



INSINGER
GILISSEN
A QUINTET PRIVATE BANK

CLIMATE COMMITMENT – ACTIONS & TARGETS

December 2022



1. INTRODUCTION

InsingerGilissen, a Quintet private bank, signed the Dutch Climate Commitment in 2019. The Climate Commitment is an integral part of the Dutch Climate Agreement in which companies, NGO's and governmental organizations have jointly committed to measures and agreements to reduce carbon emissions in The Netherlands by roughly 50% in 2030, in line with the 2016 Paris Climate Agreement.

As asset manager, InsingerGilissen is conscious of its position in society and its responsibilities to contribute to global carbon emission reduction targets. Also, contributing to such commitment is strongly aligned to our company's core values and investment philosophy.



2. APPROACH

InsingerGilissen Asset Management is committed to reducing greenhouse gas emissions by at least 50% across its assets under management by 2030 (compared to the 2019 baseline). We commit to this goal because we believe it is part of our responsibility towards society as an asset manager and fiduciary manager and because we believe this is also in the long-term interest of our clients and our investment performance. Studies on climate have made it clear that society has to act now. Climate action will only be effective if it is supported and if countries and institutions accept their 'fair share'.

In this report we clearly prioritize our impact as manager of our clients' assets. InsingerGilissen's own operational emissions are not included in the targets mentioned hereafter. Although our own emissions are relatively limited and out of scope for this report we are committed to reducing these emissions as well. Measures such as sourcing the equivalent of 100% of the electricity we use from renewable sources and striving for the highest energy efficiency labels in the offices we own or where we are the sole tenant are two specific examples of this.

We engage with our clients in investing sustainably. In our view, the transition to a low carbon economy forms the primary element in sustainable investing. We believe this transition will also create opportunities to enhance long-term risk-adjusted performance. As such we consider the low-carbon transition not only as a moral obligation, but also as an investment opportunity. Moreover, we believe that a portfolio with a lower carbon footprint faces lower climate transition risks.

We consider it our responsibility to leverage our position as asset manager to accelerate the transition to a low-carbon economy. We take this responsibility by investing in low-carbon companies and solutions while also engaging with (high-emitting) companies to reduce their carbon emissions.



3. KEY ACTIONS

Our climate strategy is based on the following actions:

a. Decarbonize our portfolios

Commitment target

We commit to decarbonizing our portfolios by reducing our carbon footprint¹ by 50% at minimum 2030 compared to 2019. The reason for choosing 2019 as the base-line for our target is that as of 2019, CO2 data are available on sufficient scale. Our commitment will not stop when we achieve such a reduction as we will continue to actively consider the transition to a low-carbon (or even net-zero carbon) economy in our investment decisions and we will also continue to engage with the companies we invest in. Decarbonizing portfolios refers to investing - on balance - more in companies with a relatively low(er) carbon footprint than investing in companies with a higher footprint. And vice-versa, we'd be divesting companies with a relatively high(er) carbon footprint more than we'd be divesting companies with a low carbon footprint. Currently, InsingerGilissen does not use carbon offsets at portfolio level directly to reach its 2030 reduction target.

Our goals are based on the expectation that governments and policymakers will deliver on commitments to achieve the 1.5°C temperature goal of the Paris Agreement.

Scope

Our commitment, emission calculations and projections are based on all direct equity investments in individual (listed) companies by InsingerGilissen Asset Management. This represents approximately 54% of the total assets under management as per 31 December 2021. InsingerGilissen Asset Management's direct investments in individual bonds represent less than 2% of the total AUM and primarily consists of government bonds. Moreover, investments in investment funds have also not been included in the reduction target. Depending

¹ We calculated our carbon footprint by using the following formula: $(\sum (\text{Investment in a company} / \text{total company value}) \times \text{Total company carbon emissions}) / \text{Total portfolio value}$

on the availability of accurate data we aspire to broaden the future scope of our commitment.

