



CLIMATE TRANSPARENCY REPORT 2019

Kempen Capital Management NV

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2019 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2019 Reporting Framework response. The full Public Transparency Report is available here (https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-631980BD-626C-4407-B4D7-32C1C4E6B7B8/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C*complete*%7C*public*/Merged/). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2019 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.1	✓	Public				
SG 01.2	✓	Public				
SG 01.3	✓	Public				
SG 01.4	✓	Public				
SG 01.5	✓	Public				
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 01.11 CC	✓	Public				
SG 01.12 CC	✓	Public				
SG 02.2	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	✓	Public				
SG 07.7 CC	✓	Public				
SG 07.8 CC	✓	Public				
SG 13.1	✓	Public				
SG 13.2	✓	Public				
SG 13.4 CC	✓	Public				
SG 13.5 CC	✓	Public				
SG 13.6 CC	✓	Public				
SG 13.7 CC	✓	Public				
SG 13.8 CC	✓	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.4	-	Public				
SG 14.5	-	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	-	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	✓	Public				
SG 15.1	✓	Public				
SG 15.2	✓	Public				
SG 15.3	✓	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
Name	Kempen Capital Management NV
Signatory Category	Other
Signatory Type	Investment Manager
Size	US\$ > 50 billion AUM
Main Asset Class	Multi-Asset
Signed PRI Initiative	2008
Region	Europe
Country	Netherlands
Disclosure of Voluntary Indicators	33% from 38 Voluntary indicators

Kempen Capital Management NV

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input type="radio"/> Applicable policies cover all AUM <input checked="" type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

Kempen is an asset manager with a long-term investment approach. Kempen believes in stewardship and aims to achieve real-world outcomes with our investments that can make a positive contribution to a sustainable economy. The investment principles contain Kempen's core values as a responsible investor. One of these principles is embodied in the term stewardship: safeguarding capital retention down the generations. Responsibly-managed companies devote attention to ESG criteria. For Kempen, the application of ESG criteria goes hand-in-hand with a focus on financial return. After all, a lack of attention to ESG aspects increases a company's risk profile. This fits in with two of Kempen's other essential investment principles: the long-term investment philosophy and engaged shareholdership. As an active investor, Kempen challenges companies on their strategic financial and non-financial responsibilities. This dialogue, known as engagement, aims to improve the situation in companies in which specific (ESG) areas for attention have been identified. The encouragement of positive change is in line with the principle of continuous improvement, which we value greatly. In addition, client focus is another important principle for us.

SG 01.5

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

ESG Integration

At Kempen, ESG criteria are an integral part of the investment process. This means that portfolio managers perform an in-depth analysis of ESG data and material ESG risks and opportunities weigh into how they select and monitor their companies. When selecting external managers we assess their responsible investment policy and implementation capabilities.

Kempen bases its criteria for responsible investment on the international conventions such as the United Nations Global Compact (UNGC) and the Principles for Responsible Investment (PRI). In combination with the Guiding Principles on Business and Human Rights, these two frameworks build the foundation of Kempen's 'Convention Library'.

The investment portfolios that we manage or invest in are analysed taking into account ESG factors, both using our internal know-how as well as our ESG data provider, MSCI ESG Research. This screening applies to in-house funds and funds managed by external fund managers.

The screening and internal analysis of companies identifies ESG laggards and specific incidents at play. Based on this framework, companies' valuations can be altered if the issues are deemed material. In addition, the engagement cases are selected. Should a company be involved in an issue fundamentally contrary to KCM ESG criteria, a company will be excluded from the investable universe.

Active Ownership**Engagement**

Kempen deliberately opts for dialogue with the companies we invest in and with external fund managers. This dialogue or 'engagement', allows us to encourage companies to improve policies and practices in which specific ESG issues have been identified.

Systematic and well-rounded approach

Kempen deliberately opts for engagement process, improving ESG standards at companies and fund managers we invest in, preferably through a thematic approach. The investment teams work in tight collaboration with the responsible investment department. The engagement is focused on laggards in the portfolio aiming to raise the level of ESG policies and practices within companies and fund managers.

In addition, we apply an engagement approach for core fixed income. Via discussion groups, Kempen enters into dialogue with credit rating agencies, benchmark providers and other fund managers to encourage the integration of ESG indicators in country ratings and country valuations.

Working in collaboration

We believe we increase our impact and stewardship when we directly engage with the companies and fund managers we invest in. Furthermore, Kempen believes in the strength of collaborative engagement. Through cooperation with other investors and fund managers, we can increase the leverage of our engagement activities.

