



VAN LANSCHOT  
KEMPEN

INVESTMENT MANAGEMENT

# Making progress on Biodiversity



## Biodiversity matters

Biodiversity is more than a nice-to-have sustainability topic. It is fundamental to our economy, our social communities in which we operate and our overall well-being. Whether we recognise it or not, the health of our economy and society depends on the state of nature or what experts call the integrity of ecosystems. As the total variety of life on Earth, biodiversity enables all forms of life. Without it, life would not sustain, not for humans and not for all other lives.

Nature is an important topic for our clients and us as a wealth manager. DNB, the Dutch Central Bank, argued several years ago that financial institutions face significant risks from biodiversity loss at a systemic level.<sup>1</sup> These risks include physical risks (like deforestation and overexploitation), transition risks (policy changes and potential stranded assets) and reputational risks (exposure to business activities in protected areas). The impact of these risks can lead to impairment of assets and collateral in banks' lending activities. On the investment side, it may have a material negative impact on the value of our clients' portfolios. However, by directing capital towards positive change – for example, investing in regenerative agriculture – we can help drive solutions and support a food and agriculture transition that operates within ecological boundaries.

Three types of biodiversity can be distinguished. First, genetic biodiversity of species refers to the variations in genes within a single species. Second, species biodiversity deals with the variety of different species within a particular area. Third, ecological biodiversity encompasses the range of habitats and ecosystems in a region. All three forms of biodiversity are under pressure by changes in land and sea use, overexploitation, climate change, pollution, and invasive species. The underlying cause of this pressure is directly linked to human activities.

### **Biodiversity in Van Lanschot Kempen's perspective**

Biodiversity is relevant for Van Lanschot Kempen from three perspectives: i) our asset management activities (including investment funds and mandates), ii) our lending activities (for example our mortgage loans) and iii) our own operations as a company. As a financial institution we make financial allocation decisions involving a total capital pool of nearly €190bn (December 2025).<sup>2</sup> In this white paper, we discuss how biodiversity is addressed within Van Lanschot Kempen's asset management business and highlight the progress we have made.

Van Lanschot Kempen is advancing its asset management approach by integrating deeper data insights on companies' biodiversity footprints and assessing how nature loss affects long-term financial value and business viability. We actively engage with investee companies to evaluate their commitments and strategies towards protecting and restoring biodiversity, aiming to distinguish future winners from laggards and promote best practices. By investing in the transition to a nature-positive economy and continuously improving our metrics, we strive to minimise negative impacts, enhance transparency, and generate positive outcomes for our clients and for society.

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<sup>1</sup> DNB (2020): <https://www.dnb.nl/en/general-news/news-2020/indebted-to-nature>

<sup>2</sup> Comprising a loan book of €9.6bn and assets under management/ administration and savings and deposits of €180.0bn (December 2025).

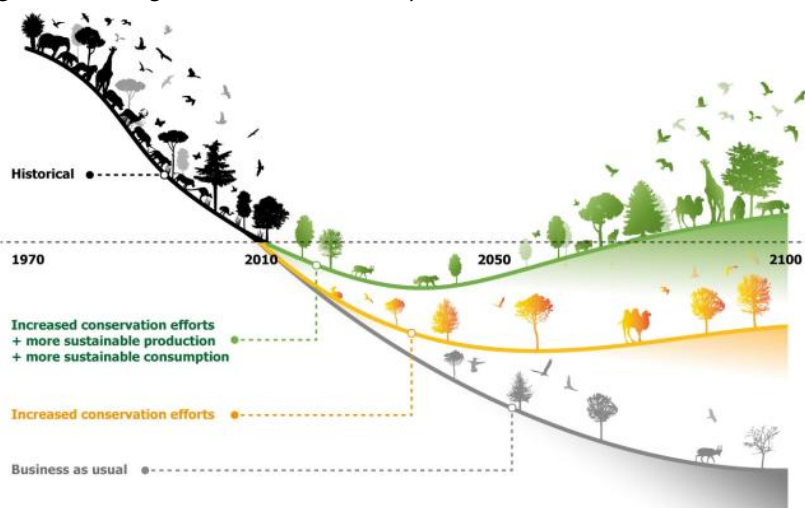
## We keep losing biodiversity at an unprecedented speed

Statistics on the loss of biodiversity and the loss of nature are shocking. The Living Planet Index of the World-Wide Fund for Nature (WWF) tracked that worldwide populations of mammals, birds, reptiles, amphibians, and fish have declined by 73% over the last fifty years<sup>3</sup>, which can be an indicator of biodiversity loss. Furthermore, six of the nine Planetary Boundaries, which are our life support systems as defined by the Stockholm Resilience Centre, have been surpassed.<sup>4</sup> While biodiversity loss has historical roots, most of the loss occurred just since the 1970s, with rates accelerating in the present day.<sup>5</sup>