Methodology

Our reduction target of 50% at minimum would translate into a 50% reduction to the 2019 baseline carbon footprint of 106.44 tCO₂e/€mln. We calculate the carbon footprint based on the following formula:

$$((\sum (\text{investment in a company} / \text{total company value}) \times \text{total company carbon emissions}) / \text{total portfolio value}).$$

Our carbon footprint calculations are based on Scope 1 and Scope 2 data provided by Sustainalytics. When determining carbon emission ratios Scope 1 and Scope 2 emissions are combined.

b. Accelerating the transition of companies

As asset manager we can use our voice to press for positive change through a combination of dialogue with companies and voting at shareholder meetings. Active ownership constitutes a key part of our investment strategy. In order to be as effective and impactful as possible we are undertaking our voting and engagement strategy together with our parent company Quintet Private Bank.

Quintet uses the expertise and services of Glass Lewis to vote on proposals and represent Quintet at shareholder meetings across the world. Our engagement services provider, Federated Hermes (EOS), engages with hundreds of companies worldwide. Quintet is a member of Climate Action 100+ initiative, a leading collaborative investor engagement on climate change. Quintet is also a signatory to the Principles for Responsible Investment (PRI). For more information on our annual voting and engagement activities we refer to Quintet's Active Ownership Report ([create link](#)).

Climate change action is one of the key themes identified in the 2022-2024 engagement plan² as published by our engagement service provider Federated Hermes (EOS). They claim that over 3,000 companies have committed to achieve net-zero emissions. However, an analysis of the larger emitters in the world

² Federated Hermes EOS – Engagement Plan 2022-2024

showed that while approximately 50% had net-zero goals, only 20% had short and medium-term emissions reduction targets and only 7% had targets aligned with the Paris Agreement goals. The emphasis of their engagement is therefore on matching long-term commitments with a Paris-aligned strategy and targets.

Climate change and the environment in general have been key elements of our responsible investment philosophy. As such we will continue to focus on these topics when exercising voting rights on shareholder meetings. We actively support “Say On Climate” proposals that request companies to provide shareholders with the opportunity to approve (or disapprove) the company’s climate policy and strategy. We generally vote against management climate strategy when they are insufficiently clear or ambitious. In 2021 we supported over 93% of environmental and social shareholder proposals which, according to Glass Lewis data, was more than double the industry average.

c. Engage with our clients

The IGAM Beheerstrategie funds, which form the vast majority of IGAM’s assets, represent the unitized versions of InsingerGilissen’s discretionary investment management offering to its clients. InsingerGilissen engages with its clients on the topic of sustainability in general. Firstly, by having our sustainable investment proposition as our core offering (the Beheerstrategie Duurzaam fund range). Over the past few years InsingerGilissen has engaged with clients on the topic of sustainability and InsingerGilissen has seen client interest in this proposition growing in comparison to the ‘responsible’ Beheerstrategie fund range. Via the quarterly ‘Duurzaamheidsrapportage’ (sustainability reporting) we report to clients on various sustainable metrics, including carbon footprint data³. More recently, new legislation such as MiFID-ESG and SFDR has formalized and harmonized rules to engage with clients on sustainability and to disclose sustainable metrics and targets on financial products pre-contractually and periodically. Although the targets stated in this report only involve IGAM assets we believe it is important to note that a large portion of our discretionary clients that do not invest through the IGAM funds but via a segregated investment management account, generally follow a similar investment strategy as the

³ As of Q1 2023 carbon footprint calculations will be integrated in this reporting

Beheerstrategie Duurzaam fund range. In other words, although these assets are not in scope of this report, they will naturally tend to follow the reduction targets to a large degree as well.



4. APPROVAL & GOVERNANCE

This report is developed by InsingerGilissen and is approved by its Country Management Committee. The targets and actions set out in this report have been established in close collaboration with Quintet Group's Sustainability team and have been validated by the Group Head of Sustainability.



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