Exercising voting rights is another essential element of responsible investment. KCM refined its voting policy in 2018 and 2019. KCM casts its vote at the general meetings of Dutch businesses, and by proxy in the case of international companies. Voting guidelines and records for 2018 are available on KCM's website: kempen.com/en/assetmanagement/responsible-investment.

Exclusions

There are several instances when Kempen directly excludes companies out of its investable universe.

We are convinced that focus on engagement in the long term will lead to the best results for our clients. However, companies and fund managers where engagement efforts have led to insufficient results can be excluded from any investment portfolio. Companies involved in the production of controversial weapons are directly excluded from the investment universe. Controversial weapons are defined as anti-personnel mines, cluster munitions, chemical and biological weapons, and nuclear weapons.

KCM only selects weapon related companies for investment if:

1. these companies comply with the international weapon related conventions and treaties as mentioned in the Convention Library and
2. these companies operate in compliance with local laws and regulations with regard to the production, storage, trading and use of weapons and
3. weapons involved are not controversial weapons and
4. weapons are not being provided to countries or people on the EU and/or UN sanction list, fragile or failing states, countries in civil war, suspicious and/or corrupt buyers, terrorist organizations and (organized) crime.

In 2018 we excluded tobacco producers and suppliers and retailers that derive a certain maximum percentage of revenue from tobacco.

No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

SG 01 CC	Voluntary	Public	Descriptive	General
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SG 01.6 CC	Indicate the climate-related risks and opportunities that have been identified and factored into the investment strategies and products, within the organisation's investment time horizon.
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Climate risks

As the assets are partly invested in climate-sensitive sectors and regions, we run certain climate change risks. Examples of possible risks could be investments in oil companies whose share price could deteriorate if these companies' assets were to become stranded due to policy effects. Another example is an investment in non-listed/illiquid real estate that gets flooded. As we expect, most negative impacts appear in oil & gas, mining, utilities and industrials, we developed a specific climate change policy for these sectors. We think it is important to emphasize that - even if the above mentioned sectoral/regional risks would materialize - the impact on the

total client portfolio would be limited, mainly because of the strong diversification over companies, sectors and regions, as well as the high liquidity of the investments we make for our clients. At the same time, the diversification on a portfolio level is not a reason to ignore company-specific risks of particular investments. For more information, refer to our TCFD response on our corporate group website (see the Risk Management part of that document): <https://www.vanlanschotkempen.com/media/3363/task-force-on-climate-related-financial-disclosures-03-2019.pdf>

Climate opportunities

Although we have seen a strong increase in interesting projects and initiatives, climate-related investable opportunities (fitting with our strategy, business and size) have been relatively small so far. Nevertheless, we expect that this will change in the near future. We expect that certain sectors - e.g. renewables, infrastructure - can profit under an energy transition scenario. In addition to that, we expect clients' appetite for climate change friendly investment funds to grow, and mortgage loan clients to become more interested in energy saving advice from their bank.

SG 01.7 CC	Indicate whether the organisation has assessed the likelihood and impact of these climate risks?
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Yes

SG 01.8 CC	Indicate the associated timescales linked to these risks and opportunities.
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See our response to TCFD: <https://www.vanlanschotkempen.com/media/3363/task-force-on-climate-related-financial-disclosures-03-2019.pdf>

No

SG 01.9 CC	Indicate whether the organisation publicly supports the TCFD?
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Yes

No

SG 01.10 CC	Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.
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Yes

No

SG 01.11 CC	Describe how and over what time frame the organisation will implement an organisation-wide strategy that manages climate-related risks and opportunities.
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We are currently in process of developing organisation wide strategy with the aim to have it in place by at least 2022.

SG 1.12 CC	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.
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- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

SG 02	Mandatory	Public	Core Assessed	PRI 6
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
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- Policy setting out your overall approach

	URL/Attachment
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- URL

	URL
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{hyperlink:https://www.kempen.com/en/asset-management/responsible-investment}

- Attachment (will be made public)

	Attachment
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[File 1:2019 March Investment Beliefs for the PRI.pdf](#)

- Formalised guidelines on environmental factors

	URL/Attachment
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- URL

	URL
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{hyperlink:https://www.kempen.com/-/media/Asset-Management/ESG/ESG_Climate.pdf?la=en&hash=C53A36B271CDF7C4020ED51EDEB3017061562925}

- Attachment (will be made public)

- Formalised guidelines on social factors

	URL/Attachment
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- URL

URL

{[hyperlink:https://www.kempen.com/en/asset-management/responsible-investment](https://www.kempen.com/en/asset-management/responsible-investment)}

- Attachment (will be made public)
- Formalised guidelines on corporate governance factors

