



VAN LANSCHOT
KEMPEN

August 2024

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 2024	H1 2023
Operating income	€359.6m	€315.7m
Net result	€74.5m	€51.8m
Underlying net result	€78.4m	€54.7m
CET1 ratio	18.8%	19.6%
Cost/income ratio	69.0%	74.5%
RoCET1	17.0%	11.4%
Client assets	€156.8bn	€130.8bn
AuM	€139.3bn	€115.2bn
Loan book (excluding provisions)	€9.2bn	€9.2bn

Our sustainability approach



At Van Lanschot Kempen, we see sustainability not only as an urgent need, but also an unprecedented opportunity to create value over the long term. Because preserving and creating wealth for generations to come is only possible when we make sure that growth is both profitable and sustainable.

The world around us is changing – demanding fundamental transitions in how we consume energy, food and materials. We’re focused on helping our clients navigate through these transitions, with an active, engaged approach based on our strong investment principles. Sustainability is therefore embedded throughout our services. We have set clear targets on all areas in which we as Van Lanschot Kempen have an impact – and regularly report our progress.



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

Energy transition



Limiting climate change and biodiversity loss

Food transition



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

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.

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: 79%). Score H1 2024: 86%
- Percentage of employees who believe they have a responsibility to behave ethically (benchmark: 86%). Score H1 2024: 89%

Code of conduct

Our code of conduct sets out what we consider the essence of ethical behaviour and what we hold ourselves accountable for, both individually and collectively.

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

We've made a commitment to help limit climate change to +1.5°C. For our own operations, we aim to be carbon neutral by 2030 (while offsetting the hard to abate emissions); and for our AuM, we aim to be carbon neutral by 2050. To this end, we have stepped up our ambitions starting in 2024:

- Own organisation: We have increased our target to reduce the annual average carbon intensity per FTE from 7% to 8% per year (against a 2019 baseline)
- Discretionary (AuM): We aim to reduce the annual weighted average carbon intensity (WACI) of our discretionary AuM by 7% per year (against a 2019 baseline in the case of most portfolios)

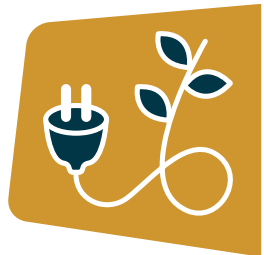


We develop innovative, sustainable products



Global Impact Pool

Our Global Impact Pool contributes to solving global problems around the food, water and climate change, while explicitly targeting a market rate financial return.



SDG Farmland Fund

This investment solution enables investors to focus on global investments in sustainable agricultural land and make regenerative farming an important priority. We manage a well-diversified portfolio of farmland assets from across the globe, but with a focus on developed countries.



Van Lanschot Kempen mortgage

We incentivise the purchase of a more sustainable home or efforts to make the home more sustainable. The mortgage interest rate is linked to the home's registered energy label: the higher the energy efficiency, the lower the interest rate for the client. We also offer third party advice to support homeowners to make their homes more energy efficient.



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
- In 2023, the gender pay gap rose slightly to 3%, which remains above our target of less than 2%. The gap was not driven by new hires or merit increases, but by promotional increases and variable remuneration. We aim to increase the percentage of females in senior management (H1 2024: 20.0%)



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
- Our employee Net Promoter Score (eNPS) stood at 19 in H1 2024, somewhat lower than the 22 in 2023, reflecting that employees would recommend Van Lanschot Kempen as a good place to work
- Our average absenteeism of 2.85% is below industry average and our employee engagement score (EES) of 90% 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



