



VAN LANSCHOT
KEMPEN

August 2023

Sustainability



Van Lanschot Kempen at a glance



We are an independent, specialist wealth manager with the aim to preserve and create wealth for our clients and for society in a sustainable way

We focus on private clients, wholesale and institutional clients, and investment banking clients

Our core activities are private banking, investment management and investment banking



Solid performance on all key financials

	H1 2023	H1 2022	2022
Net result	€51.8m	€48.2m	€84.3m
Underlying net result	€54.7m	€60.7m	€117.8m
CET1 ratio	21.6%	20.2%	20.6%
Efficiency ratio	74.5%	73.7%	73.1%
RoCET1	11.4%	12.0%	12.8%
Total capital ratio	27.4%	25.8%	26.4%
Client assets	€130.8bn	€118.5bn	€124.2bn
AuM	€115.2bn	€99.6bn	€107.8bn
Loan book (excluding provisions)	€9.3bn	€9.1bn	€9.4bn

Our sustainability approach



As a socially engaged wealth manager, we have the ability and the desire to contribute to the transition to a more sustainable economy. How our clients' assets are invested is critically important in this regard. Our primary mission is to help our clients navigate through the inevitable changes and to allocate their capital to organisations and companies that are part of the three most important transitions of our age: Energy, Food and Materials. We are organized across four pillars that allow us to take action on and to bring forward the transitions: exclusion of companies involved in controversial activities or conduct, ESG integration, active ownership, and bringing positive impact by for example contributing to the UN Sustainable Development Goals.



Our sustainability beliefs

Our clients

Sustainability is embedded in the solutions we offer, because we believe that the wealth we build or preserve for our clients today will only retain its real value in a sustainable future world

Our people

We believe that talented, vital and impactful people want to work for inclusive companies whose purpose, culture and values they share

Our shareholders

We believe that as an integrated wealth manager we can benefit from these opportunities and create attractive long-term financial and sustainable value for our capital providers

Our society

We believe that the generation of wealth in a way that nurtures a livable environment is critical to the process of creating and maintaining stable, successful societies

Our focus areas

We are committed to the UN Sustainability Development Goals

Energy transition

SDGs 7, 14 and 15

Limiting climate change and biodiversity loss

Food transition

SDG 3

Improving health and well being so people can live better for longer

Materials transition

SDGs 8 and 12

Moving to circular production and consumption for a smarter economy

How we create value for our stakeholders



Ethics and integrity

Constantly maintaining our standards of integrity and ethical behaviour

The financial sector is built on trust. A healthy culture and ethical behaviour are needed to sustain this trust with all our stakeholders.

In order to monitor this, we defined KPIs:

- Percentage of employees who believe our company culture holds everyone to the same standards of ethical behaviour and promotes transparent communication (benchmark: 80%). Score H1 2023: 82%
- Percentage of employees who believe they have a responsibility to behave ethically (benchmark: 86%). Score H1 2023: 89%

Code of conduct

We fulfil a service-providing role in society. We can only perform this task properly if each party with whom we are dealing can put its trust in us. The actions of our employees form the basis for the trust that is placed in them.

Conflicts of interest

Managing conflicts of interest is an essential part of ensuring and enhancing Van Lanschot Kempen's integrity and reputation.

Dutch Banking Code

The code sets out principles for sound and controlled business operations, corporate governance, risk management policies, audit and remuneration policies.

For our policies: [Governance \(vanlanschotkempen.com\)](https://www.vanlanschotkempen.com/governance)



We are committed to becoming a net-zero wealth manager by 2050

In 2023 we have ambitious targets across our business:

- Reduce direct carbon emissions via our own organisation by 7% per FTE per year, against 2019 baseline;
- 80% of funds and discretionary management solutions to comply with 7% average annual emission intensity reduction, against 2019 baseline;
- Grow coverage of the assessment of the carbon footprint of our assets under management (AuM) to 55-60% of carbon dioxide equivalent (CO₂e) emissions by end 2023;
- Reduce indirect carbon emissions via our mortgage portfolio per euro invested compared with previous year

The scores are included in the table on slide 17



We develop innovative, sustainable products



Global Impact Pool

This five-year-old investment solution is a multi-asset impact fund that aims to achieve market-based financial returns and a measurable, positive impact on society and the environment. This solution was positively rated by BlueMark in August with high or advanced scores on all Impact Principles.



