SFDR Annex 2 Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. For the time being, it does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Kempen (Lux) Global Sustainable Equity Fund, the 'Sub-Fund'
Legal entity identifier: 549300ETDHO3MY0UIF17

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ Yes	☒ No
☐ It will make a minimum of **sustainable investments with an environmental objective:** __%	☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
☐ It will make a minimum of **sustainable investments with a social objective:** __%	☒ with a social objective
	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Sub-Fund promotes **environmental characteristics** related to:

- climate change mitigation and climate change adaptation in line with the Paris Climate Agreement;
- the protection of biodiversity and ecosystems;
- the transition to a circular economy.

No specific sustainability index has been designated as a reference benchmark for the purpose of attaining the above environmental characteristics.

The environmental characteristics promoted by the Sub-Fund seek to contribute to achievement of the climate goals of the Paris Agreement and the National Climate Agreement of the Netherlands ('*Klimaatakkoord*'). This decarbonization pathway encompasses short-term (2025) objectives, a mid-term (2030) ambition and a long-term commitment to be net zero by 2050. Although there has been no index designated as a reference benchmark, by 2025 the Sub-Fund aims to have a carbon intensity that is below the EU Paris Aligned (EU PAB) pathway. This pathway assumes a carbon intensity that is 50% lower than the MSCI World Index (the "Benchmark") in 2019 with a subsequent 7% annual reduction.

The Sub-Fund promotes the following **social characteristics**:
- decent work;
- adequate living standards and wellbeing for end-users;
- other social topics such as gender equality and broader diversity matters.

No specific sustainability index has been designated as a reference benchmark for the purpose of attaining the above social characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The following sustainability indicators are used for the purpose of measuring attainment of the respective characteristics promoted by the Sub-Fund:

Environmental principal adverse indicators:
- **Carbon emission intensity** is used as a key metric for our short and long-term climate goals
- **GHG emissions** are used in portfolio construction and engagement to achieve our climate goals
- **Carbon footprint** is used in portfolio construction and engagement to achieve our climate goals
- Engage on **energy consumption for high impact climate sector** companies on policies, objectives
- Engage with **companies without carbon reduction emission initiatives** as part of our ESG score
- **Activities that negatively affect biodiversity-sensitive areas** as described in our Biodiversity Policy

Social, governance and do no significant harm principal adverse indicators:
- Exclude companies that **violate UNGC principles and OECD Guidelines**
- Engage or exclude companies that show **lack of processes to monitor UNGC and OECD compliance**
- **Board diversity** as described in our Voting Policy

Firm level exclusions and avoidance principal adverse indicators

x **Controversial Weaponry** revenues (PAI)	(production, trade, storage and use >0%)
x **Tobacco** revenues	(production >0%, distribution >5%, services >20%)

Sub-Fund level exclusions (additional)

x **Fossil fuel sector** revenues (PAI)	(E&P >10%, services >50%, E&P unconventional > 0%)
x Weaponry revenues	(production and sale > 5%)
x Adult Entertainment revenues	(production and services > 5%)
x Alcohol revenues	(production 5%, distribution 20%)
x Gambling revenues	(products and services > 5%)
x Power generation Nuclear revenues	(production and services 30%)
x Power generation Carbon intense	(>5% from coal, >30% from oil & gas, utilities not on transition pathway)
x Thermal coal revenues	(coal production >5%)

In addition, we assess each company on a case-by-case basis using the Kempen ESG score to ensure good governance practices and minimum environmental and social safeguards. The Kempen ESG score takes into account E, S and G characteristics divided over sustainability indicators for which a number of underlying ESG metrics are used. We score companies on the sustainability indicators that are material for the sector in which they are operating. Each risk factor is scored from 1-5 resulting in an overall weighted score of 1-5. Companies scoring low on a particular sustainability indicator will be avoided or will be subject to engagement on this particular indicator if we see room for improvement.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The sustainable investments the Sub-Fund partially intends to make contribute to the following objectives:

x Climate change mitigation and climate change adaptation (in line with the Paris Climate Agreement);
x Protection of biodiversity and ecosystems;
x Transition to a circular economy.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

How have the indicators for adverse impacts on sustainability factors been taken into account?