URL/Attachment

- URL

URL

{[hyperlink:https://www.kempen.com/-/media/Asset-Management/ESG/ESG-voting-policy.pdf](https://www.kempen.com/-/media/Asset-Management/ESG/ESG-voting-policy.pdf)}

- Attachment (will be made public)
- Fiduciary (or equivalent) duties
- Asset class-specific RI guidelines
- Sector specific RI guidelines
- Screening / exclusions policy

URL/Attachment

- URL

URL

{[hyperlink:https://www.kempen.com/en/asset-management/responsible-investment/exclusions](https://www.kempen.com/en/asset-management/responsible-investment/exclusions)}

- Attachment (will be made public)
- Engagement policy

URL/Attachment

- URL

URL

{[hyperlink:https://www.kempen.com/en/asset-management/responsible-investment](https://www.kempen.com/en/asset-management/responsible-investment)}

- Attachment (will be made public)
- (Proxy) voting policy

URL/Attachment

- URL

URL

{[hyperlink:https://www.kempen.com/-/media/Asset-Management/ESG/ESG-voting-policy.pdf](https://www.kempen.com/-/media/Asset-Management/ESG/ESG-voting-policy.pdf)}

- Attachment (will be made public)
- We do not publicly disclose our investment policy documents

SG 02.2

Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment

- URL

URL

{hyperlink:https://www.vanlanschotkempen.com/media/3328/how-we-create-value-our-impact-quantified-van-lanschot-kempen.pdf}

- Attachment

- Time horizon of your investment

URL/Attachment

- URL

URL

{hyperlink:https://www.kempen.com/en/asset-management/responsible-investment}

- Attachment

- Governance structure of organisational ESG responsibilities

URL/Attachment

- URL

URL

{hyperlink:https://www.kempen.com/-/media/Asset-Management/ESG/ResponsibleInvestment_JVS_GB_2018.pdf}

- Attachment

- ESG incorporation approaches

URL/Attachment

- URL

URL

{hyperlink:https://www.kempen.com/en/asset-management/responsible-investment}

- Attachment

- Active ownership approaches

URL/Attachment

URL

URL

{hyperlink:https://www.kempen.com/en/asset-management/responsible-investment}

Attachment

Reporting

URL/Attachment

URL

URL

{hyperlink:https://www.kempen.com/-/media/Asset-Management/ESG/ResponsibleInvestment_JVS_GB_2018.pdf}

Attachment

Climate change

URL/Attachment

URL

URL

{hyperlink:https://www.kempen.com/en/asset-management/responsible-investment/climate-change}

Attachment

Understanding and incorporating client / beneficiary sustainability preferences

We do not publicly disclose any investment policy components

SG 02.3 Additional information [Optional].

Our 2018 annual responsible investment report can be found here

https://www.kempen.com/-/media/Asset-Management/ESG/ResponsibleInvestment_JVS_GB_2018.pdf

Governance and human resources

SG 07 CC	Voluntary	Public	Descriptive	General
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SG 07.5 CC	Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.
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Board members or trustees
<input checked="" type="checkbox"/> Oversight/accountability for climate-related issues <input type="checkbox"/> Assessment and management of climate-related issues <input type="checkbox"/> No responsibility for climate-related issues
Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee
<input checked="" type="checkbox"/> Oversight/accountability for climate-related issues <input type="checkbox"/> Assessment and management of climate-related issues <input type="checkbox"/> No responsibility for climate-related issues
Portfolio managers
<input type="checkbox"/> Oversight/accountability for climate-related issues <input checked="" type="checkbox"/> Assessment and management of climate-related issues <input type="checkbox"/> No responsibility for climate-related issues
Investment analysts
<input type="checkbox"/> Oversight/accountability for climate-related issues <input checked="" type="checkbox"/> Assessment and management of climate-related issues <input type="checkbox"/> No responsibility for climate-related issues
Dedicated responsible investment staff
<input checked="" type="checkbox"/> Oversight/accountability for climate-related issues <input checked="" type="checkbox"/> Assessment and management of climate-related issues <input type="checkbox"/> No responsibility for climate-related issues
Investor relations
<input type="checkbox"/> Oversight/accountability for climate-related issues <input type="checkbox"/> Assessment and management of climate-related issues <input type="checkbox"/> No responsibility for climate-related issues
External managers or service providers
<input type="checkbox"/> Oversight/accountability for climate-related issues <input checked="" type="checkbox"/> Assessment and management of climate-related issues <input type="checkbox"/> No responsibility for climate-related issues
Other role, specify (1)
Other description (1)

Other role, specify (1)

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

SG 07.6 CC	For board level roles for which have climate-related issues oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.
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We publish Carbon Footprint in the Annual Audited Report of Van Lanschot Kempen. The report is reviewed and signed off by Group CFO and member of the executive board.