SDG Farmland Fund

This investment solution enables investors to focus on global investments in sustainable agricultural land and make regenerative farming an important priority. The latest joint venture with Clean Energy Finance Corporation involves farmland in Australia dedicated to long-term, sustainable agriculture



Groenhypotheek

Our Groenhypotheek (green mortgage) solution offers lower interest rates to clients financing measures to make their homes more energy efficient. In H2 2023, we will enhance this proposition for clients buying or refinancing homes: the higher the energy efficiency, the lower the interest rate for the client

We are committed to positive change

Contributing towards the transition to a sustainable economy



Diversity in all its forms

Fostering an increasingly diverse organisation

Our commitment to inclusion and diversity goes hand in hand with our ambition to positively contribute to a more sustainable and inclusive world

- We have established 5 pillars to work towards becoming an inclusive workplace and we have a diversity policy in place
- We highly value inclusion across the spectrum for both our colleagues and clients and welcomed gender-neutral communication options
- Our gender pay gap has narrowed from 4% in 2021 to 3% in 2023, and our target is <2% pay gap. To increase the percentage of females in senior management (currently 18.4%) is our goal



See more at: vanlanschotkempen.com/en/about-us/inclusion-and-diversity

A place people love to work

Investing in the well-being, health and connectivity of our staff

- Despite the tight labour market, we were able to attract new talent while our retention rate remained strong
- We put extra focus towards keeping talents within the company through internal hiring for vacancies
- We improved our Net Promoter Score (eNPS) to 22, up from 18 in 2022, reflecting the connection employees feel with the organisation
- Our average absenteeism of 2.8% is below industry average and our employee engagement score (EES) of 88% is above target



Active ownership

Through our engagements, we seek to encourage positive change at companies

We believe in active portfolio management. To ensure the impact and success rate of our efforts, we set clear goals and timeframes to move further with engagements. To encourage sustainable and responsible practices, we follow the Engagement Milestone Methodology:

1

Raise concern

Van Lanschot Kempen identifies the issue, formulates the desired outcome and brings it to the attention of the relevant board members or the company's management team

2

Company acknowledgement

The company acknowledges the importance of the issue raised to the company or its stakeholders and commits to resolving the issue

3

Company takes action

The company has initiated action to address the concern raised and communicated progress with us/publicly

4

Company completes requested action (closing of the engagement)

The company can provide clear evidence that the requested action is fully implemented