Recent trends in climate change—one of the main drivers of biodiversity loss—show record-high global temperatures and greenhouse gas concentrations. This is accompanied by accelerating warming and increasingly frequent extreme weather events, including heatwaves, bushfires, and floods. Against this context it is clear that we are not on track to meet the 2015 Paris Agreement’s primary climate goals. Without immediate and far deeper policy shifts - especially in emissions reductions, climate finance, and global coordination - the world is likely to exceed the 1.5 °C limit. In the absence of deep system change, we could be approaching or exceeding 3°C average warming by the end of this century, which will have disastrous consequences for the quality of life.<sup>6</sup>

We are also falling short when it comes to protecting biodiversity and must act faster.<sup>7</sup> In 2022, the Kunming-Montreal Global Biodiversity Framework (KM-GBF) saw 196 signatories commit to halt and reverse biodiversity loss by 2030. This includes conserving 30% of the planet’s land and seas by 2030, especially in those areas that are important for biodiversity and ecosystem functions. Current protected and conserved areas are well below this ambition: with some 17% of land, and 8% of ocean and coastal areas currently being protected.<sup>8</sup> Another target of KM-GBF is to bring the loss of areas of high biodiversity importance close to zero by 2030, also known as bending the curve (figure 1). Achieving this will require serious action on several fronts, including increasing nature conservation and a shift towards more sustainable production and consumption.

Figure 1: Bending the curve of biodiversity loss



Source: Leclère et al. (2020)<sup>9</sup>

<sup>3</sup> WWF (2024): <https://www.worldwildlife.org/publications/2024-living-planet-report>

<sup>4</sup> Richardson, K., et al. (2023). Earth beyond six of nine planetary boundaries. *Science Advances*, 9(37); Rockström, J., et al. (2023). Safe and just Earth system boundaries. *Nature*, 619, 102-111.

<sup>5</sup> IPBES (2019): <https://www.ipbes.net/global-assessment>

<sup>6</sup> <https://www.livescience.com/planet-earth/climate-change/humanity-could-be-just-3-years-away-from-crossing-a-dire-climate-threshold-report-warns>; IMF (2023): <https://www.elibrary.imf.org/view/journals/066/2023/002/article-A001-en.xml>

<sup>7</sup> UNEP (2024): <https://digitalreport.protectedplanet.net>

<sup>8</sup> Idem.

<sup>9</sup> Leclère, D. et al. (2020). Bending the curve of terrestrial biodiversity needs an integrated strategy. *Nature*, 585, 551-556.

### **Profound consequences**

The loss of biodiversity and degradation of well-functioning ecosystems have repercussions for human well-being and our quality of life. Consider the direct benefits that we obtain from ecosystems known as provisioning services, such as food, water and resources like wood, oil and medicines. Ecosystems also provide benefits known as regulating services like water and air purification, carbon emissions absorption, climate stabilisation, and erosion prevention. Additionally, they support services by providing habitats, capturing carbon through photosynthesis, and storing it in biomass and soil. And there are also cultural services which include spiritual, recreational, and aesthetic values that people derive from ecosystems. Therefore, the loss of biodiversity and the associated decline of ecosystem services is more than an environmental concern – it also presents economic and social challenges, impacting both the economy and individual well-being.

## How do we address biodiversity at Van Lanschot Kempen?

In 2019 Van Lanschot Kempen began to consider natural capital more explicitly as part of our overall value creation reporting at the corporate level. In 2021, we assessed our exposure to risks and impacts resulting from the loss of biodiversity for the first time, focusing on our investment book. We then published our biodiversity policy<sup>10</sup> and committed ourselves to the Partnership for Biodiversity Accounting Financials (PBAF)<sup>11</sup> and to the Finance for Biodiversity Pledge<sup>12</sup>. PBAF focuses on the mainstreaming and harmonisation of biodiversity impact and dependency assessment in the financial sector, while the Finance for Biodiversity Pledge promotes best practices for biodiversity, including collaboration, engagement and target setting (in alignment with the 2022 Kunming-Montreal Global Biodiversity Framework (KM-GBF)<sup>13</sup>). The KM-GBF specifically calls upon the financial sector to invest in biodiversity through impact funds, green bonds and biodiversity-linked financial instruments.<sup>14</sup>

Van Lanschot Kempen and our clients depend on well-functioning ecosystems and their services. It is through the activities we undertake as an integrated wealth manager, including our role as investor and steward of our client's wealth, that we have an impact on biodiversity; be it positive, neutral, or negative. Within the value chain of Van Lanschot Kempen, our assets under management (AuM) have the largest impact on biodiversity. This is underscored by our Double Materiality Assessment, as required by CSRD reporting.

Where we have the mandate of our clients, our ambition is to contribute to limiting and reversing biodiversity loss and we aim to protect our clients' assets by addressing critical biodiversity dependencies, minimising their negative footprint and promoting overall positive outcomes which also benefit society as a whole. Primarily, we do this by promoting environmental characteristics relating to biodiversity and in some cases also as part of our sustainable investment mandate and framework. We have explicitly scoped the protection of biodiversity and ecosystems as one of the environmental themes within the realm of most of our SFDR-classified article 8 and article 9 financial products<sup>15</sup> – notably our small caps, high dividend, value, credits and private markets strategies next to our Regenerative Farmland strategy.