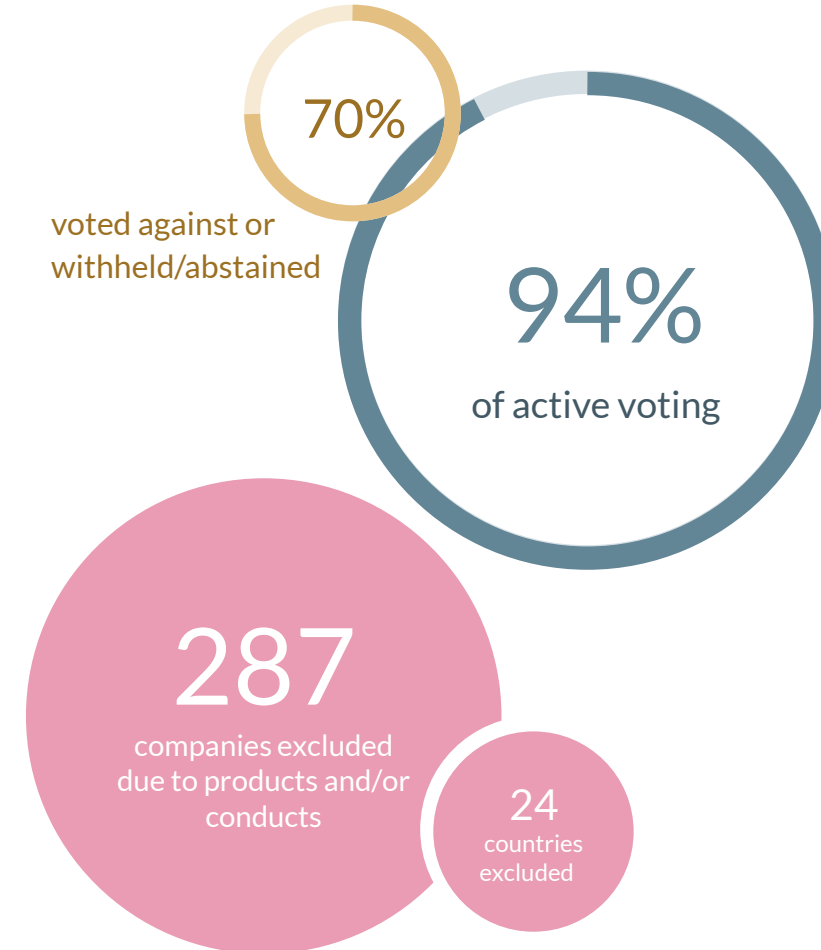
Making a difference – engagement successes

Stepping in the right direction towards a sustainable economy

We proactively enter company dialogues on doing things better:

- In 2023, one engagement was with global sports brand Nike: we collaborated with other investors in co-signing a letter urging the company to address its outstanding wage payment issues
- We also engaged with French construction and infrastructure company Vinci SA: we are striving to align variable remuneration with ambitious occupational health and safety targets

2023 key numbers:



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



Our footprint: most impact via AuM

FY 2023 data



AuM
€127.6bn

4.0 million
tonnes CO₂*

~ 99% of
impact

Balance sheet
€16.8bn

66,288
tonnes CO₂
~ 1% of
impact

Own organisation
1,904 FTEs

2,789 tonnes
CO₂
~ 0.1% of
impact

* based on coverage of 53% of AuM at year-end 2023



Progress on our non-financial KPIs

Capital	KPI	Target	H1 2024	2023
Financial capital	1 CET1 ratio Basel IV fully loaded	17.5%	● 18.5%	19.6% ¹
	2 Return on equity (CET1)	>18%	● ² 17.0%	14.2%
	3 Cost/income ratio	67-70%	● 69.0%	71.6%
Manufactured capital	4 Performance managed propositions vs their benchmark last 3 years (equally weighted) (PC)	> Benchmark	● -0.7%	-0.2%
Human and intellectual capital	5 Employee engagement score	80-85%	● 90%	90%
	6 Gender balance among senior staff	> 30% female and male by 2029 progress in line with our growth path of 2% per year (2024 target: 21%)	● 20.0%	19.0%
	7 Gender pay gap	< 2.0%	○ n/a	3.0% ³
	8 Staff turnover	8-12%	● 9.3%	n/a
Natural capital	9 Own organisation: average annual GHG emission intensity reduction / FTE	-8% (from base year 2019) 2024: <1.60 tonnes CO2e per FTE	● 1.47 tonnes CO2e per FTE	1.38 tonnes CO2e per FTE
	10 Discretionary AuM: average annual GHG emission intensity reduction (WACI)	-7% (from base year 2019)	● -18%	n/a
Social capital	11 Net promoter score (NPS)			
	a. NPS PC NL	≥ 20	● 42	34
	b. NPS PC BE	≥ 20	○ n/a	n/a
	c. NPS IMC	≥ 20	○ n/a	30
	d. NPS Evi	≥ 10	● 10	0
	e. NPS IBC	≥ 20	○ n/a	n/a
	12 Percentage of employees who believe they have a responsibility to behave ethically	≥ last pulse/EES (if below benchmark) ≥ benchmark (86%)	● 89%	89%