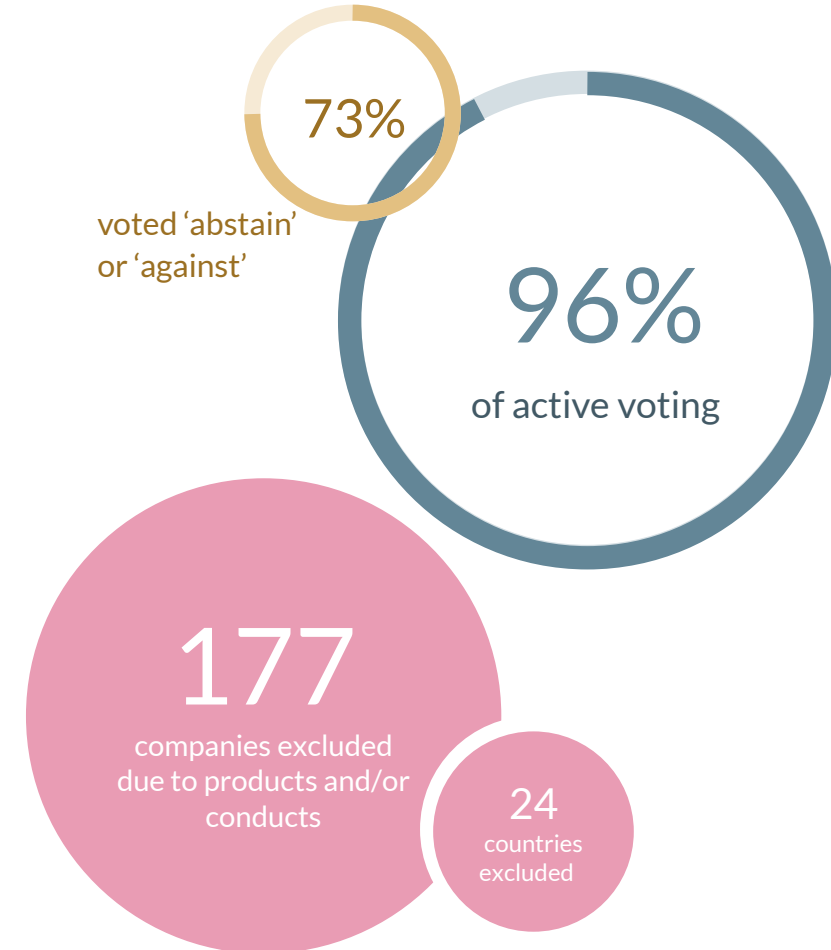


Making a difference – engagement successes

Stepping in the right direction towards a sustainable economy

- **Construction company becomes example employer in Qatar**
French constructor Vinci improved the work environments for employees and gives a voice to employees with committees, leading by example for other companies in Qatar
- **Coal giant on its way to the Paris Climate Agreement**
Czech utility company CEZ has set and started to implement an ambitious climate change mitigation strategy, recognising the role that we and other Climate Action 100+ lead engagers have played

2022 key numbers:



See more at: [Positive change through engagement and voting \(vanlanschotkempen.com\)](https://www.vanlanschotkempen.com)

Our footprint: most impact via AuM



AuM
€115.2bn

2.8 million
tonnes CO₂*

~ 99% of
impact**

Balance sheet
€15.5bn

107,625
tonnes CO₂

~ 1% of
impact**

Own organisation
1,844 FTEs

2,775 tonnes
CO₂

~ 0.1% of
impact**

* based on coverage of 56% of AuM at year-end 2022

** emission and impact based on year-end 2022



Progress on our non-financial KPIs

KPI		Targets		Performance H1 2023	Performance 2022
Manufactured capital	Three-year relative performance of our managed propositions	> benchmark	●	0.3%	0.2%
Human and intellectual capital	Employer Net Promoter Score (eNPS)	>10	●	22	18
	Employee engagement score	> 80%	●	88%	88%
	Percentage of employees who believe they have the opportunity for personal development and growth	≥ last pulse/EES (if below benchmark) ≥ benchmark (76%)	●	81%	81%
	Gender balance among senior staff	> 30% female > 30% male	●	18.4% female 81.6% male	17.9% female 82.1% male
	Gender pay gap	< 2.0%	●	3.0%	2.7%
	Staff turnover	5-10%	●	6.4%	6.4%
	Absenteeism	< industry average (3.2%)	●	2.8%	2.8%
Natural capital	Sustainability rating of all Van Lanschot Kempen funds by Morningstar	≥ 3.5	●	3.6	3.6%
	Decrease in carbon emissions:				
	a. Direct emissions via our own organisation	-7.0% per FTE yoy (from basis year 2019), target 2023: ≤1.80 ton CO2e per FTE	●	1.43 tonne CO2e per FTE (annualised) (-41% compared with 2019)	1.45 tonne CO2e per FTE (-40% compared with 2019)
	b. Alignment of our solutions with Paris Agreement:				