### Mitigation hierarchy

In discussing our role as an asset manager, it is important to consider the mitigation hierarchy in addressing negative and positive outcomes (figure 2). First, business needs to prevent negative biodiversity impacts from occurring in the first place. Second, there is the requirement of minimising negative impacts that cannot be avoided. Third, it is about rehabilitating and restoring ecosystems to their original state following exposure to impacts that cannot be completely avoided or minimised. Fourth, moving beyond not net loss comes the net positive outcome through offsetting and/or regeneration.

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<sup>10</sup> For our current biodiversity policy, see [www.vanlanschotkempen.com/-/media/files/documents/corporate/sustainability/biodiversity-policy.ashx](http://www.vanlanschotkempen.com/-/media/files/documents/corporate/sustainability/biodiversity-policy.ashx)

<sup>11</sup> See [www.pbaglobal.com](http://www.pbaglobal.com)

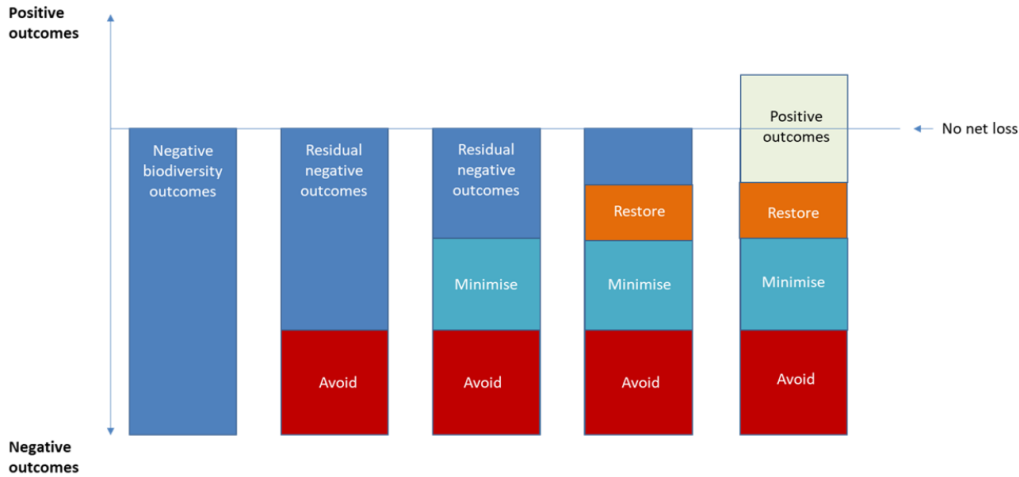
<sup>12</sup> See [www.financeforbiodiversity.org](http://www.financeforbiodiversity.org)

<sup>13</sup> See [www.cbd.int/gbf](http://www.cbd.int/gbf)

<sup>14</sup> See <https://www.cbd.int/doc/decisions/cop-15/cop-15-dec-04-en.pdf>, target 19 (c) and (d).

<sup>15</sup> The Sustainable Finance Disclosure Regulation (SFDR) is a mandatory EU regulation that requires harmonised ESG disclosure for investment products. It distinguishes three disclosure categories: i) products that do not integrate sustainability considerations into the investment process, including non-ESG funds (article 6); ii) products with some investment strategy focused on environmental and/or social objectives (article 8); and iii) products with a full investment strategy toward an environmental or social objective through sustainable investments (article 9).

Figure 2: Mitigation hierarchy<sup>16</sup>



Source: UNPRI and adapted from the Biodiversity Consultancy

The protection of biodiversity and ecosystems is one of Van Lanschot Kempen’s central environmental investment themes. This translates into the following:<sup>17</sup>

- 1) avoiding and minimising investments in assets with very severe to severe biodiversity controversies (MSCI red and orange flags)<sup>18</sup>;
- 2) avoiding and minimising investments in assets with operational sites in biodiversity hotspots (particularly those that lack proper mitigation strategies). In 2025, we onboarded an additional biodiversity and nature dataset that gives us better insight into the biodiversity footprint of our investee companies (impact on ecosystem and on species);
- 3) avoiding and minimising investments in assets with exposure to high-deforestation risk commodities that lack relevant policies and mitigation measures to manage this risk;
- 4) increasing the share of our sustainable investments that deliver positive outcomes on biodiversity and the related food and agricultural transitions.

These objectives are embedded into the four pillars of our responsible investment approach: exclusion, ESG integration, active ownership (voting and engagement) and positive change/ impact. How we apply the environmental objective of protecting biodiversity and ecosystems through the investments we make depends on the client group we serve and the specific product set-up. Table 1 provides an overview of the biodiversity actions for each stage of the investment decision-making process, tailored to the distinct client groups we serve.

<sup>16</sup> See <https://www.unpri.org/nature/investor-action-on-biodiversity/6335.article>

<sup>17</sup> For those SFDR-article 8 and article 9 categorised financial products that have the protection of biodiversity and ecosystems in their investment scope as an ESG investment objective.

<sup>18</sup> We apply the red-orange-yellow-green controversy flag system from MSCI ESG based on their Controversies and Global Norms Methodology, see MSCI Controversies and Global Norms Methodology.