1. The CET1 ratio for 2023 was based on Basel III

2. The return on CET 1 of 17.0% is ahead of our envisioned growth path for achieving our 2027 target of >18%.

3. The gender pay gap for 2023 was only reported for the Netherlands



High scores on external ESG ratings

Governance: 1

Lower governance risk = 1
Higher governance risk = 10

ISS QualityScore

6th place in league table of
491 entrants

Transparantiebenchmark

11st place in a league table
of 51 multinationals
With 31/40 points



B- rating

On a scale of A+ to D-
ISS ESG Corporate Rating

ISS ESG 

AA rating

On a scale of AAA to CCC
on resilience to ESG risks

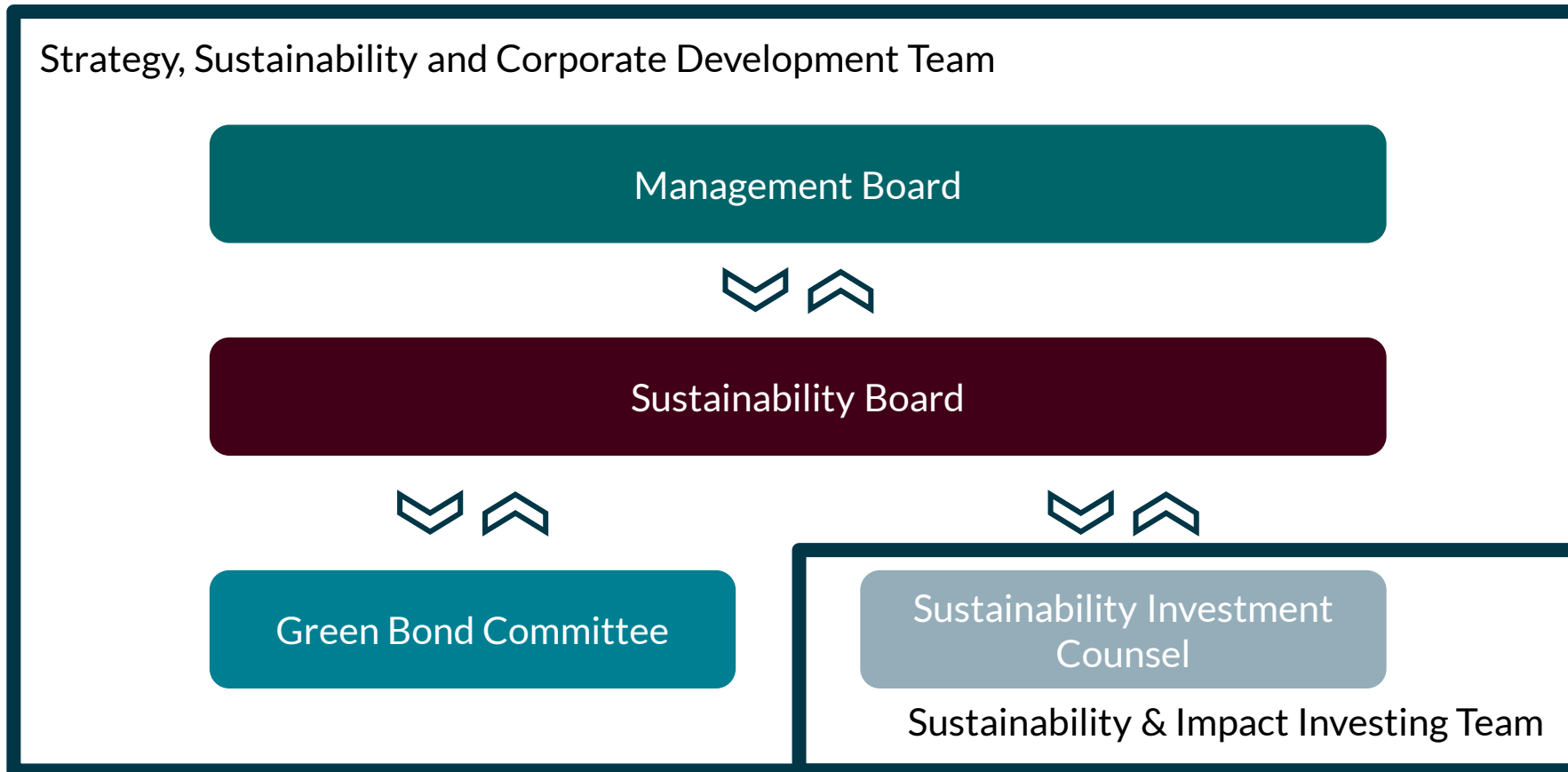
MSCI 

4 and 5 stars (out of 5) for
responsible investment process
(2023)

 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
Management Board	<ul style="list-style-type: none">• Accountable for the overall sustainability strategy
Sustainability 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
Green Bond Committee	<ul style="list-style-type: none">• Keeping our green bond framework in accordance with leading standards, pre- and post-issuance reporting
Strategy, Sustainability & Corporate Development Team	<ul style="list-style-type: none">• Advising on embedding the sustainability ambition in the strategy of the business lines• Developing the sustainability roadmap for the company including monitoring
Sustainability & Impact Investing Team	<ul style="list-style-type: none">• Focus on growing and expanding the sustainable and impact investing offering
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:

- Annual report 2023
- Sustainability supplement 2023
- GRI content index table

Visit vanlanschotkempen.com/investmentmanagement for:

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



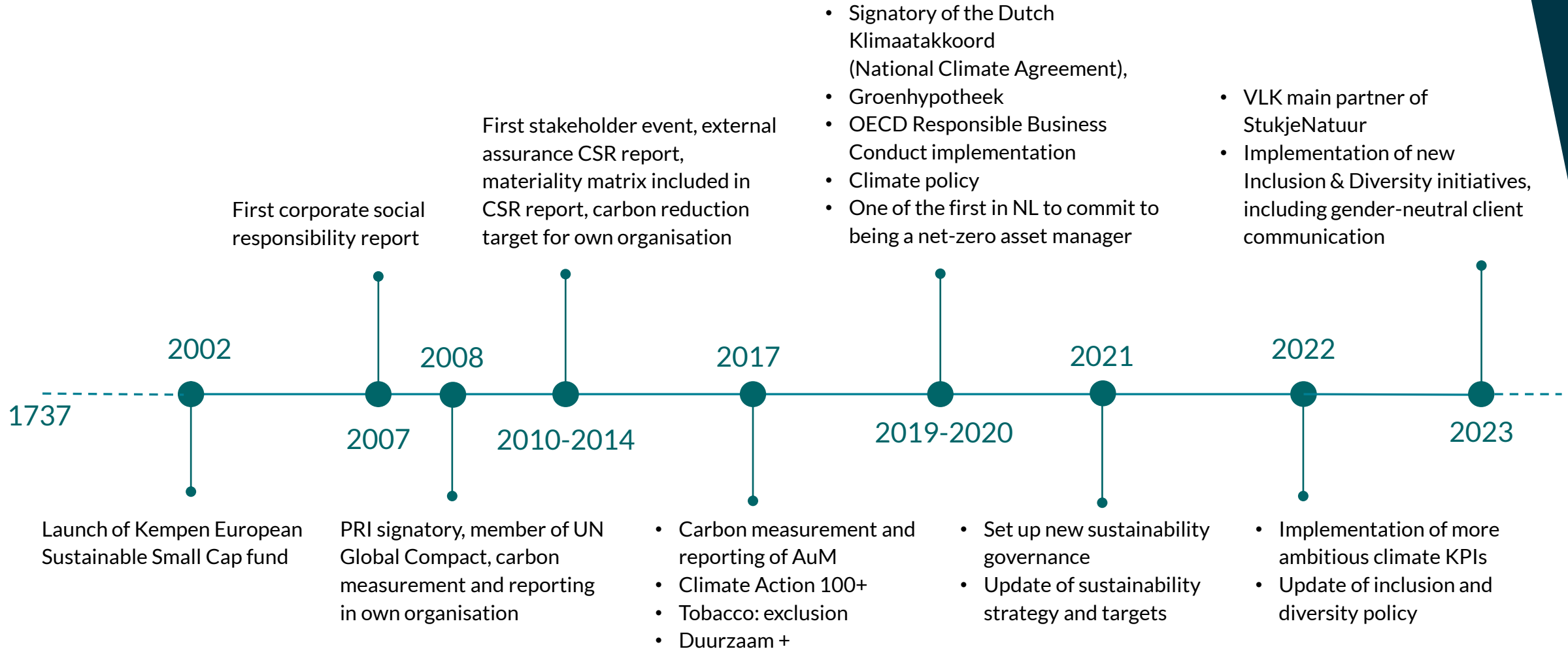