	i. Van Lanschot Kempen funds and discretionary management solutions	80% of funds comply with 7% average annual emission intensity reduction	●	88%	88%
	ii. Fiduciary management (FM) solutions	> 50% of FM clients have Paris Agreement-aligned goals	●	74%	59%
	c. Indirect emissions via our assets under management (AuM)	Coverage grows to 55-60% of CO2e emissions by end 2023	○	n/a	56%
	d. Indirect emissions via our mortgage portfolio	CO2e/€ < last year	●	-5.0%	8.7%
	Investment Strategies & Solutions sustainability ambition:				
	a. Percentage of AuM invested in sustainable and/or impact wealth management solutions	+ 5% per year	●	22.0%	20.6%
b. Percentage of assets under management in internal and external funds/mandates on the approved list that meet the basic sustainability criteria	> last year	●	96%	95%	
c. Van Lanschot Kempen listed funds engage with companies representing >50% of carbon footprint of the fund	Engaged with companies representing > 50% of carbon footprint out of total portfolio	●	8/53	54/55 (divested from remaining one)	
Social capital	Net Promoter Score (NPS):				
	a. Private Clients	20	●	25	36
	b. Wholesale & Institutional Clients	20	○	n/a	n/a
	c. Evi van Lanschot	10	●	0	-1
	Investment Banking Clients: number of fee-generating transactions with repeat corporate finance clients (five-year period)	50-60%	●	78%	78%
	Number of interactions by Securities with institutional investors	130 (2020 = 100)	●	149	103
	Average Morningstar medallist rating	≥ last year	○	4 Silver, 7 Bronze and 6 Neutral	n/a
	Engagements for change on social and governance issues for which at least one milestone has been reached in the past year	10-15 engagements	●	10	30
	Percentage of employees who believe they have a responsibility to behave ethically	≥ last pulse/EES (if below benchmark) ≥ benchmark (86%)	●	89%	90%
	Percentage of employees who believe the company culture holds everyone to the same standards of ethical behaviour and promotes transparent communication	≥ last pulse/EES (if below benchmark) ≥ benchmark (80%)	●	82%	85%
Products and services are subject to strict approval and review procedures, including relevant assessments by Compliance	Yes	●	Yes	Yes	