Table 1: Client group and biodiversity actions

	Exclusion	ESG integration	Voting	Engagement	Positive change/ impact
<b>Private banking clients</b> (direct = directly managed by Van Lanschot Kempen) (indirect = managed by external managers)	<b>Direct &amp; indirect:</b> o Exclude companies with red flags on biodiversity and land-use controversies o If biodiversity investment objective (or climate change objective): apply Paris-Aligned Benchmark ESG-exclusion criteria (Sustainable Wealth Solutions and highly engaged private banking sustainability client profile)	<b>Direct:</b> o Screening company's ESG risk profile, including biodiversity and land use <b>Indirect:</b> o Integration of biodiversity in ESG-framework external manager	<b>Direct &amp; indirect:</b> o Voting: in line with external fund voting policy	<b>Direct:</b> o Engagement through direct individual and collaborative efforts <b>Indirect:</b> o Engagement through external manager (individual and collaborative)	<b>Direct &amp; indirect:</b> o Mapping and reporting of sustainable investments to taxonomy alignment o Mapping and reporting of sustainable investments to impact themes including sustainable agriculture, sustainable forestry, preserving terrestrial ecosystems, preserving marine ecosystems, and conserving water
<b>Fiduciary management clients</b>	o Exclude companies with red flags on biodiversity and land-use controversies if mandated by client o If biodiversity investment objective (or climate change objective): apply Paris-Aligned Benchmark ESG-exclusion criteria if mandated by client	o Integration of biodiversity in ESG-framework external manager	o Voting: in line with client or fund manager voting policy	o Engagement through external manager (individual and collaborative)	o Mapping and reporting of sustainable investments to taxonomy alignment o Mapping and reporting of sustainable investments to impact themes including sustainable agriculture, sustainable forestry, preserving terrestrial ecosystems, preserving marine ecosystems, and conserving water
<b>Kempen equity and credit funds</b>	o Exclude companies with red flags on biodiversity and land-use controversies o If biodiversity investment objective (or climate change objective): apply Paris-Aligned Benchmark ESG-exclusion criteria	o Screening company's ESG risk profile, including biodiversity and land use o Integration of biodiversity in ESG-framework	o Voting: in line with fund voting policy	o Engagement through direct individual and collaborative efforts	o Mapping and reporting of sustainable investments to taxonomy alignment o Mapping and reporting of sustainable investments to impact themes including sustainable agriculture, sustainable forestry, preserving terrestrial ecosystems, preserving marine ecosystems, and conserving water

Source: Van Lanschot Kempen

### Exclusion<sup>19</sup>

- We exclude investments in companies with red controversy flags on biodiversity and land use.
- We apply the *Paris-Aligned Benchmark exclusion criteria* that may also result in a de facto exclusion of companies with a negative impact on biodiversity because of a high business involvement in hard coal and lignite, oil and gas or being involved in the cultivation and production of tobacco (high-deforestation risk).

### ESG integration<sup>20</sup>

- *Good governance assessment:* for investments that seek to promote environmental and/ or social characteristics or that are part of the sustainable investment definition<sup>21</sup>, we assess a company's governance practices evaluating their most material ESG topics with a focus on ESG risks. For funds (partly) managed by external managers we undertake due diligence assessments and regular monitoring of their policy implementation and procedures on good governance practices of investee companies.
- *Do No Significant Harm (DNSH) assessment:* we apply this SFDR-criterion to ensure that no significant harm is done through an investment to any of the ESG investment objectives. This also applies to the objective of the protection of biodiversity and ecosystems. We do this for investments that seek to promote environmental and/ or social characteristics or that are part of the sustainable investment definition.
- *Integration of the principal adverse indicators:* we integrate the principal adverse indicators (PAIs) into our investment decision-making. These indicators capture (potential) negative impacts of investments on ESG topics, including biodiversity. Of the mandatory PAI indicators, PAI 7 is most relevant, as it deals with the share of investments in companies whose operations harm nearby areas important for nature and wildlife (so-called biodiversity-sensitive areas).
- Integration of our *biodiversity investment framework* into the internally managed Kempen investment strategies that are committed to biodiversity through their sustainability objective.

<sup>19</sup> For our overall exclusion policy, see <https://www.vanlanschotkempen.com/en-nl/investment-management/sustainability-approach/exclusion>.

<sup>20</sup> See also <https://www.vanlanschotkempen.com/en-nl/investment-management/sustainability-approach/integration>.

<sup>21</sup> Within the meaning of the SFDR.

## Active ownership

- We exercise our *voting rights* – particularly on shareholder proposals regarding biodiversity.
- We *engage* with investee companies on biodiversity controversies, on their biodiversity footprint and impact, and on high deforestation risk. These engagements are typically undertaken by the internally managed Kempen investment strategies that are committed to biodiversity through their sustainability objective in close collaboration with our dedicated ESG specialists. With collaborative engagements (in conjunction with other investors, e.g. through the Nature Action 100 initiative<sup>22</sup> or the Dutch Climate Coalition engagement working group) we also engage with companies on their strategic ambitions and transparency against the background of the TNFD and the Science Based Targets Network (SBTN) – particularly in those cases where biodiversity is a material issue.

