chemical and biological weapons or nuclear weapons). – manufacture tobacco products or earn more than 5% of their revenue by distributing tobacco products or marketing tobacco products or earn more than 20% of their revenue by providing goods and services to tobacco manufacturers. – are involved in serious controversies, such as inflicting serious harm on people, planet and/or society through actions of the company itself or via its products, services or working methods. These are companies that have been given a 'red flag' by research agency MSCI ESG⁵. |

⁴ These criteria currently apply to investments in (listed) equities, corporate bonds, government bonds and investment funds that invest in these asset categories. For some instruments, no unambiguous method is available yet for relating this category to any ESG preferences that you might have. We can therefore not yet take into account your ESG preferences when considering these types of investments.

⁵ This also includes companies that violate the principles of the UN Global Compact or the guidelines for multinational enterprises of the Organisation for Economic Cooperation and Development (OECD), as specified in European laws- and regulations.

| What we do to prevent/limit adverse impacts ⁷⁴ | | |
|--|---|--|
| | <ul style="list-style-type: none"> – Engagement: we ask the managers of third-party investment funds to sell their positions in companies with a red flag. If this dialogue with the fund manager eventually proves ineffective, we may end up selling or giving a sell recommendation for the fund for the various investment concepts. | <ul style="list-style-type: none"> – Engagement: We ask the managers of actively managed third-party investment funds to sell their positions in companies with a red flag. If this dialogue with the fund manager eventually proves ineffective, we may end up selling fund for the various investment concepts. |
| Best-in-class approach | | |
| The Neutral profile does not have a best-in-class approach. | The Aware profile does not have a best-in-class approach.. | <p>Focus on companies with the highest scores for sustainability factors</p> <ul style="list-style-type: none"> – Investment funds use best-in-class criteria, which means that the fund manager actually invests in companies that are front-runners in sustainability. – For passive investment funds, individual stocks, corporate bonds and structured products, this translates into excluding investments with an MSI ESG score of BB, B- or CCC or a similar score from another reputable ESG data analysis company. |

Annex Glossary

Best-in-class approach. A best-in-class approach means that only investments with relatively strong scores for certain relevant sustainability criteria are selected.

CO₂ emissions. Emissions of carbon dioxide (CO₂) into the atmosphere, particularly by burning fossil fuels such as oil, coal and natural gas. Carbon dioxide is the most common greenhouse gas that contributes to climate change, because the gas retains the heat of the sun and thus warms up the earth's atmosphere and climate. Emissions of greenhouse gases are generally expressed in units of carbon dioxide equivalent (CO₂-equivalent or CO₂e). Consequently, in popular speech, the terms greenhouse gas emissions and CO₂ emissions are often used interchangeably.

Engagement. This means that Van Lanschot Kempen or other financial institutions (also on our behalf) enter into a dialogue with the management of companies in order to encourage them to bring about positive change.

ESG. Stands for Environmental, Social, and Governance.

EU Climate Transition Benchmark (CTB). A climate-focussed benchmark for investment portfolios. If portfolios track this benchmark, the intensity of greenhouse gas emissions must be at least 30% lower than for the benchmark and must decrease by 7% each year. This 7% is a proxy for the reduction that is needed to reach the objectives of the Paris Climate Agreement.

EU Paris Aligned Benchmark (PAB). A climate-focussed benchmark for investment portfolios. When portfolios track this benchmark, the intensity of greenhouse gas emissions must be at least 50% lower than that of the benchmark and must annually decrease by 7%. This 7% is a proxy for the reduction that is needed to reach the objectives of the Paris Climate Agreement.

Exclusions. By excluding certain investments we prevent you from investing in companies or countries that are to some extent responsible for or involved in one or more adverse impacts on sustainability factors.

Greenhouse gas emissions. Emission of greenhouse gases such as CO₂, N₂O and CH₄, which are thus introduced into the atmosphere, particularly by burning fossil fuels such as oil, coal and natural gas. These gases retain the heat of the sun, which causes the earth's atmosphere and climate to warm up. Emissions of greenhouse gases are generally expressed in units of carbon dioxide equivalent (CO₂-equivalent or CO₂e). Consequently, in popular speech, the terms greenhouse gas emissions and CO₂ emissions are often used interchangeably.

MSCI Red flag. Companies are given a red flag by MSCI ESG if serious harm is inflicted on people, planet and/or society through actions of the company itself or via its products, services or working methods.

Paris Climate Agreement. Part of the UN climate agreement aimed at slowing down global warming. The agreement was presented on December 12, 2015 during the 2015 climate conference in Paris. The central element of this agreement is that countries will make an effort to limit global warming to less than +2 °C and preferably +1.5 °C by 2100 compared to pre-industrial levels.

Principal adverse impacts on sustainability factors.

A list of indicators defined by the SFDR Regulation that have negative, material, or likely to be material effects on sustainability factors that are caused, compounded by or directly linked to investment decisions and advice performed by Van Lanschot Kempen.

Guidelines of the Swiss Bankers Association (SBA).

Guidelines for the financial service providers on the integration of ESG-preferences and ESG-risks into investment advice and portfolio management.

SFDR Regulation. EU Regulation 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector.

UN Global Compact. The United Nations assess companies based on their involvement in controversial matters. Van Lanschot Kempen excludes companies that get a 'fail' score based on the United Nations Global Compact. This means that these companies are involved in controversial issues, such as violation of human rights, labour conditions, the environment or corruption.

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