

How we create value - our impact quantified

28 February 2018

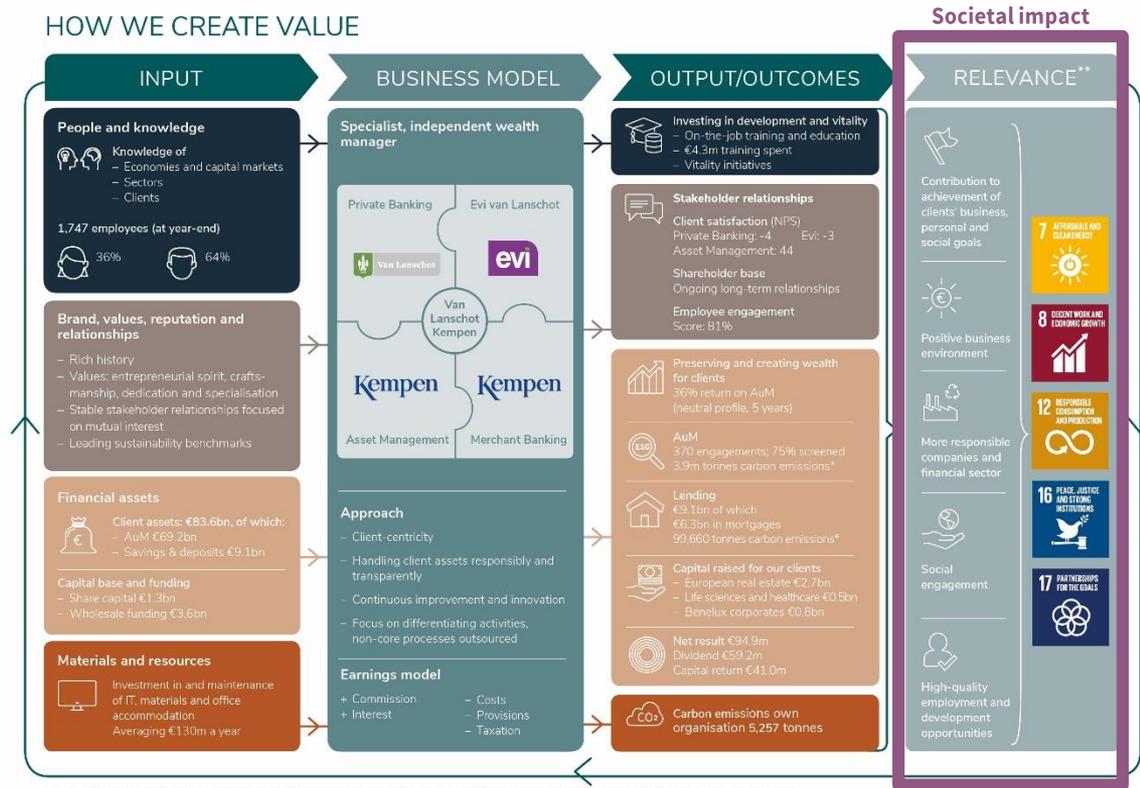


VAN LANSCHOT
KEMPEN



Background

HOW WE CREATE VALUE



- In our annual report, our impact on society is summarised in the last column of our value creation model (page 12).
- In this document, we aim to quantify our societal impact for the second year running. While we do not correlate our impacts specifically to our five Sustainable Development Goals, we will explore this opportunity the coming year.
- Quantifying our impact currently consists of giving examples. These are indications only; the figures have not been audited.
- We aim to improve our methodology over the coming year to present more comprehensive impact figures.

* Our carbon measurement covers about two-thirds of our balance sheet assets and around half of our AuM. The figures are best estimates and will be further refined next year; for more information
 ** For examples see [vanlanschotkempen.com/responsiblepolicy](https://www.vanlanschotkempen.com/responsiblepolicy).

Our societal impact

Summary



Contribution to the goals of our clients

Contribute to the achievement of clients' business, personal and social goals

Example: via *Vermogensregie* around 2,285 Private Banking indicated their goals



Positive business environment

Support employment and contribute to GDP

Example: via direct holdings, directly support around 1,400 jobs and contribute approx. €60 million to GDP



More responsible companies and financial sector

Encourage sustainability practices at several companies and investment funds

Example: avoided CO₂-costs Kempen Sustainable Small Cap Fund (approx. €0.8 million)



Social engagement

Support community activities via financial resources, employees and networking

Example: 76 employees followed resuscitation courses to contribute to the goal to make the Netherlands a "6-minutes zone".



High-quality employment and development opportunities

Achieve social advantage for own employees and students

Example: social advantage via education and internships, resp. around €3 million and €1 million

- This overview shows our impact calculations.
- Our societal impact is split into five parts, in line with our value creation model.
- Examples have been given for each part. These examples are explained in more detail on the following pages.



