

Engaging with the big polluters – the outcomes

In the past two years, we have been engaging with companies representing 50% of the carbon intensity of the portfolios we manage.¹⁵ In our dialogue with these companies, we aim for them to set targets for carbon reductions and act to implement these. For this, we use our carbon score engagement framework, which is based on measuring, disclosing, setting targets and aligning carbon reduction with the company's remuneration system.

The picture below shows some of our efforts between 2022 – 2023, while the next pages list of all the 78 companies we engaged with in during that period and the engagement topics per company. The list represents a snapshot of our engagement activities between 2022 –2023 and may not be representative of our portfolio holdings at the moment of publication of this report.

To calculate the annual (past and projected) carbon reduction of these companies in the 2022–25 period, we have used the most recent reduction targets that these companies have communicated to us. We assume no reduction for companies that have not set targets. Based on this calculation, these most carbon-intensive companies are on a 5% annual reduction pathway. This is below our aim of an annual 7% reduction. We believe our continued engagement – by Van Lanschot Kempen and other investors, particularly with companies that have not set targets, should get these companies onto our targeted 7% reduction pathway.

In our view, this actual planned reductions of these companies' emissions is a more meaningful contribution to global carbon reduction than reducing the exposure to these companies in our portfolios. However, our carbon score engagement framework puts more pressure on companies which do not have a reduction target, as not having a target can result in lower exposure or even sale from our portfolios.

Impression of our engagements in 2022-2023 with companies representing 50% of the carbon intensity of the portfolios we manage

Company name	Engagement topics 2022-2023						
	Implementation of policy	Disclosure	Target setting	External verification	SBTI alignment	Remuneration alignment	Projected reduction from 2022 to 2025
A2A SpA							-6%
Aalberts NV							0%
Aedifica SA		√	√	√	√	√	-4%
Alexandria Real Estate Equities, Inc.		√	√			√	-4%
APA Group	√					√	-5%
ArcelorMittal SA		√				√	0%
Befesa SA	√	√		√			-6%

Please see Appendix I for full list of companies engaged and engagement topics.

¹⁵ 50% of the weighted average carbon intensity (WACI) of the portfolios we manage. The metric used is tonnes CO₂e (Scope 1 and 2) / revenues.

Appendices

Appendix I

Engagements in 2022-2023 with companies representing 50% of the carbon intensity of the portfolios we manage

Company name	Engagement topics 2022-2023						
	Implementation of policy	Disclosure	Target setting	External verification	SBTI alignment	Remuneration alignment	Projected reduction from 2022 to 2025
A2A SpA							-6%
Aalberts NV							0%
Aedifica SA		√	√	√	√	√	-4%
Alexandria Real Estate Equities, Inc.		√	√			√	-4%
APA Group	√					√	-5%
ArcelorMittal SA		√				√	0%
Befesa SA	√	√		√			-6%
Bekaert SA				√	√	√	-7%
Cabot Corporation		√					-7%
Canadian Apartment Properties Real Estate Investment Trust		√	√		√	√	-3%
China Sanjiang Fine Chemicals Co., Ltd.	√	√	√	√	√	√	
CK Infrastructure							
Coats Group plc							-4%
Compagnie Generale des Etablissements Michelin SCA						√	-1%
Corbion NV				√	√		-5%
CRH Plc		√					-4%
Croda International plc							-3%

Company name	Engagement topics 2022-2023						
	Implementation of policy	Disclosure	Target setting	External verification	SBTI alignment	Remuneration alignment	Projected reduction from 2022 to 2025
Deutsche Lufthansa AG	√		√				
EDP-Energias de Portugal SA		√	√		√	√	-31%
Electricite de France SA	√						-5%
Enel SpA					√		-12%
Enexis Holding NV					√		
ENGIE SA			√				0%
Eni SpA	√	√	√				-8%
EnQuest PLC		√	√			√	
Fufeng Group Limited							
Genel Energy Plc							
Hang Lung Properties Limited							-2%
Healthpeak Properties, Inc.		√	√				-2%
HeidelbergCement AG	√		√			√	-4%
Highwoods Properties, Inc.						√	0%
Holcim Ltd.	√	√	√	√	√		0%
International Consolidated Airlines Group SA		√				√	0%
Invitation Homes, Inc.		√	√		√	√	0%
Japan Hotel REIT Investment Corp.		√	√				-1%
Kardex Holding AG		√	√	√			0%
Keppel DC REIT		√					-7%
Kerry Group plc	√	√	√			√	-2%
Kinder Morgan, Inc.					√		0%
LEG Immobilien SE			√				-14%
Lonza Group AG	√	√		√	√		-6%
Luxfer Holdings PLC		√		√	√		0%
LyondellBasell Industries NV							-6%
Mowi ASA		√	√		√		-4%

Company name	Engagement topics 2022-2023						
	Implementation of policy	Disclosure	Target setting	External verification	SBTI alignment	Remuneration alignment	Projected reduction from 2022 to 2025
National Grid Plc							-9%
Novozymes A/S			√				-5%
OMV AG	√			√	√		-1%
PPL Corporation		√	√			√	-3%
Public Service Enterprise Group Incorporated	√		√				-13%
Repsol SA		√					-4%
Rio Tinto Plc	√	√	√		√		-7%
Royal Vopak NV	√	√	√		√	√	-3%
RWE AG		√					-11%
SBM Offshore NV			√				-13%
Shell Plc							-9%
Sun Communities, Inc.	√	√					-8%
Taiwan Semiconductor Manufacturing Co., Ltd.	√	√	√	√		√	-3%
Tate & Lyle plc	√		√		√		-4%
TenneT Holding BV		√					-8%
ThyssenKrupp AG		√					
Tidewater Inc.							
Titan Cement International SA							-3%
TotalEnergies SE		√					-2%
Tronox Holdings Plc							-15%
Valaris Limited		√	√	√	√	√	-2%
Vattenfall AB	√						-3%
Vesuvius PLC				√			-3%
Vicinity Centres		√	√			√	-13%
Vonovia SE							-2%
W. P. Carey Inc.	√	√		√	√		0%

Company name	Engagement topics 2022-2023						
	Implementation of policy	Disclosure	Target setting	External verification	SBTI alignment	Remuneration alignment	Projected reduction from 2022 to 2025
WEC Energy Group, Inc.	√	√	√	√	√	√	
West Fraser Timber Co. Ltd.							-6%
Xinyi Glass Holdings Ltd.		√	√			√	
Southern Co							-1%
Nextera Energy			√				-6%
American Electric Power							-6%
Entergy Corp							-4%
Xcel Energy							-11%