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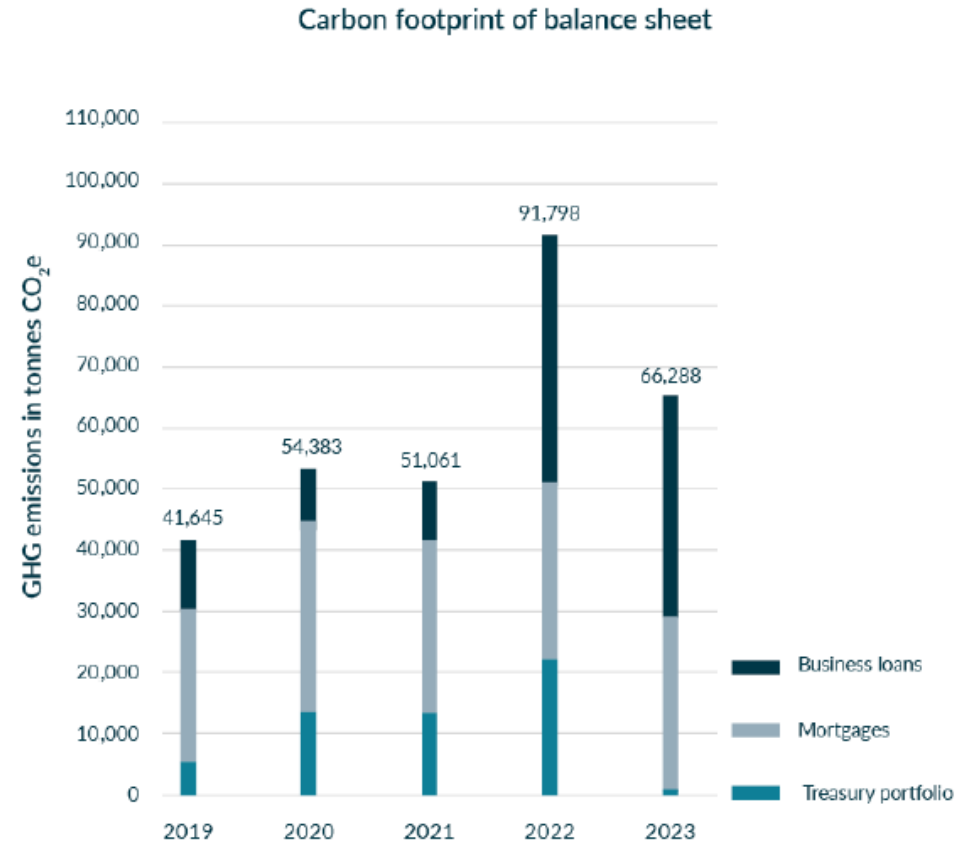
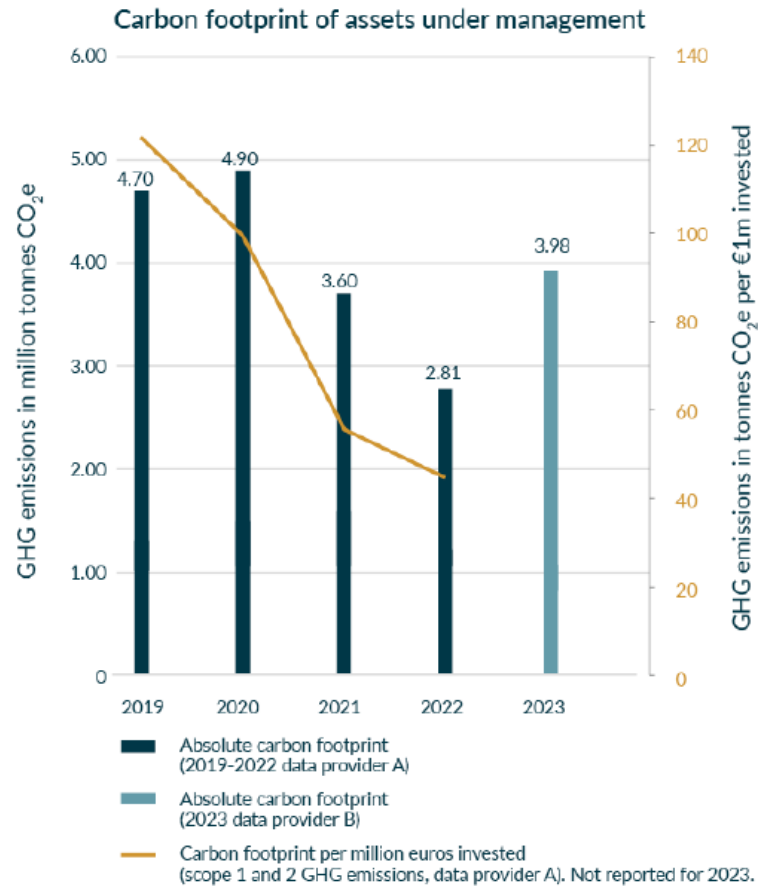
Appendix