The Sub-Fund uses a combination of principal adverse impact indicators as mentioned above and general ESG metrics in the investment process to determine current and potential adverse impact on sustainability factors, including monitoring the number of severe and very severe controversies for every investment objective. This broader set of indicators is taken into account in the portfolio construction, investment exclusion, ESG integration (including the Kempen ESG score) and active ownership (engagement including voting) activities.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The Sub-Fund excludes companies through the application of strict exclusion criteria including certain principal adverse indicators. These criteria take into account international standards on the basis of MSCI ESG data, such as the UN Global Compact Framework, the OECD Guidelines for Multinational Enterprises, UN Guiding Principles for Business and Human Rights, and the Principles for Responsible Investment commitments.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☒ *Yes,* ________
☐ *No*

The Sub-Fund considers principal adverse impacts on sustainability factors through the specific sustainability indicators it uses to assess the extent to which its (proposed) investments contribute to the environmental and social characteristics it promotes, which include principal adverse impact indicators. These indicators are embedded in the Sub-Fund's ESG investment process, which is based on the following 'pillars': Exclusion & Avoidance, Integration via the Kempen ESG score, Active Ownership via engagement including voting and Positive Impact. That process and these four 'pillars' are briefly explained below.

Relevant information on principal adverse impacts on sustainability factors will be disclosed in due course in the Sub-Fund's annual report.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The Sub-Fund offers an actively and professionally managed portfolio of listed companies worldwide which are open to shareholder engagement and integrate environmental, social and governance ("ESG") criteria in their strategy. The Sub-Fund follows the ESG policy as described in the ESG Policy & Process document, which is aimed at the promotion of environmental and/or social characteristics. This ESG policy is implemented in the Sub-Fund's strategy's investment process across the following pillars: 1) Exclusion & Avoidance, 2) ESG Integration, 3) Active ownership, and 4) Positive impact.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

Exclusion & Avoidance:
Exclusion & Avoidance is about not investing in companies involved in controversial activities or conduct, including certain principal adverse indicators. Companies involved in the production of controversial weapons and tobacco are excluded from the investment universe. Controversial weapons are defined as anti-personnel mines, cluster ammunition, chemical weapons, biological weapons and nuclear weapons. Companies that structurally violate international principles and conventions, such as the UNGC, the UNGP, UNPRI and the OECD Guidelines for Multinational Enterprises, and show no willingness to improve, will be excluded as well. In addition, the Sub-Fund excludes companies active in producing adult entertainment, alcohol, gambling and weaponry. Furthermore, the Sub-Fund excludes companies with low ESG ratings.

ESG Integration:
ESG integration means that the Sub-Fund ensures that sustainability risks and opportunities are adequately considered in the investment analysis and processes. In the investment process the ESG profile of each company is assessed to ensure minimum environmental and social safeguards as well as adherence to good corporate governance practices. Each company is assessed on a case-by-case basis, taking into account material risks in a given industry in combination with the company's risk exposure, governance practices and disclosure. Companies with a score of 1 are automatically excluded, whereas companies with a score of 2 are excluded on a comply or explain basis. More information can be found in our ESG Policy and Process document.

Active Ownership:
Active ownership is about being responsible stewards of our clients' capital and using our influence through engagement and voting to improve corporate behavior on specific ESG issues and achieve positive change. The Sub-Fund believes in engagement with its investee companies with the aim to achieve positive change on specific ESG topics (active ownership). In case of equity investments, the Sub-Fund uses its voting rights on Annual General Meetings as another instrument to encourage companies to improve their ESG policies and practices. Investee companies that show insufficient results and improvement of their performance with respect to ESG related criteria may be excluded.