<https://media.vanlanschot.nl/media/pdfs/2018-annual-report-van-lanschot-kempen.pdf>

SG 07.7 CC	For the management-level roles that assess and manage climate-related issues, provide further information on the structure and process involved.
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We publish an annual TCFD statement. Risk and finance department are involved in the process the statement is further reviewed by senior management,

SG 07.8 CC	Explain how the organisation engages external investment managers on the TCFD recommendations and its implementation.
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- Incorporation of TCFD in Annual Report
- Incorporation of TCFD in regular client reporting
- Request that investment managers complete PRI Climate indicators
- Request responses to TCFD Fund Manager questions in the PRI Asset Owner guide

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1	Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
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- Yes, to assess future ESG factors
- Yes, to assess future climate-related risks and opportunities

	Describe
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In 2018 we started to perform scenario analysis (using the 2ii PRT tool) for the first time - applying it to two most energy intensive funds. In 2019 with our data provider we will perform more in depth scenario analysis on one of our strategies in close cooperation with our PMs.

- No, not to assess future ESG/climate-related issues

SG 13.2	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.
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We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
- We do not consider ESG issues in strategic asset allocation

SG 13.3 Additional information. [OPTIONAL]

We will look into ESG and strategic asset allocation. Furthermore, for climate change risks and opportunities, see our TCFD response: <https://www.vanlanschotkempen.com/responsible/environment>

SG 13 CC	Voluntary	Public	Descriptive	General
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SG 13.4 CC Describe how the organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, the results and any future plans.

- Initial assessment

Describe

See our approach in our TCFD response: <https://www.vanlanschotkempen.com/responsible/environment>.

- Incorporation into investment analysis
- Inform active ownership
- Other

SG 13.5 CC Indicate who uses this analysis.

- Board members, trustees, C-level roles, Investment Committee
- Portfolio managers
- Dedicated responsible investment staff
- External managers
- Investment consultants/actuaries
- Other

SG 13.6 CC Indicate whether the organisation has evaluated the impacts of climate-related risk, beyond the investment time-horizon, on the organisations investment strategy.

- Yes
- No

Please explain the rationale

See our response on impacts of climate-related risk our TCFD response:
<https://www.vanlanschotkempen.com/responsible/environment>.

**SG 13.7
CC**

Indicate whether a range of climate scenarios is used.

- Yes, including analysis based on a 2°C or lower scenario
- Yes, not including analysis based on a 2°C or lower scenario
- No, a range is not used

**SG 13.8
CC**

Indicate the climate scenarios the organisation uses.

Provider	Scenario used
IEA	<input type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)
IEA	<input type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario
IEA	<input checked="" type="checkbox"/> Sustainable Development Scenario (SDS)
IEA	<input type="checkbox"/> New Policy Scenario (NPS)
IEA	<input type="checkbox"/> Current Policy Scenario (CPS)
IRENA	<input type="checkbox"/> RE Map
Greenpeace	<input type="checkbox"/> Advanced Energy [R]evolution
Institute for Sustainable Development	<input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP)
Bloomberg	<input type="checkbox"/> BNEF reference scenario
IPCC	<input type="checkbox"/> Representative Concentration Pathway (RCP) 8.5
IPCC	<input type="checkbox"/> RPC 6
IPCC	<input type="checkbox"/> RPC 4.5
IPCC	<input type="checkbox"/> RPC 2.6
Other	<input type="checkbox"/> Other (1)
Other	<input type="checkbox"/> Other (2)
Other	<input type="checkbox"/> Other (3)