## Positive impact & change

- We steer towards a contribution of our investments to the protection of biodiversity and ecosystems through *sustainable investments*<sup>23</sup>. This covers: 1) *EU Taxonomy alignment* on the Taxonomy objective of the protection and restoration of biodiversity and ecosystems<sup>24</sup>; 2) *sustainable impact revenue contribution* from products or services targeting biodiversity-related themes such as sustainable agriculture, and sustainable water; and 3) a *SDG thematic contribution* through a mapping of a company's sales to biodiversity-related topics such as achieving sustainable agriculture and sustainable forestry, preserving terrestrial ecosystems, preserving marine ecosystems and conserving water.
- We invest in *nature as an asset class*: investing in farmland with the aim to implement regenerative agricultural practices and deliver sustainable and financial returns such as increased crop yields, increased land value, improved productivity and improved ecological returns. We put this into practice through the Kempen SDG Farmland Fund that marks its five-year track record in 2026 and has grown to a fund size of over €480 million<sup>25</sup>.

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<sup>22</sup> <https://www.natureaction100.org>

<sup>23</sup> As part of the SFDR-classified article 8 financial products that committed to a certain minimum proportion of sustainable investments) and SFDR-classified article 9 products.

<sup>24</sup> EU Taxonomy Regulation [Regulation (EU) 2020/852 of the European Parliament and the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088], article 9 (f).

<sup>25</sup> As at 31 March, 2026

## Biodiversity in Action: five questions for Kim Lubbers, Portfolio/Fund Management Euro Sustainable Credit Strategy



Kim Lubbers is a portfolio manager in the euro credit team at Van Lanschot Kempen. She joined in 2015 and has held her current role since 2021. Prior to this, Kim worked as a portfolio manager at Mn Services.

### *1. How important is biodiversity for the Euro Sustainable Credit Strategy?*

Biodiversity is becoming more important for the Sustainable Credit Strategy. In recent years, our focus has primarily been on climate, but we are now expanding our scope to include biodiversity. We recognise that companies are facing risks from biodiversity loss. Companies not actively addressing this may experience a deterioration in fundamental quality over time. Next to this, although biodiversity data is still not perfect, data availability and reliability are steadily improving.

### *2. Which industry segments do you regard as future leaders of biodiversity risk and opportunities? And what about the laggards?*

Sectors that have the highest negative impact on biodiversity are often also those most dependent on biodiversity. The food industry is a clear example. Other sectors, such as oil & gas and mining, may not be directly affected by biodiversity degradation in the short term, but they are increasingly subject to regulatory pressures that will require operational changes. Ultimately, any company with a substantial biodiversity footprint will need to transform its business practices to remain viable. Those that successfully adapt and integrate nature-positive strategies will be the long-term winners.

### *3. What information sources do you use for your biodiversity analysis and investment selection?*

Our analysis is based on data from providers such as MSCI and Sustainalytics, complemented by disclosures and insights from our investee companies.

### *4. Can you give an example of the discussions you have on biodiversity with companies?*

One of the companies we have had conversations with is Anglo American<sup>26</sup>. The mining industry is known to have a pronounced negative impact on biodiversity. Anglo American is a global mining company with large operations in South Africa and Latin America. We engaged with them to understand the challenges they face and the actions they plan to take. We identified that Anglo American's targets related to reducing freshwater usage and discharges should be improved, they acknowledged this and are working towards including targets that benefit the communities in which they operate. We will continue our dialogue and monitor their progress, particularly regarding their adoption of TNFD recommendations and water usage goals.

### *5. How do you look at the future? Will we collectively be successful in bending the curve of biodiversity loss in time?*

Currently, efforts to address biodiversity loss remain insufficient. We need a collective approach across all companies and countries to bend the curve of biodiversity loss. The future ultimately depends on our collective willingness to act.

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<sup>26</sup> For illustration purposes only. Company name, explanation and arguments are given as an example and do not represent any recommendation to buy, hold or sell the stock. The security may be/have been removed from portfolio at any time without any prior notice.

## What has been achieved thus far?

Within the European asset management industry awareness of the importance of biodiversity has increased over the past five years or so. We are seeing more biodiversity-related company engagements as well as improved transparency from investee companies and ESG data providers alike. At Van Lanschot Kempen, the overall impact is evident in what we choose not to do (e.g., exclusions, negative screening) as well as in what we actively pursue (e.g., positive screening, ESG investment conviction), dependent on the mandate from our clients.

### *ESG integration*

We included the protection of biodiversity and ecosystems as one of our environmental objectives with the introduction of SFDR in 2021 for the majority of our article 8 and article 9-classified funds. As such, we focus on the avoidance and minimisation of biodiversity loss, in other words the (potential) adverse impact of our investee assets on biodiversity. We aim to avoid and reduce biodiversity loss caused by the companies we invest in, as this affects our impact on ESG issues. Companies connected to biodiversity face physical risks, such as changes in land or sea use, overexploitation, climate change, pollution, and invasive species. They also face transition and reputational risks from changing policies, technology, and consumer preferences. These risks can lead to lower profits and asset losses, ultimately affecting the financial system and our clients.