Contribution to the goals of our clients



Private Banking:
2,285 clients
indicated
personal, family,
business and
societal goals
through
Vermogensregie



Around half indicate they are pursuing a personal goal

Example: Create wealth for retirement after working / entrepreneurship



Approximately one in six goals relates to family

Examples: Wealth transfer to the next generation; care for relatives



Approximately one in six goals relates to business

Example: Business succession



Approximately one in 14 goals relates to society

Example: Active contribution to a better world, via donations and/or investments in social entrepreneurs

- We aim to contribute to the achievement of our clients' goals.
- One example is our *Vermogensregie*, which was developed for our Private Banking clients to gain insight into their goals.
- We divided these goals into four categories:
 - Personal
 - Family
 - Business
 - Societal



Positive business environment



Example: providing capital



(Direct) impact:
Direct holdings supports
around 1,400 jobs in SMEs¹



These jobs directly contribute
around €60 million to GDP³

Example: advice capital market transactions (Indirect) impact:



Around 700 jobs supported
indirectly in companies²



These jobs indirectly contribute
around €30 million to GDP³

Example: education and networking activities



- In the last five years, 70 entrepreneurs completed the *Van Lanschot Academie voor Bedrijfsoverdracht*, and 21 started in 2017
- In the last three years, around 200 entrepreneurs took part in masterclasses, such as *Bedrijfswaardering* and *Pensioen in eigen beheer*
- We organised several workshops, masterclasses, and other educational and networking activities for over 500 healthcare clients
- In 2017, we welcomed around 500 entrepreneurs during lunches designed for them to connect with each other
- In 2017, we brought together around 90 investors and start-ups for our *Kapitaaldagen*

- We contribute to a positive business environment by providing capital to entrepreneurs, and offering them education and networking activities.
- The capital relates to our direct private equity investments. Moreover, Corporate Finance advises companies on capital market transactions (equity and debt).
- Capital gives entrepreneurs the opportunity to invest and contribute to economic development.
- We also give entrepreneurs the opportunity to participate in education and networking activities.

¹ The number of supported jobs is calculated by using the ratio of our interests in the companies.

² The number of indirect jobs supported is calculated by using the FTE (Life sciences) or the ratio of the FTE of the companies against the investment portfolio (Real Estate)..

³ The average personal primary income in the Netherlands is €41.400 (source: CBS).



More responsible companies and financial sector



ESG-screening

Engagements

Directly with 105 firms

248 companies via *collaborative* initiatives

Dialogue with 17 *external* fundmanagers



Climate

Avoided costs⁴ CO₂:

- Kempen Sustainable Small-Cap Fund: ca. €0.8m

Collaborative engagement

- Engagement with utilities sector on disclosure of climate risks and carbon reduction policies



Weapons

External managers sold investment in controversial weapon company



Sustainable financial sector

New sustainable products



Sustainable and impact funds

- Global Impact Pool

- Kempen Sustainable Value Creation Fund

- Worked with partners to seed new ESG funds, such as with Northern Trust

Collaboration on sustainability



Collaboration with stakeholders

- Contributed to wide range of consultations, including to the EU and DNB

- Helped and educated six institutional clients with ESG in their investments

- Via actively engaging with companies and fund managers, collaborating with other stakeholders, and offering sustainable products to our clients, we contribute to a more sustainable private and financial sector.

- We screen our client investments on environmental, social and governance (ESG) aspects. Based on the results of the screening, we engage with companies and fund managers to make a positive change. We also use collaborative engagement and a thematic approach to increase our impact.

- For some themes (climate and weapons), we show **impact examples**, together with examples of our contribution to a sustainable financial sector.

⁴ The carbon footprint of the Kempen Sustainable European Small-Cap Fund was below the benchmark; the carbon difference multiplied with a CO₂ emission price of about €8 per tonnes (end of 2017) resulted in avoided CO₂ costs of around €0.8 million.



Social engagement



Van Lanschot Kempen Foundation

Themes:
financial education,
arts & culture,
healthcare, and
social cohesion via
sport



Social contribution via community projects

- More than 20 social projects undertaken
- Around 240 employees involved

Example: Bank voor de Klas

Our employees gave lectures on financial education that reached about 2,000 scholars (primary education)



Example: Resuscitation courses

To contribute to the Hartstichting's goal of making the Netherlands a "6-minute zone", 76 employees followed a resuscitation course

Sponsorships and partnerships

Sponsorships



Partnerships



- We contribute directly to society via our financial resources, employees and network.
- Our social projects have been brought together in the Van Lanschot Kempen Foundation (VLKF).
- We support initiatives in the areas of art and sport. We act as the main sponsor for Amsterdam's Concertgebouw. Moreover, we are a partner of the Van Gogh Museum, and introduced the Van Lanschot Kunstprijs in 2015.
- Kempen sponsors rowing club Nereus and hockey club Pinoké.
- Evi sponsors football club Koninklijke HFC and women's beach volleyball duo Madelein Meppenlink and Sanne Keizer. And our partnership with Justdiggit supports projects which contribute to cooling down the planet.
- We also have a partnership with Ashoka, the world's oldest and largest non-profit network organisation run for and by entrepreneurs.



High-quality employment and development opportunities



Example: Education and training



112,255 training hours...



...around €3 million invested in social advantage due to education

Example: Internships



207 internships...



...about €1 million per year invested in social value due to internships

- We aim to offer our employees high-quality employment and development opportunities. Training and education programmes are an important part of this. We also offer students several internships that contribute to their development.
- In 2017, our employees spent 112,255 hours on training and education.
- Impact (return) on education and internships:
 - Scientific studies show that education yields social return.
 - Based on these studies⁵ we estimate the social return on the education we offer at around €3 million, and the social return on our internships at about €1 million.

5. To calculate social return, the following starting points have been used:
- Education yields 6.0 – 9.0% (individual) and 7.5 – 12.5% (social) returns. Source: R. Elk, D. Lanser and S. van Veldhuizen, 2011, *Onderwijsbeleid in Nederland: de kwantificering van effecten*, CPB document.
- The time employees invest in education and internships equals the return on education (pro rata).
- Education and internships have a five-year impact.