Positive impact:
The Sub-Fund commits to the climate goals of the Paris Agreement and the National Climate Agreement of the Netherlands ('Klimaatakkoord'). This encompasses short-term (2025) objectives, a mid-term (2030) ambition and a long-term commitment to be net zero by 2050.

Although no index has been designated as a reference benchmark, by 2025 the Sub-Fund aims to have a carbon intensity that is below the EU Paris Aligned Benchmark (EU PAB) pathway. This pathway assumes a carbon intensity that is 50% lower than the MSCI World Index (the "Benchmark") in 2019 with a subsequent 7% annual reduction.

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

The Sub-Fund applies exclusion criteria based on product involvement, ESG metrics and business conduct. Furthermore, the Sub-Fund excludes companies with low ESG ratings. Based on the above criteria at least 20% of the companies in the investment universe will be excluded, which is monitored at least annually.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

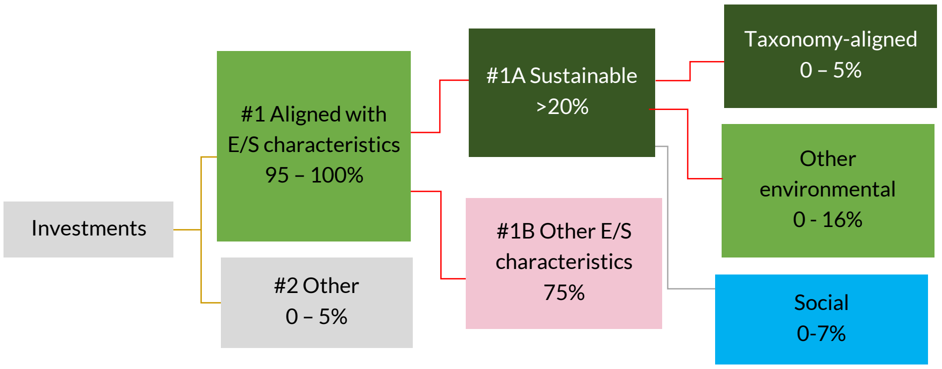
- **What is the policy to assess good governance practices of the investee companies**

In the investment process we assess the ESG profile of a company. We look at each company on a case-by-case basis, taking into account material risks in a given industry in combination with the company's respective risk exposure, practices and disclosure. This includes an assessment of good governance practices. The investee companies are rated for governance aspects using external research as well as making internal assessments. Furthermore, we look into the company's exposure to past controversies and future ESG opportunities. Based on the fundamental ESG analysis we form an opinion on the quality of a company's ESG profile and award a score (1-5). We apply adequate due diligence measures when selecting the assets and such due diligence measures take into account ESG related risks as it could help to enhance long-term risk adjusted returns for investors, in accordance with the investment objectives of the Sub-Fund.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product. We anticipate this to cover 95-100% of the investments of this Sub-Fund. For these investments, the investee companies have to adhere to good governance practices and we assess and monitor this in our investment process.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments. We anticipate these investments to cover 0-5% of the investments of this Sub-Fund. This also covers investments held for liquidity (ancillary liquid assets) and/ or rebalancing purposes.

The category **#1 Aligned with E/S characteristic**s covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives. investments reflects the committed minimum proportion sustainable investments under SFDR Article 2(17). We use MSCI's Sustainable Impact Solutions exposure which include environmental activities focused on climate change mitigation and energy efficiency, pollution prevention and waste minimization, sustainable management of water, forestry and land resources and social activities include access to basic needs, such as health care, housing, and nutrition, provision of SME and personal loans, education services, and bridging the digital divide in least developed countries. A minimum threshold of 20% of revenues is applied to determine if a company is a sustainable investment, while these companies should also do no significant harm as described in the sub-funds exclusion criteria and follow our policy for good governance. The degree to which the investments are in sustainable economic activities is measured by turnover for which we rely on a third party provider (MSCI ESG) which is using a combination of actual data from investee companies and estimates made by the third party provider.
- The sub-category **#1B Other E/S characteristics** includes the investments of the financial product that do not meet the criteria of sustainable investments, particularly around contribution to environmental and/ or social objectives (e.g., EU Taxonomy alignment).