Nearly all the involvement of Van Lanschot Kempen as an asset manager relates to the avoidance and the minimisation of a negative impact on nature. The exceptions are our impact solution strategies including Regenerative Farmland that are also involved in restoration and rehabilitation. As a result, most of our achievements, particularly in the publicly listed equities and corporate credit space, relate to avoiding or minimising exposure to companies that take inadequate action on their negative impact on nature or limiting this exposure. To identify these companies, we use a broad set of nature and biodiversity datapoints next to our direct dialogues with (potential) investee companies. If investee companies are taking insufficient action in addressing their material impacts, we may increase the applicable ESG risk premium, engage (see the example on Western Forest Products), or ultimately divest if insufficient action is taken - dependent on the severity of the issue.

### *Engagement*

If no appropriate policies are in place on biodiversity for companies for which it can be considered a material topic, or if there is a lack of adherence to these policies, we may not invest in the company, or to engage with them to improve their business practices. We apply this into our investment screening, analysis and selection of investee companies and funds. We may engage with investee companies that have an orange controversy flag on biodiversity and land use, and with companies that have a low management score combined with a medium/ high exposure score on biodiversity.<sup>27</sup> In addition, we may also engage on other biodiversity issues such as a company's no deforestation policy and actions, advancement on regenerative agriculture and commitment to frameworks such as the Taskforce on Nature-related Financial Disclosures (TNFD).

Van Lanschot Kempen is also involved in Nature Action 100 (NA 100), a collaborative biodiversity engagement initiative launched in 2023. NA 100 aims to encourage companies to address their impacts and dependencies on nature in alignment with global biodiversity goals. Of the 100 companies that are in scope, about half have developed a plan to address nature-related issues and one-third have begun to make progress on the NA 100 investor expectations. One in five have adopted TNFD. There is still significant progress to be made, as only one out of the 100 companies have provided evidence of a thorough materiality assessment of nature-related

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<sup>27</sup> Referring to the scores determined by our external ESG data providers.

dependencies, impacts, risks, or opportunities. While a handful of others have taken initial strides, most have yet to advance significantly.<sup>28</sup>

Another collaborative initiative is that of the Dutch Climate Coalition, in which we play a key role in engagements related to the food sector and biodiversity. Together with other Dutch institutional investors, we started an engagement in 2025 with a US food producer on their biodiversity strategy, no deforestation agenda and regenerative agricultural progress.

#### **Engagement example: Western Forest Products (Canada)<sup>29</sup>**

Western Forest Products is a Canadian forestry company specialising in the harvesting, manufacturing, and distribution of wood products, primarily on the west coast of British Columbia. It produces a range of wood products, including lumber, wood chips, and by-products, focused on Western Red Cedar, Hemlock, and Douglas fir. For Western Forest Products, biodiversity is a material topic as the company is dependent upon timber for its business model.

Our engagement with the company took place in 2024 and concentrated on two objectives:

- i) to decrease the harvesting of old growth forests and focus on a strategic transition towards second growth forests and
- ii) to take ownership on limiting and reversing biodiversity loss and adopt the TNFD framework by disclosing biodiversity-related dependencies, impacts and risks.

Our results of the engagement were:

1. Old growth: while the company intends to transition towards a higher relative share of secondary growth, it is currently unwilling to specify a roadmap and target framework. Around 70% of Western Forest's old growth tenures are protected and unavailable for harvesting.
2. Biodiversity: Western Forest Products adopted a bottom-up forest management and conservation strategy which models forest development, ecosystem health and biodiversity. It does not plan to report on the TNFD framework in the foreseeable future.

As the desired outcomes of decreasing the harvesting of old growth forests and taking ownership on limiting and reversing biodiversity loss- inter alia through adoption of the TNFD framework - were not reached despite the engagement, the investment was exited.

<sup>28</sup> See <https://www.natureaction100.org/nature-action-100-releases-its-first-status-report-showcasing-initiative-progress-and-investor-insights/> and <https://www.natureaction100.org/media/2025/10/Nature-Action-100-Status-Report-Oct.-2025.pdf>

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## Biodiversity in Action: five questions for Reineke Davidsz, Portfolio Manager Dividend & Value Equities



Reineke Davidsz is a portfolio manager in the dividend & value equity team at Van Lanschot Kempen. She joined in 2021 and focuses on the consumer staples and consumer discretionary sectors. Prior to this, Reineke worked as portfolio manager at APG Asset Management. She started her career at Phenix Capital in 2015.

*1. Reineke, you are involved in a Nature Action 100 engagement with Sysco. What does this entail, and are you making progress with this initiative?*

The Nature Action 100 Company Benchmark measures the initiative's 100 companies' progress toward a set of timely and necessary corporate actions that will help protect and restore ecosystems. The benchmark comprises six indicators that cover ambition, assessment, targets, implementation, governance, and engagement. We are directly involved in the Sysco engagement through this initiative.<sup>30</sup> The 2024 assessment showed that there is more progress to be made by Sysco. Together with a group of investors we have been in dialogue with the company to share our expectations and better understand the company's efforts.

