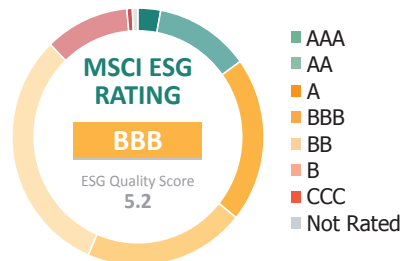


## IST Portfolio

Portfolio Manager	Van Lanschot Kempen Investment Management N.V.
ESG Rating <sup>1</sup>	BBB
SFDR Category <sup>2</sup>	Art. 8
Investment strategy	Active

<sup>1</sup> MSCI ESG Report: [www.msci.com](http://www.msci.com)

<sup>2</sup> SFDR: The Sustainable Finance Disclosure Regulation is a European regulation introduced to improve transparency in the market for sustainable investment products. <https://www.eurosif.org/policies/sfdr/>



## Applied ESG Approaches

### Exclusion



**Yes.** IST exclusion list and process is applied in addition to the portfolio manager's own exclusion list. Portfolio Manager excludes controversial weapons, tobacco, serious controversies, pure coal & tar sands players and companies refusing to engage.

Composition of IST exclusion list			
SVVK-ASIR	THEMATIC / SECTOR EXCLUSION	COUNTRY EXCLUSIONS	ENGAGEMENT / VIOLATIONS OF NORMS
<ul style="list-style-type: none"> <li>– Nuclear weapons</li> <li>– Cluster munitions and anti-personnel mines</li> </ul>	<ul style="list-style-type: none"> <li>– Coal mining and power generation (turnover &gt; 25%)</li> </ul>	<ul style="list-style-type: none"> <li>– UN Security Council Arms Embargo</li> <li>– OFAC</li> <li>– Swiss sanctions</li> </ul>	<ul style="list-style-type: none"> <li>– Exclusion of non-cooperative companies</li> <li>– Violation of internationally acceptable standards</li> </ul>

Source:

<https://istfunds.ch/en/esg-ist/>

<https://www.kempen.com/en/asset-management/esg/policies-and-publications>

### Proxy Voting

Source: [https://istfunds.ch/media/5354/exercise-voting-rights-foreign-equities\\_2021.pdf](https://istfunds.ch/media/5354/exercise-voting-rights-foreign-equities_2021.pdf)

### Engagement



**Yes.** Voting for foreign equities are performed by the portfolio manager.



**Yes.**

Engagement activities by the portfolio manager: both collective and individual engagements.

Engagement activities by IST in collaboration with Sustainalytics:

CRITERIA	DIALOG / GOAL DEFINITION	TERMINATION OF ENGAGEMENT
<ul style="list-style-type: none"> <li>– High ESG risk: Material Risk Engagement (MRE)</li> <li>– Thematic engagement (e.g. sustainable forests)</li> </ul>	<ul style="list-style-type: none"> <li>– Definition of firm ESG-goals in cooperation with investee company</li> </ul>	2 possible outcomes: <ul style="list-style-type: none"> <li>– Objective achieved («case resolved»)</li> <li>– Objective not achieved resp. company is not cooperative *</li> </ul>

\*Assessment to consider adding to exclusion list

Source: [https://www.istfunds.ch/media/5397/ist\\_d\\_engagementbericht-2021.pdf](https://www.istfunds.ch/media/5397/ist_d_engagementbericht-2021.pdf)

### ESG Integration



**Yes.** ESG factors are integrated in the investment process as they can influence valuations and risks of investments.

### Best-in-Class



**Yes.** Overweight position towards companies with better Environmental Pathway Frameworks, better social and governance attributes.

### Thematic/Impact Investing

**Not applicable**

## Portfolio manager: Van Lanschot Kempen Investment Management N.V.

### Facts & figures

Assets under management	USD 127 bn
Whereof in sustainable investment strategies	USD 127 bn
Number of inv. profess.	134
Whereof dedicated to ESG	9 (Sustainability Center)
Signatory to UNPRI	Yes
UNPRI rating	A+
Memberships (selection only):	
<ul style="list-style-type: none"> <li>International Corporate Governance Network (ICGN)</li> <li>Carbon Disclosure Project (CDP)</li> <li>Net Zero Asset Manager Initiative (NZAMI)</li> </ul>	<ul style="list-style-type: none"> <li>Climate Action 100+</li> <li>Finance for Biodiversity Pledge</li> <li>Institutional Investor Group on Climate Change (IIGCC)</li> <li>Partnership for Carbon Accounting Financials</li> </ul>

### Consultant / Partnerships

- ISS for proxy voting

### Carbon Strategy

Carbon footprint is being measured since 2019. Aim to become net zero as part of the NZAMI commitment.

### Voting Activity

Yes. Annual stewardship and sustainable investment report 2021 available

<https://www.vanlanschotkempen.com/en/asset-management/esg/policies-and-publications>

### Engagement

Yes. Engagement approach and annual report published

<https://www.vanlanschotkempen.com/en/asset-management/esg/policies-and-publications>

### Responsible Investing

Our beliefs:

- We act as **long-term stewards** to generate attractive returns while considering the interests of all stakeholders.
- We **integrate ESG factors throughout our investment process** to achieve better risk adjusted returns.
- We **prefer inclusion over exclusion** to more efficiently bring about change by working with companies.
- We engage as **active owner** to drive the sustainability of a company.
- We **allocate capital towards sustainable companies** to achieve positive real world impact.

Responsible investment activities are organized across four pillars:

- **Exclusion & Avoidance:** not investing in controversial activities or conduct.
- **ESG integration:** ensuring sustainability risks and opportunities are adequately considered in our investment analysis and processes
- **Active Ownership:** using our influence through engagement and voting to improve corporate behavior and specific ESG issue and achieve positive change
- **Positive Impact:** investing with an objective to achieve positive real-world outcomes and impact, such as contributing to the UN Sustainable Development Goals.

<https://www.vanlanschotkempen.com/en/asset-management/esg>

### Next steps and further developments

Kempen has joined the Net Zero Asset Manager Initiative in 2020. We are committed to become a net zero wealth manager by 2050 and we have set carbon footprint reduction targets for 2025 and 2030. For our internally managed listed funds and discretionary solutions for private clients, we aim to reduce our carbon footprint by 7% a year in line with the Paris Agreement goals. This 7% annual reduction applies equally to the absolute emissions for our organisation, balance sheet and investments alike.