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 14.1

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

SG 14.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

SG 14.3

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify

other description

- Exposure to renewable energy
- None of the above

SG 14 CC	Voluntary	Public		General
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SG 14.6 CC	Please provide further details on these key metric(s) used to assess climate related risks and opportunities.
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Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Weighted average carbon intensity	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	See our RI annual report 2017-2018: https://www.kempen.com/en/asset-management/responsible-investment	See our RI annual report 2017-2018: https://www.kempen.com/en/asset-management/responsible-investment	See our RI annual report 2017-2018: https://www.kempen.com/en/asset-management/responsible-investment
Carbon footprint (scope 1 and 2)	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	See our RI annual report 2017-2018: https://www.kempen.com/en/asset-management/responsible-investment	See our RI annual report 2017-2018: https://www.kempen.com/en/asset-management/responsible-investment	See our RI annual report 2017-2018: https://www.kempen.com/en/asset-management/responsible-investment
Portfolio carbon footprint	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	See our RI annual report 2017-2018: https://www.kempen.com/en/asset-management/responsible-investment	See our RI annual report 2017-2018: https://www.kempen.com/en/asset-management/responsible-investment	See our RI annual report 2017-2018: https://www.kempen.com/en/asset-management/responsible-investment
Total carbon emissions	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	See our RI annual report 2017-2018: https://www.kempen.com/en/asset-management/responsible-investment	See our RI annual report 2017-2018: https://www.kempen.com/en/asset-management/responsible-investment	See our RI annual report 2017-2018: https://www.kempen.com/en/asset-management/responsible-investment
Carbon intensity	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	See our RI annual report 2017-2018: https://www.kempen.com/en/asset-management/responsible-investment	See our RI annual report 2017-2018: https://www.kempen.com/en/asset-management/responsible-investment	See our RI annual report 2017-2018: https://www.kempen.com/en/asset-management/responsible-investment
Exposure to carbon-related assets	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets			

SG 14.8 CC	Indicate whether climate-related risks are integrated into overall risk management and explain the risks management processes for identifying, assessing, and managing climate-related risks.
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- Process for climate-related risks is integrated into overall risk management

	Please describe
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For our AuM, the ESG Council has formulated a specific climate change engagement policy which aims to measure the carbon intensity of all investments in the most carbon-intensive sectors (oil & gas, mining, utilities industries). Lagging investees (compared to peers) can be selected for an engagement process, aiming for more transparency and clear carbon reduction targets. The rationale behind these engagements is that we expect that due to the energy transition, lagging companies in these sectors run the most material financial risks (e.g. because of their assets becoming stranded).

Furthermore, we have a separate engagement policy with regards to coal. For the mining sector and utilities, we screen companies on their coal exposure. Mining companies that derive more than 10% of their revenues from coal, as well as utilities that use more than 30% coal in their fuel mix or derive more than 30% of their revenues from coal-fuelled power, will be engaged with. If these companies - over the next years - show no interest in reducing their coal exposure, we will consider to exclude them from our investments.

For our AuM the process for prioritizing climate-related risks is part of the Responsible Investment Policy of Kempen Capital Management (KCM), as approved by the ESG Council and executed by the Responsible Investment Team. For this policy, refer to <https://www.kempen.com/en/asset-management/responsible-investment>.

Companies that derive a significant portion of their revenues (>20%) from the production of coal, or have substantial coal reserves are excluded from Kempen Sustainable Funds.

Aside from our sustainable and impact investment strategies one of KCM's risk management approaches is engagement with investees. Kempen engages with companies and policy makers to promote and further facilitate the transition to a low carbon economy. If engagement does not deliver the requested results, the ESG Council can decide to divest from the investee. Kempen can engage on its own (e.g. for its own funds) but also together with other investors. Joint engagements are for example done via our active membership of IIGCC (Institutional Investor Group on Climate Change) and the Principles for Responsible Investment. Kempen is also part of an international engagement initiative called Climate Action 100+ that was launched in December 2017 and targets over 100 carbon intensive companies. See for more engagement examples: www.kempen.com/en/asset-management/responsible-investment.

- Process for climate-related risks is not integrated into our overall risk management

SG 14.9 CC	Indicate whether the organisation undertakes active ownership activities to encourage TCFD adoption.
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- Yes

	Please describe
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Via our engagements with companies we encourage companies (in carbon intensive sectors) to report in line with TCFD.

- No, we do not engage

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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- Yes

SG 15.2 | Indicate the percentage of your total AUM invested in environmental and social themed areas.

%

2

SG 15.3 | Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.

Area

- Energy efficiency / Clean technology
- Renewable energy
- Green buildings

Asset class invested

- Listed equity

% of AUM

2

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Property
- Other (1)

Brief description and measures of investment

We went through our real estate universe and portfolios and marked all investments in green buildings (positive screening).

- Sustainable forestry

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Property

% of AUM

0.1

- Other (1)

Brief description and measures of investment

We invest through private markets asset classes.

- Sustainable agriculture
- Microfinance
- SME financing

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)

% of AUM

0.1

- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Property
- Other (1)

Brief description and measures of investment

Global Impact Pool invests in private equity related to SME financing (<1% of total AuM)

- Social enterprise / community investing
- Affordable housing
- Education
- Global health
- Water
- Other area, specify

We have a green bonds fund in our external approved list of funds.

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)

% of AUM

0.2

- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Property
- Other (1)

Brief description and measures of investment

We are invested in green bond portfolios via external managers

No