High scores on external ESG ratings

Entered ESG AEX index in H1 2023

Governance: 2

Lower governance risk = 1
Higher governance risk = 10

ISS QualityScore

8th place in league table of
486 entrants

Transparantiebenchmark

21st place in a league table
of 78 multinationals



B- rating

ISS ESG Corporate Rating

ISS ESG 

AA rating

on resilience to ESG risks

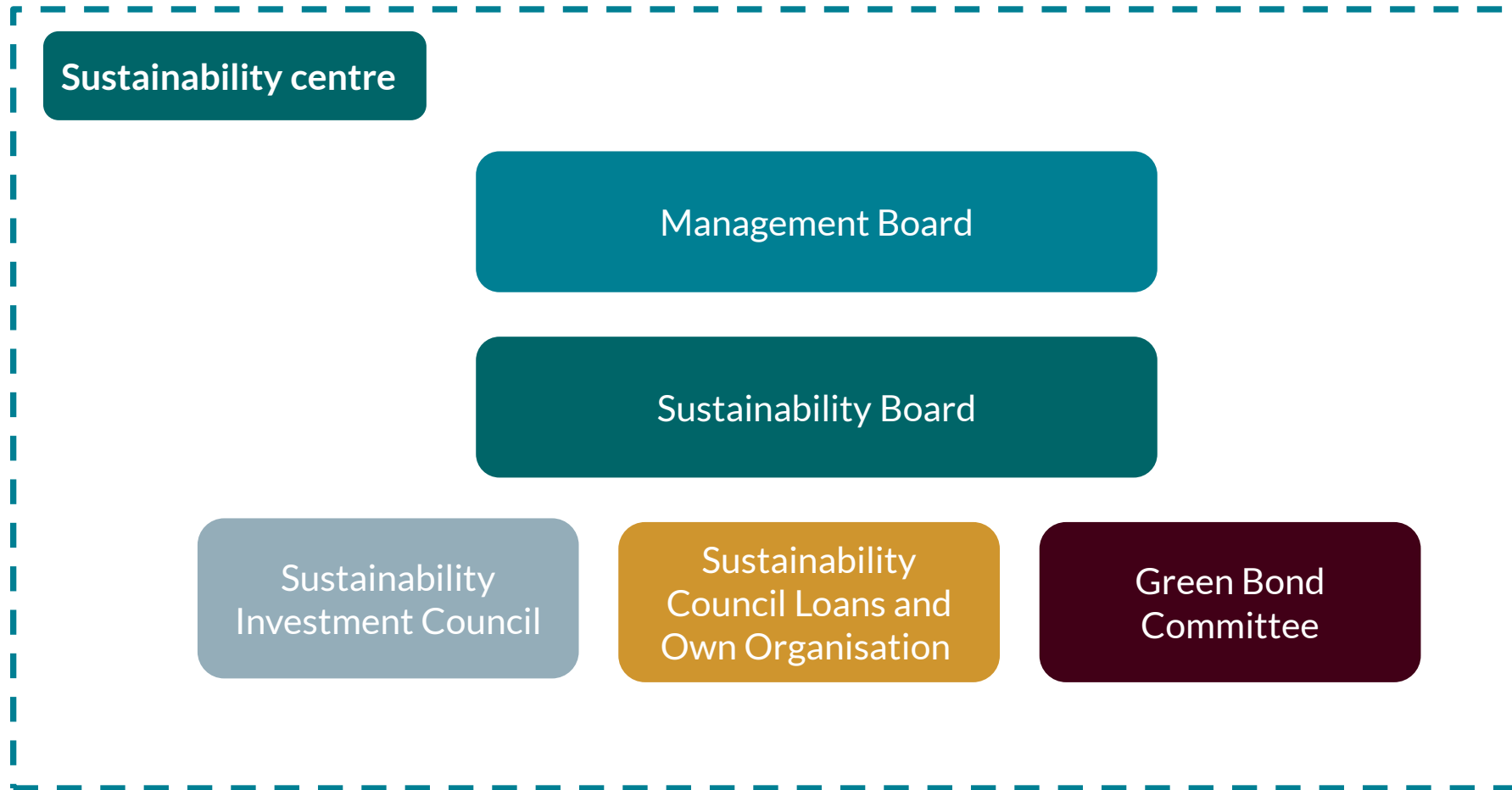
MSCI 

4 and 5 stars (out of 5) for
responsible investment process

PRI Principles for
Responsible
Investment



Our governance structure



Our governance structure

Supervisory Board	<ul style="list-style-type: none">• Supervises the Management Board• Regularly discusses and receives updates on sustainability topics
Sustainability Board	<ul style="list-style-type: none">• Accountable for the overall sustainability strategy
Management Board	<ul style="list-style-type: none">• Responsible for developing, implementing and embedding our sustainability goals
Sustainability Investment Council	<ul style="list-style-type: none">• Drafting and implementing sustainable investment policies
Sustainability Council Loans and Own Organisation	<ul style="list-style-type: none">• Drafting and implementing the sustainability strategy for the balance sheet and own organisation
Green Bond Committee	<ul style="list-style-type: none">• Keeping our green bond framework in accordance with leading standards, pre- and post-issuance reporting
Sustainability Centre	<ul style="list-style-type: none">• Group-wide competence centre with regards to sustainability• Headed by Chief Sustainability Officer reporting directly to the CEO
Business	<ul style="list-style-type: none">• Sustainability is fully embedded in the business; every segment owns sustainability commitments and KPIs

Van Lanschot Kempen Foundation

Initiating and promoting community projects for a better world for future generations



- The Foundation is a charity that draws on its own financial resources, on donations, knowledge and volunteering time (sometimes during business hours) of Van Lanschot Kempen colleagues, network and clients.
- We maximise our positive impact on society by enabling colleagues to participate in voluntary work:
 - Structuring, expanding and professionalising donations and community activities
 - Increasing involvement of (former) colleagues in these activities
- Focused on five themes:
 - Sustainable living environment
 - Financial education, talent development and entrepreneurship
 - Cultural education
 - Healthier living
 - Social cohesion through sports



More information on our websites

Visit vanlanschotkempen.com for:

- Half-year results 2023
- Annual report 2022
- Sustainability supplement 2022
- GRI content index table

Visit vanlanschotkempen.com/investmentmanagement for:

- Kempen Annual Stewardship & Sustainable Investment Report
- Our new Alternative Investment Solutions

