

ENGAGEMENT FACTSHEET

Kaiser Aluminum

ENGAGEMENT RATIONALE

Kaiser is a manufacturer of aluminum components used in automotive, aerospace and general industrial applications. Its products are used to replace steel, thereby contributing to reducing weight and improving fuel efficiency, however Kaiser is one of the companies with the highest carbon intensity in the Kempen Global Small-cap portfolio. Moreover, Kaiser has not yet published a sustainability report.

BACKGROUND

As Kaiser does not publish a sustainability or integrated report, we cannot obtain data on its emissions and reduction targets. When engaging with the company, we discovered that Kaiser was planning to prepare its first sustainability report in 2018. We shared our inputs accordingly.

THEME FOR ENGAGEMENT

x Sustainability, emissions standards and disclosure

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ENGAGEMENT OBJECTIVES

- x The goal is to have Kaiser include at least the base case on emission data (total CO₂) in its sustainability report.
- x More specifically, we aim for:
 - Disclosure on the main environmental metrics (base measurement)
 - Reporting in accordance to one of the accredited bodies
 - Allocation of responsibility at the board level.
 - From here, we seek for continued improvement efforts, including initiatives to reduce their carbon footprint, with a focus on the most material areas.

DEVELOPMENT



MILESTONE



ENGAGEMENT RESULTS

- x Kaiser committed to publish its first sustainability report by the end of fiscal year 2018, taking into account suggestions provided by Kempen. In the meantime, the company updated its corporate website, including a separate section on ESG.
- x Kaiser published its first sustainability report in the first week of 2019. While Kempen believes the report leaves room for further improvement, this is clearly a good starting point.

NEXT STEPS

- x Kempen reviewed the sustainability report.
- x Kempen continued its dialogue with Kaiser, aiming for the following next steps:
 - Defining and developing an (intensity) GHG emission reduction target.
 - Preparing a list of main initiatives to reduce the carbon footprint, with a focus on the most material areas.
 - Improving disclosure on the main environmental metrics.
- x Kempen will engage with MSCI ESG to inform the ESG rating agency on the initial efforts by Kaiser, and to understand the room for an improved rating.
- x At the end of 2019, Kempen exited its position in Kaiser Aluminum.



COMPANY

Kaiser manufactures aluminium components used in the automotive and aerospace industries, as well as in general industrial applications.

COUNTRY

USA

SECTOR

Materials

MARKET CAP

Small Cap

ISSUE

Kaiser's aluminum products are used to replace steel, thereby reducing weight and improving fuel efficiency. Moreover, producing aluminum has lower carbon intensity than steel, but still in absolute terms Kaiser is a company with one of the highest carbon intensity metrics in the Kempen Global Small-cap portfolio. Kaiser has not yet published a sustainability report.

MATERIALITY

Aluminum is one of the essential components of several industries. Production of aluminum is one of the most carbon-intensive ones, hence climate change is a serious issue for companies in this sector to be aware of, and to consider both the risks and opportunities that arise.

RISK

Climate risks due to high carbon intensity

MSCI ESG RESEARCH

UN Global Compact: Pass
ESG Rating: B