

# Responsible Business Conduct Policy



Kempfen

# Background

The OECD Guidelines for Multinational Enterprises (hereafter "OECD Guidelines") are one of four parts of the 1976 OECD Declaration on International Investment and Multinational Enterprises). The OECD Guidelines, which aim to ensure an open and transparent international investment environment and to encourage the positive contribution of MNEs to economic and social progress. In 2017, the OECD published responsible business conduct for institutional investors, key considerations for due diligence under the OECD Guidelines for Multinational Enterprises. This document highlights how Kempen adheres to Responsible Business Conduct (RBC) Practices.

## Policy

Kempen is committed to observe the international RBC standards. Our responsible investment policy is based on the OECD Guidelines, United Nations Global Compact (UNGC), UN Guiding Principles on Business and Human Rights (UNGP) and the Principles for Responsible Investment (PRI). These key norms form the foundation of KCM's 'Convention Library'. In addition to these main norms, Kempen has identified over 100 conventions, treaties and initiatives and believes that compliance with these should also serve as a principle for our responsible investment policy.

We expect investees to meet their fundamental obligations in the areas of human and labour rights, protecting the environment, consumer interests and ensuring anti-corruption safeguards and payment of taxes, wherever they operate, in line with the UNGC, UNGP and OECD Guidelines. Kempen will perform RBC Due Diligence on our direct holdings to identify companies that are causing, contributing to or are directly linked to severe potential and actual adverse impacts on people and environment. The most severe cases will be prioritised. We use our leverage and engage with investees where they fall short. Furthermore, we apply a conduct and product based exclusion policy. We are committed to engage or exclude companies that appear during our due diligence as being involved in serious controversies, including those deemed to be in violation of the RBC Principles.

In addition, the Sustainability & Impact team, in collaboration with portfolio managers, identifies and engages with other companies that, in our view, face serious controversies, violate other international norms or present significant RBC risks. In cases where investee companies have caused or contributed to adverse impact, Kempen will seek to use its leverage to encourage the company to remedy the situation.

Additional policies that are part of OECD Guidelines implementation include exclusion & avoidance, stewardship, engagement and proxy voting. These policies are available on our website.

We will report annually in the Annual responsible investment report on how identified adverse impacts are mitigated and prevented.



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