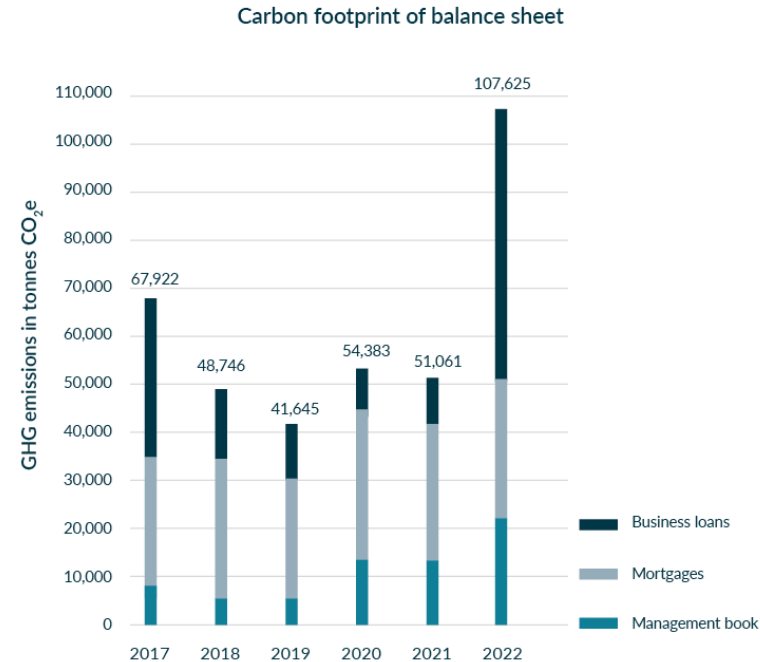
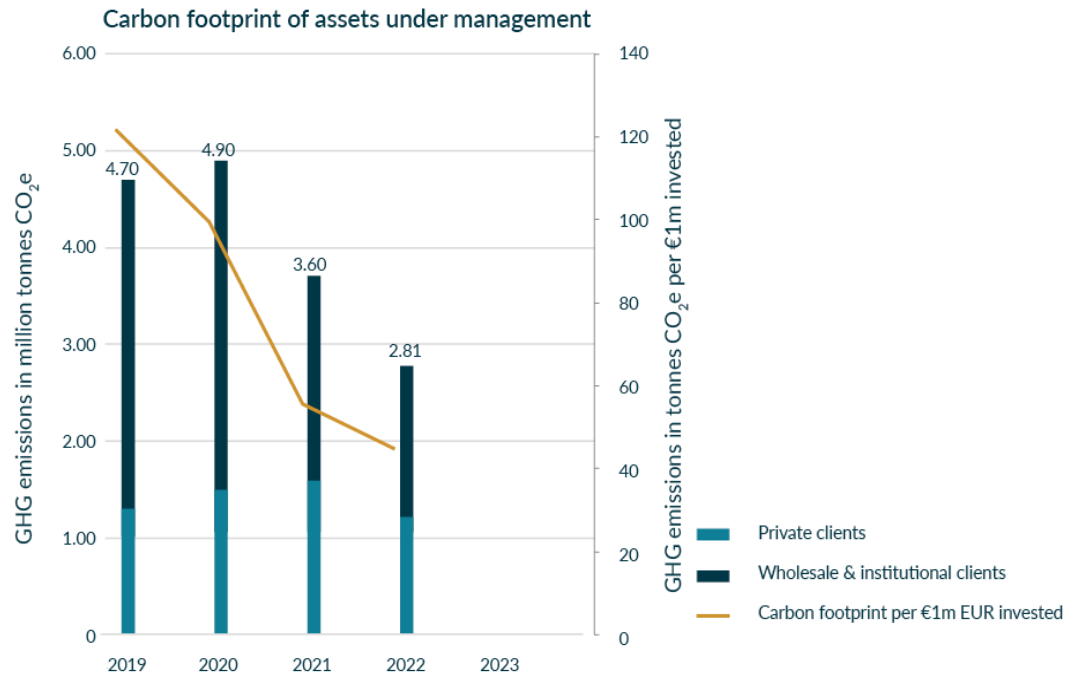