*2. Biodiversity is a material issue for companies in the consumer sector (both consumer staples and consumer discretionary). How are they addressing this? Is it primarily about risk management and reporting, or do you also observe a more strategic approach?*

Overall, the 2024 results of the first Nature Action 100 Company Benchmark assessments show that most companies are still in the early stages of addressing their nature-related impacts and dependencies. More urgent and ambitious action is needed to achieve the investor expectations for companies and to mitigate the growing risks their businesses face. As the material financial risks of nature loss and the economic benefits of restoring nature become clear and new resources to support corporate action emerge, companies are expected to make more progress in future benchmarks.

*3. How much time do you generally devote to biodiversity and to integrating it into your investment analysis?*

We integrate ESG and assess what the impact is on the value of a company. Whether we include biodiversity specifically depends on a company-by-company basis. If a company has a large impact on biodiversity and/or faces significant risk from biodiversity loss, it will be part of the investment analysis as it may have an impact on the valuation.

*4. Unlike climate change, biodiversity cannot be expressed in a single datapoint. How do you see the development of biodiversity-related data points? Do you have access to relevant and material biodiversity data for your investment decision-making?*

We use Sustainalytics, MSCI ESG and company disclosures. Additionally, there are data points such as the NA100 annual assessments.

*5. How do you look at the future? Will we collectively be successful in bending the curve of biodiversity loss on time?*

The first results of the NA100 assessment demonstrate that more progress is needed from all companies. We need a collective approach from companies and countries. Through collaborative engagements with companies, such as through NA100, investors maintain the dialogue with companies and can steer towards bending the curve.

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### *Restoration and positive outcomes*

It is only for a small portion of our investment book that we as Van Lanschot Kempen can claim to move into the direction of restoration and positive outcomes for nature. This primarily applies to the Regenerative Farmland strategy that is committed to a regenerative farmland approach driving sustainable goals through soil improvement, carbon sequestration and biodiversity enhancement. The Fund's mission is to acquire land with the right properties for healthy and sustainable yields, where it deploys regenerative or nature inclusive farming techniques that contribute to the UN SDGs.

### **Biodiversity in Action: five questions for Richard Jacobs, Portfolio/Fund Management Regenerative Farmland strategy**



Richard Jacobs is Head of Farmland Investments at Van Lanschot Kempen Investment Management, where he manages the Regenerative Farmland strategy. Growing up as a farmer's son, Jacobs has extensive, first-hand experience of agriculture, which he leverages to drive sustainable investment strategies. Since joining the firm in 2017, he has combined this practical background with his expertise in private markets, working towards a food and agricultural transition.

#### *1. How important is biodiversity for the Regenerative Farmland strategy?*

Biodiversity is very important and links to one of our six prioritised SDGs, life on land. It is a cornerstone of regenerative farming as biodiversity supports ecosystem balance, productivity, and resilience.

#### *2. What is your view on the interplay between biodiversity and soil health?*

More and richer biodiversity means a wider range of life forms, which brings so many benefits to modern farmers. Soil health can be tested and scored in many different ways, but always combines a degree of chemical, biological and physical indicators, whereby in the regenerative rulebook more attention is given to biological indicators. A biologically active soil has greater potential for nutrient cycling, is better equipped to mineralise nutrients like nitrogen and phosphorus. Healthy soils are also better able to build stable organic matter, retain water, avoid or reduce erosion, compaction, desertification, and so on and so forth. The brilliance is that with healthy soils, the living microorganisms in the soil take over the role of feeding the plant. That means you need almost no or very little synthetic inputs (fertiliser, pesticides, herbicides), which is exactly what it is all about.

#### *3. How much room is there within regenerative agricultural practices for biodiversity improvements and ecological returns?*

There is plenty of room to improve ecological returns. We put this into practice through improvement in resilience and a reduction of cost from preventive interventions such as tillage, abundance of fertiliser and preventive sprays. One word of caution though is that certain regenerative interventions do come with an initial yield reduction for the first one to three years. Others can be return enhancing from year one already. Research shows that the net effect is positive after three years. This is not taking into account any ecological returns from dedicated carbon offset or biodiversity improvement programs. On that point we are embarking on the first meaningful carbon and biodiversity projects with promising long-term returns. So, stay tuned for that!

#### *4. Can you give an example of an agricultural property that the fund is invested in that is taking the lead in realised biodiversity improvements?*

Many, for example Lake Delavan in the US (annual crops: corn, soybeans, and wheat), Gragin in Australia (annual crops: wheat, barley, canola, soybeans, and mung beans), and Covadonga in Spain (permanent crop: citrus). Our goal is to manage agricultural land in such a way that we can maintain production and promote biodiversity at the same time. We focus on protecting rare species and preserving habitats - avoiding the loss of natural areas and supporting wildlife, like migratory birds. For example, we plant trees at field edges, create corridors and ponds, and use crop rotation and cover crops. By practicing nature-based agriculture, we can reduce our reliance on

chemical fertilisers and pesticides, which helps biodiversity both above and below ground and can also lower farming costs.

*5. How do you look at the future? Will we collectively be successful in bending the curve of biodiversity loss on time?*

I am personally convinced we will. Within the Regenerative farmland strategy, we have a mandate (explicit SDGs, KPI's and ESG framework), the means (capital) and resources (knowledge, leading regenerative growers and farmers and an impressive infrastructure of advisors, suppliers and increasingly dedicated off takers) to crack the biodiversity problem in the most direct way possible. So, I am committed to embarking on this important journey.

