

STATEMENT UNDER THE UK MODERN SLAVERY ACT FOR FINANCIAL YEAR 2017

Introduction

Van Lanschot Kempfen is a specialised independent wealth manager active in Private Banking, Merchant Banking and Asset Management. Our mission is to preserve and create wealth for our clients. We strive to achieve our objectives in harmony with all our stakeholders, and thus to make a contribution to society. We are committed to the United Nations Global Compact (which relate to human rights, labour rights, environment and anti-corruption) as well as the Principles for Responsible Investment (PRI).

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business.

Scope

The UK Modern Slavery Act 2015 applies to businesses that offer services in the UK and have a turnover of more than GBP 36 million. Given our business activities two of our subsidiaries are subject to the Act:

- Kempen & Co N.V. in Amsterdam & London (brokerage & research)
- Kempen Capital Management N.V. (KCM) in Amsterdam & London (asset management).

At the same time it is without saying that the Van Lanschot Kempfen group in its entirety is committed to the highest standards of integrity and ethical behaviour, also in the field of slavery and human trafficking.

Generic policies and statements

We have published a number of generic policies and statements which collectively demonstrate our approach to unlawful or unethical behaviour, including slavery and human trafficking.

- We have published a group-wide statement on human rights, in line with the wording of the OECD Guidelines for Multinational Enterprises (OECD) and the UN Guiding Principles on Business and Human Rights (UNGPR); see <https://www.vanlanschotkempfen.com/responsible/policy>. In our statement, international human rights are defined as the rights laid down in the eight core ILO conventions and the International Bill of Human Rights. The latter consists of the Universal Declaration of Human Rights and the two covenants by which this declaration was codified in international law: the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights.
- Our public available Code of Conduct (see <https://corporate.vanlanschot.nl/en/governance>) describes how Van Lanschot Kempfen as an organisation will act towards its stakeholders, and lists the principles and standards we hold our employees accountable for. Our Code of Conduct states - among others - that employees have to comply with all relevant laws and regulations and are not allowed to interact with persons or organisations that are involved in unlawful or unethical activities (e.g. slavery and human trafficking).
- For employees that want to report illegal, unethical or dishonest behaviour (including slavery and human trafficking) there is a whistle blower procedure in place. Third parties that want to report violations can contact the Compliance Director. See corporate.vanlanschot.nl/en/governance.

Specific policies for our supply chain and client investments

We have assessed our organisation on potential (indirect) involvement in slavery and human trafficking and concluded that two activities have a relatively high chance of involvement: our supply chain (procurement) and our investments for clients (assets under management). For these activities we therefore formulated more specific policies.

Please note that these policies already exist since 2009 and that the scope of these policies is broader than slavery and human trafficking. All possible corporate social responsibility (CSR) themes are taken into account.

Policies for our supply chain

We have been assessing the sustainability of our suppliers since 2009, with a key role played by the group-wide Purchasing, Contract Management & Facilities Service Centre. All purchasing processes in which the Service Centre is involved are subject to specific CSR monitoring.

In 2015 we incorporated our responsible purchasing policy within a broader framework: the business partner due diligence (BPDD) policy, which applies to all our divisions. In this policy business partners are defined as individuals and companies with a commercial relationship with the bank in areas such as purchasing. The BPDD policy ensures that we only work with partners who meet our integrity and CSR standards, also in the field of labour and human rights risks. One of the instruments in the policy is the supplier's statement which enables us to identify the stability, country, industry, integrity, reputation and other risks associated with a business partner. An annual purchasing training – aimed especially at employees who are regularly involved in procurement – is also part of our BPDD policy.

Investments policy

Within our asset management division KCM, we have translated the United Nations Global Compact as well as the Principles for Responsible Investment into environmental social and governance (ESG) screening criteria. All human rights (civil, political, economic, social and cultural) as well as all labour rights (including those related to forced labour and child labour) are taken up in our criteria set.

We periodically screen our client investments, using company data provided by an external data vendor. If companies or investment funds infringe our ESG criteria, an engagement process can be initiated. KCM then draws up specific engagement targets. Companies and investment funds that make insufficient progress towards meeting these targets will be considered for exclusion. See <https://www.kempen.com/en/asset-management/responsible-investment>

Training

On a regular basis we provide training to our staff to ensure that they understand the risks of modern slavery and human trafficking in our supply chains and in our investments for clients.

Approval procedure

This statement, which will be reviewed annually and updated as required, has been reviewed by key stakeholders, senior management and has been approved by our Executive Board on 17 April 2018.