Appendix

Our sustainability journey



Our carbon footprint

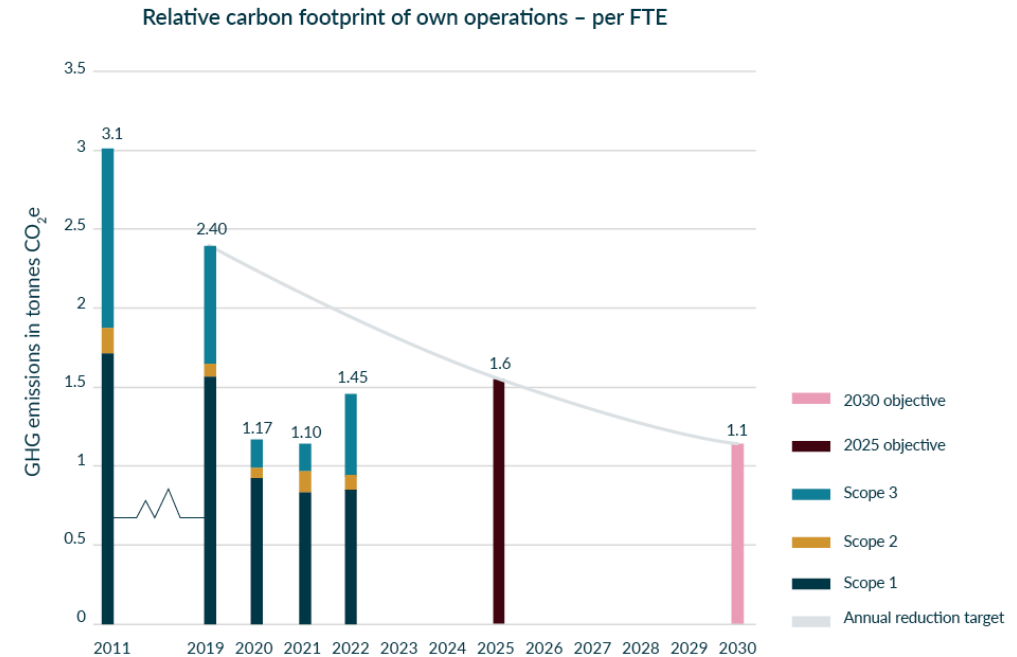
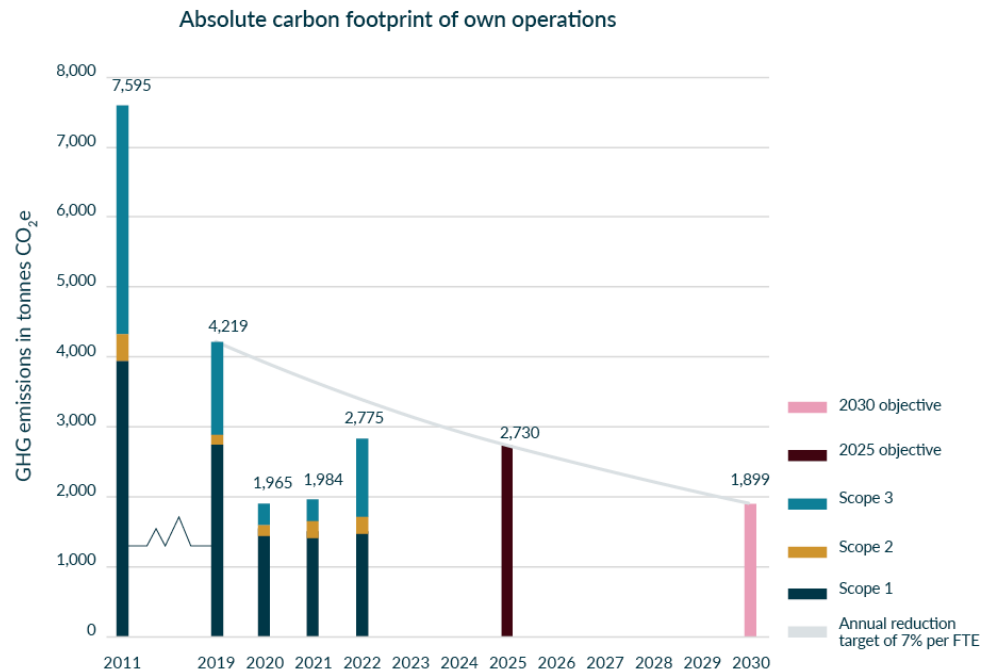


- AuM portfolio changes: increasing sustainable investments with lower carbon intensities at both Private Clients and Wholesale & Institutional Clients; 74% of our fiduciary management clients have adopted Paris Agreement-aligned benchmarks
- Total indirect emissions per euro of our mortgage portfolio decreased in 2023 with 5% compared to 2022,

See more at: media.vanlanschot.nl/media/pdfs/annual-report-2022-van-lanschot-kempen.pdf



Carbon reduction in own organisation



- Ambitious annual carbon footprint reduction target for our own organisation (-7% per FTE)
- Relatively low carbon footprint in the years 2020 and 2021 partly reflect the impact of the pandemic-related measures implemented, as carbon emissions data generally shows a slight delay
- Since our 2019 baseline, the carbon emissions of our own organisation have fallen by 41% per FTE