Our sustainability journey

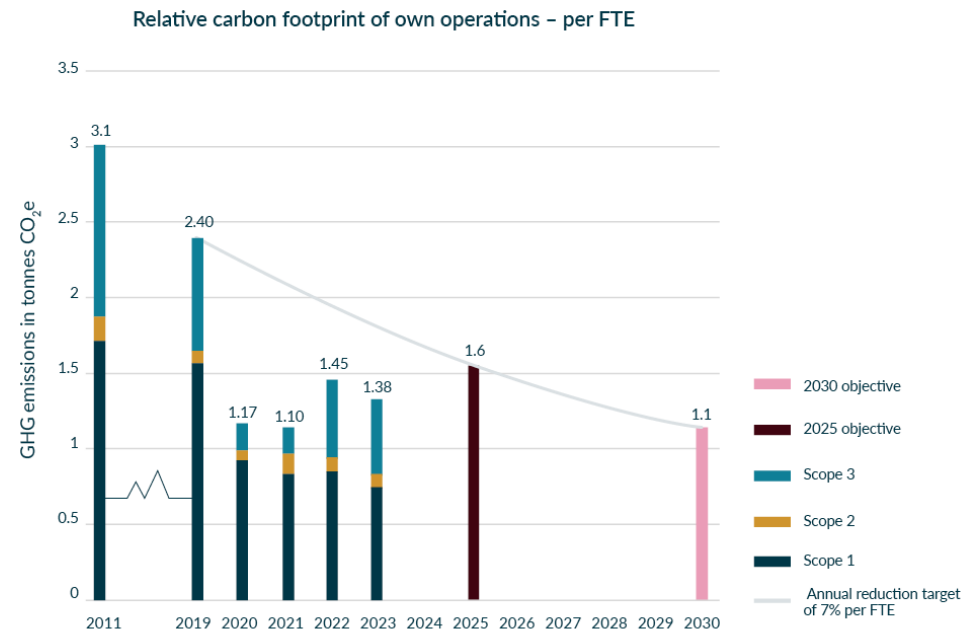
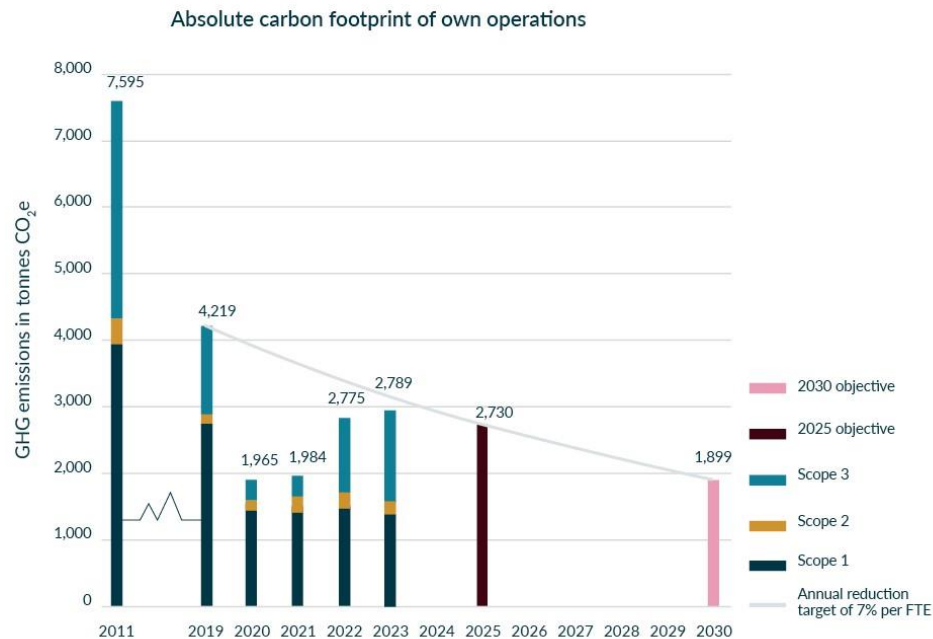


Our carbon footprint



See more at: vanlanschotkempen.com/en-nl/about-us/investor-relations/financial-results

Carbon reduction in own organisation



- Ambitious annual carbon footprint reduction target for our own organisation (2023: -7% per FTE, as of 2024: -8% 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 42% per FTE



Disclaimer

Disclaimer and cautionary note on forward-looking statements

This document may contain forward-looking statements and targets on future events and developments. These forward-looking statements and targets are based on the current insights, information and assumptions of Van Lanschot Kempen's management about known and unknown risks, developments and uncertainties. Forward-looking statements and targets do not relate strictly to historical or current facts and are subject to such risks, developments and uncertainties which by their very nature fall outside the control of Van Lanschot Kempen and its management. Actual results, performances and circumstances may differ considerably from these forward-looking statements and targets.

Van Lanschot Kempen cautions that forward-looking statements and targets are only valid on the specific dates on which they are expressed and accepts no responsibility or obligation to revise or update any information, whether as a result of new information or for any other reason.

The financial data in this document have not been audited. Small differences in tables may be the result of rounding. Percentages are calculated based on unrounded figures.

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