



VAN LANSCHOT
KEMPEN

ESG Policy & Ambitions



At Van Lanschot Kempen we are dedicated to invest sustainably



WHY INVEST SUSTAINABLY

Sustainability lies at the heart of Van Lanschot Kempen's strategy. We believe we should invest sustainably in order to preserve and create wealth for future generations in a sustainable way. Whilst allocating our funds, we therefore strive to have a positive real-world impact and to avoid doing harm. We are entrepreneurial about sustainability, meaning we take action based on our sustainability values and beliefs.

This policy focusses on transactions that could possibly result in a balance sheet position for Van Lanschot Kempen (the investment portfolio). Transactions that cannot lead to a balance sheet position for Van Lanschot Kempen, such as transactions for our clients, are therefore out of the scope of this document. Any other client-orientated transactions, such as the loan portfolio (e.g. mortgages) are also out of scope. The complete set of sustainability policies for the whole company can be found on our [sustainability policy page](#).



AVOID HARM

In order to preserve and create wealth sustainably, we aim to avoid harmful consequences from investments made. At the centre of this lies our commitment to several internationally recognised sustainability guidelines and conducts. The most important documents being the OECD Guidelines, United Nations Global Compact (UNGC), UN Guiding Principles on Business and Human Rights (UNGP) and the Principles for Responsible Investment (PRI). An extensive overview over all conventions to which we are committed can be found in the [Convention Library](#).



NET-ZERO COMMITMENT

In full accordance with the goals of the Paris Agreement, the Dutch Climate Agreement and the ambitions of the EU to become a net zero economy, we **commit to having a net-zero emissions investment portfolio no later than 2050**. We understand that climate change represents a systemic risk to society and the environment. Therefore, we integrate climate analysis in our investment process. We measure and monitor our progress towards the goals of the Paris Agreement and steer our carbon intensity per asset class on a pathway down towards net-zero 2050.



OUR APPROACH

Similarly to our company-wide approach, our approach for achieving the sustainability goals is organised along four pillars:

- ✓ Exclusion and avoidance
- ✓ ESG integration
- ✓ Engagement
- ✓ Positive impact



PILLAR 1: EXCLUSION & AVOIDANCE

In some issuers we do not want to invest due to their activities or conduct, for which we hold Exclusion and Avoidance lists. Companies on these lists are either involved in the production of controversial weapons, such as cluster munitions, anti-personnel mines, nuclear warheads, chemical and biological weapons, derive a significant portion of their revenues from the production or distribution of tobacco, or have been involved in serious controversies (UNGC violations). Furthermore, we exclude pure coal players and players purely involved in tar sands, as these activities have an adverse impact on climate change. We also avoid investments in companies that structurally violate our ESG criteria and demonstrate no willingness to improve their policies and practices. Furthermore, on a comply or explain basis, we do not invest in ESG-laggards: issuers with a CCC or B rating from MSCI ESG.

PILLAR 2: ESG INTEGRATION

We continuously screen the ESG-performance of our portfolio, to assess if ESG risks and opportunities are integrated sufficiently. We furthermore screen issuers that we are considering to add to our portfolio based on their ESG performance, using measures such as carbon emissions and ESG-ratings. We regularly review the issuers' performance and the overall performance of our portfolio. In this way we ensure that sustainability risks and opportunities are adequately considered in our investment strategy and that ESG metrics are fully integrated into our investment decisions.

To assess whether we are on a pathway towards net-zero emissions by 2050, we track our greenhouse gas emissions intensity (based on revenues). We furthermore assess whether issuers are on track to improving their emissions, using metrics such as carbon emissions 3-year trend and estimations on whether an issuer is aligned with a pathway towards net-zero 2050. We furthermore use ESG scoring data to assess whether we invest in industry leaders and to minimise the negative impact of our portfolio on society and the environment.

PILLAR 3: ACTIVE OWNERSHIP

As a long-term steward of sustainable investment, we believe it is important to engage with our counterparties about sustainability in order to unlock value and reduce risk. We aim to open the conversation about ESG performance and ESG related data disclosures with our stakeholders. We will discuss related sustainability risks, impacts and performance disclosure with the counterparties if needed.

PILLAR 4: POSITIVE IMPACT

We find it important that our portfolio not only avoids harm, but actively supports a sustainable future by allocating capital to projects that do good. We are therefore committed to incrementally increasing the share of green, social and sustainability(-linked) bonds in our portfolio. Looking ahead, there are three broad themes around which our positive impact policy is based, aligned with our firm-wide sustainability focus areas. These are People: helping our society live longer and in better health, planet: helping our environment to recover faster by contributing to energy transition and biodiversity and profit: helping our investee companies to contribute to a smart, circular and inclusive economy. We are committed to making a positive impact in these areas and thus aim to incrementally increase the share of green, social and sustainability(-linked) bonds in the portfolio.



POLICY AND AMBITIONS SUMMARY			
<p>Exclusion & avoidance </p> <ul style="list-style-type: none"> × Controversial activities: controversial weapons, tobacco, coal mining, tar sands × Structural violations of sustainability criteria × ESG laggards 	<p>ESG Integration </p> <p>ESG risks & possibilities are integrated in the investment analysis</p>	<p>Active Ownership </p> <p>Start the dialogue with counterparties about ESG performance & disclosure</p>	<p>Positive Impact </p> <p>Search for investments with positive real-world outcomes</p>
<p>Decarbonise the portfolio to become net-zero by 2050</p>		<p>Incrementally increase the share of green, social and sustainability(-linked) bonds in the portfolio</p>	

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OTHER INFORMATION

Van Lanschot Kempen NV, has its registered office at Hooge Steenweg 29 in 's-Hertogenbosch (5211 JN), Chamber of Commerce 's-Hertogenbosch no. 16038212. The bank's VAT-number is NL0011.45.770.B01, has been registered as a bank in the Register required by the Dutch Act on Financial Supervision (Wft) at the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten) and the Dutch Central Bank (De Nederlandsche Bank)..