VAN LANSCHOT KEMPEN

ESG Policy & Ambitions Liquidity book

1. Background

Why invest sustainably

At Van Lanschot Kempen, we help clients manage their wealth in line with their beliefs and goals, thinking across generations. Since 1737, we have guided clients through major global events, preserving wealth and shaping lasting legacies that reflect their beliefs. We realise our greatest impact stems from how we advise and guide clients in their investment decisions. For our own liquidity book, we want to lead by example, considering ESG as part of the decisions we make.

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 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.

Our own Van Lanschot Kempen liquidity investment portfolio (on our balance sheet) has a relatively low sustainability risk profile. It is chiefly run for liquidity purposes and mainly comprises European government paper and fixed-income securities.

Avoiding 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 of all conventions to which we are committed can be found in the Convention Library.

Our approach

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

1. Exclusion
2. ESG integration
3. Active ownership
4. Impact investing

Pillar 1: Exclusion

In some issuers we do not want to invest due to their activities or conduct, for which we hold Exclusion 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 adding to our portfolio based on their ESG performance, using 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.

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: Impact investing

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. 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 keep the share of green, social and sustainability(-linked) bonds in the portfolio above our target level.

Policy and ambitions summary

Exclusion	ESG integration	Active ownership	Positive impact
× Controversial activities × Structural violations of sustainability criteria × ESG laggards	ESG risks & possibilities are integrated in the investment analysis	Start the dialogue with counterparties about ESG performance & disclosure	Search for investments with positive real-world outcomes

Keep the share of green, social and sustainability(-linked) bonds in the portfolio above our target level

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Other information

Van Lanschot Kempen NV has its registered office at Hooge Steenweg 29, 5211 JN 's-Hertogenbosch, the Netherlands, COC no. 16038212 with VAT identification number NL001145770B01, is registered as a bank with the Netherlands Authority for the Financial Markets (AFM) and De Nederlandsche Bank N.V. (DNB) in the Financial Supervision Act (Wft) register. If you have any complaints, please feel free to contact Van Lanschot Kempen, the Quality & Service department, kwaliteit-service@vanlanschotkempen.com or PO Box 1021, 5200 HC 's-Hertogenbosch.

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