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

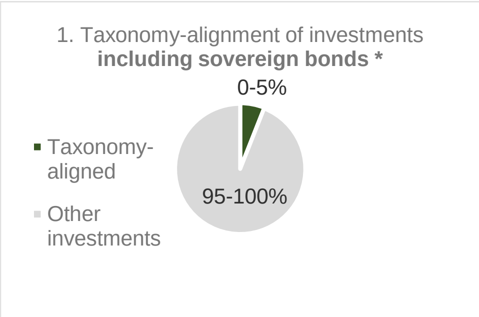
Not applicable.

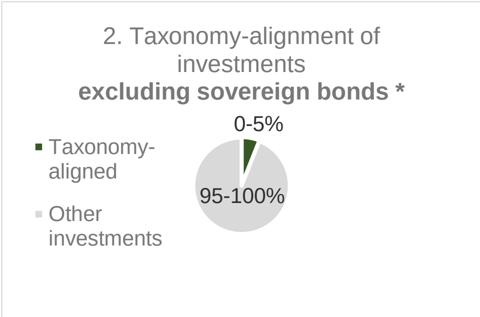
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0 – 5%.
While the Sub-Fund does not have sustainable investments as its objective, We aim for the total sustainable investments to be above the minimum commitment. The proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy will be disclosed in the periodic report. The Sub-Fund's ambition of the minimum portion of sustainable investments targets sustainable investments linked to the environmental objectives of climate change mitigation and climate change adaptation. The degree to which the investments are in environmentally sustainable economic activities is measured by turnover for which we rely on a third party provider (MSCI ESG) which is using a combination of actual data from investee companies and estimates on EU Taxonomy alignment made by the third party provider. Compliance of the Sub-Fund's intended proportion of EU Taxonomy-aligned investments with the criteria laid down in article 3 of the EU Taxonomy will not be subject to an assurance provided by one or more auditors or other third party review.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of investments in transitional and enabling activities?

0%

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

0 – 16% We aim for the total sustainable investments to be above the minimum commitment. The proportion of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy will be reported in the periodic report. This category of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is composed of activities for which no taxonomy is currently available such as energy efficiency, pollution prevention and waste minimization, sustainable management of water, forestry and land resources. Furthermore this category covers the percentage of revenues that is not EU Taxonomy aligned of companies that have more than 20% of revenues in environmental sustainable activities that are Taxonomy aligned and are therefore considered sustainable investments under the SFDR Article 2 (17) definition but only partially accounted for in the EU Taxonomy calculation.

What is the minimum share of socially sustainable investments?

0 – 7 %. We aim for the total sustainable investments to be above the minimum commitment. The proportion of socially sustainable investments will be disclosed in the periodic report. This category of sustainable investments with a social objective covers the following activities

access to basic needs, such as health care, housing, and nutrition, provision of SME and personal loans, education services, and bridging the digital divide in least developed countries. A minimum threshold of 20% of revenues is applied to determine if a company is a sustainable investment. The degree to which the investments are in sustainable economic activities is measured by turnover for which we rely on a third party provider (MSCI ESG) which is using a combination of actual data from investee companies and estimates made by the third party provider.

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

While not all investments in the portfolio qualify as sustainable investments, ESG factors are integrated into the investment process for all decisions made. The exclusions set out above are applied across the portfolio. The “#2 Other” category is comprised of investments that do not meet the objective of promoting environmental or social characteristics or do not qualify as sustainable investments. The “#2 Other” category may consist of investments held for liquidity (ancillary liquid assets) and/or rebalancing purposes. No minimum environmental or social safeguards will be in place in relation to such holdings.

Where can I find more product specific information online?

More product specific information can be found in the ESG Policy and process document on the website: https://www.kempen.com/en/asset-management by selecting the Fund and accessing the ESG Information section.