## There is more to do

Healthy ecosystems underpin the real economy and future asset values, and are therefore integral to long-term wealth preservation. Protecting biodiversity means protecting the foundation on which our clients' wealth is built. We aim to protect our clients' assets from nature-related dependencies, reducing negative impacts and promoting positive outcomes in the areas most relevant to our business.

### **Insight into impact and dependency**

In our asset management activities, our next steps focus on further limiting biodiversity loss. Over the past few years, we have concentrated on excluding exposure to assets with red flags on biodiversity-related controversies, integrating climate impacts into our ESG analysis and portfolio construction, and on gaining a better understanding of the impact and dependency of business activities on nature.

Our emphasis is more on positive selection, meaning that we consider ESG performance as an added source of value creation. We aim to identify and exclude companies with significant unmanaged biodiversity risks, allowing for a more nuanced and responsible investment approach. We seek to invest in companies that manage biodiversity risks and impacts pro-actively and have effective mitigation strategies in place. We are committed to raising the bar by seeking higher-quality independent data and by engaging in meaningful, ongoing dialogues with our investee companies about their biodiversity performance.

The onboarding of a dedicated biodiversity and nature location-level dataset in 2025 has enabled us to more deeply understand a company's biodiversity footprint and the relative intactness of nature that it affects. This allows us to screen and monitor our investments on Mean Species Abundance (MSA) and Partially Disappeared Fraction of Species (PDF). MSA measures the average abundance of species in an area compared to an undisturbed state and helps us assess the impact of land use in relation to company sales. PDF measures the fraction of species at risk of disappearing due to environmental pressures, such as land-use changes or pollution, based on a company's spatial footprint, water consumption and GHG emissions. With this deeper insight into nature impacts we can better integrate biodiversity into our investment screening, portfolio construction, monitoring and reporting. This allows us to provide more transparency to our clients regarding our progress in limiting biodiversity loss.

### **Individual and collaborative engagements**

With respect to engagement, we remain committed to individual and collaborative engagements on biodiversity where it is material and where we have the mandate from our clients to pursue the objective of biodiversity protection. Our direct engagements are conducted within the Kempen equity and credit funds with investee companies and indirectly in our fund manager selection team with external fund managers (particularly for our private banking clients and fiduciary management clients). These engagements aim to encourage investee companies to take ownership of material biodiversity and land-use controversies, and to implement effective measures and policies to prevent such incidents from recurring.

In collaborative engagements, we take a focused approach, actively contributing to a limited number of initiatives such as Nature Action 100 and the Dutch Climate Coalition food working group. Here, we stress the importance for investee companies that are dependent and/or have an impact on nature, to take strategic action, develop a company-wide plan on minimising nature loss, set targets and report on progress.

## Next steps

Our next steps are to gain better data insight into companies' impacts on local ecosystems, and to better understand the strategic impact of nature loss on the ability of companies to create (financial) value and remain viable.

For the first element, we need to get more accustomed to integrating a company's biodiversity footprint and the link with the intactness of nature into our ESG investment analysis and portfolio construction. This will help us to separate the future laggards from the future leaders, and make sure we adequately integrate physical and transition biodiversity risks into our analysis.

For the second element, it comes down to discussing an (investee) company's preparedness for different climate and nature scenarios. Does the company have a timebound commitment to reduce negative biodiversity impacts? Does it undertake investment projects with the explicit goal to protect or restore biodiversity on which it depends? And are they investing sufficiently in all forms of capital that drives value not just financial capital, to remain viable? In other words, has capital expenditure been directed towards building future competitive advantages, considering continued ongoing loss in the overall abundance and diversity of species and ecosystems, or is it instead used for short-term capital return initiatives? These questions should increasingly be part of the regular dialogue between active investors and investee companies.

This is not yet standard practice. Truly understanding the relevance of nature in its own right and its role in economic viability, is often seen as difficult to translate into a spreadsheet and company valuation model. Yet, gaining insight into a company's dependence on certain natural resources and its link to suppliers and countries of origin is directly connected to its value creation potential. It is therefore a matter of time before biodiversity gains more prominence in the C-suite and becomes part of a company's value creation strategy and business model. As investors, we need to be part of this discussion to determine whether our investee companies are positioned as leaders or laggards regarding their biodiversity journey and to what extent we jointly can bend the curve of nature loss and support a nature-positive economy and society.

**Investing in the transition to a nature-positive economy opens up exciting opportunities in sustainable agriculture, renewable resources, and biodiversity-focused areas, while also promoting greater transparency and awareness among investors and companies alike. Although the asset management industry is still in the early stages of integrating biodiversity into decision-making, ongoing improvements in metrics, regulations, and collaboration will help to achieve meaningful change at scale. At Van Lanschot Kempen we are committed to playing our part and contribute to limiting and reversing biodiversity loss. We put this into practice by addressing the critical biodiversity dependencies of our investments, by minimising their negative footprint, and by promoting positive outcomes that altogether also benefit society as a whole.**

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