

Nature and Biodiversity policy

2025



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Introduction

Biodiversity, or species diversity, is what makes up our natural world. It encompasses all types of plants, animals, and microorganisms. All species work together in an ecosystem to maintain balance in nature. The 1992 United Nations Convention on Biological Diversity (CBD) defines biodiversity as: “the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems.”

However, our natural world is in decline. According to the 2024 Living Planet Report, populations of fish, birds, mammals, amphibians and reptiles have decreased by 73% since 1970. Around the world, vertebrates and insect pollinators are threatened with extinction, 75% of land has been significantly transformed, 32% of forests have been lost, and we have seen the disappearance of half of our coral¹ over the past 30 years.

This is a serious environmental problem. And that environmental problem has a major impact on our well-being because the degradation of ecosystems also poses a severe threat to the ecosystem services on which our personal lives and economy depend.² Almost all companies depend to varying degrees on natural resources such as water, plants, energy and materials for their products or services. The loss of biodiversity will lead to further economic disruptions and job insecurity in crucial global sectors like agriculture, aquaculture, and fisheries. The loss of nature also directly threatens all global economic activities and our progress in achieving several of the UN Sustainable Development Goals (SDGs).

Overall, changes in land use are the biggest contributor to this decline globally. Several causes of biodiversity loss come together in the way we consume and produce food, consumer products and clothing (cotton).³ At the current pace of linear production and consumption of food at rock-bottom prices, there is a one-sided focus on producing large quantities of products at lower costs. But this does



A livable world and fulfilment of the SDGs depend on the preservation of ecosystems. This ‘wedding cake’ chart shows which SDGs relate to the different domains (Biosphere, Society and Economy). The up and down arrow symbolizes the connection between the different domains and the development goals, and that society and economy are actually part of the biosphere (source: Stockholm Resilience Centre).

- 1 Source: IPBES (2019), the global assessment report on biodiversity and ecosystem services
- 2 The concept of ecosystem services refers to the benefits ecosystems provide to humans. [Bron: Ecosysteemdiensten \(cbs.nl\)](https://www.cbs.nl/en-gb/onderzoek-en-toezicht/onderwerpen/ecosysteemdiensten)
- 3 Source: [Facts about the nature crisis | UNEP - UN Environment Programme](https://www.unep.org/nature/press-releases/facts-about-nature-crisis)



not take into consideration the finite nature of natural resources and ecosystem services that companies take from nature for free. There is frequent and intense use of fertilizers, pesticides, non-renewable energy sources, and unsustainable forms of land use that create monocultures, poison land and water, and greatly reduce biodiversity.⁴

Some sectors have a greater impact on biodiversity than others. A number of sectors stand out, such as consumer goods (food chain), manufacturing, energy and mining. ABP's investment policy aims to contribute to an economy that operates within the ecological limits of the earth.⁵ An economy that does not respect these limits is not, in our view, a sustainable long-term economy. Today's mode of production and consumption fails to take sufficient account of the ecological limits of the earth and is therefore no longer compatible with a sustainable economy. We believe companies and financial institutions will have to adapt and show leadership on the path towards a sustainable economy that respects these ecological limits.

Our Nature & Biodiversity Policy is part of the Sustainable and Responsible Investment Policy and should be seen in conjunction with ABP's Climate Policy. This Nature & Biodiversity Policy shares ABP's plans to take further steps to combat biodiversity loss and contribute to solutions. We first describe our vision for nature and biodiversity, then explain where we are coming from before going into more detail about what we intend to achieve and how we intend to do it.

4 Source: www.unep.org/news-and-stories/press-release/our-global-food-system-primary-driver-biodiversity-loss

5 www.stockholmresilience.org/research/planetary-boundaries.html

Vision of biodiversity

ABP's investments have an impact on nature and biodiversity. As part of the economy, our investments contribute to the decline. In turn, the degradation of nature and biodiversity, along with the resulting systemic and transition risks, impacts ABP's investments.

To deliver a good pension to our participants, we invest the contributions that they make. This generates returns, and thus a higher pension, but also entails risks. Biodiversity loss is one of the biggest systemic risks (that is, risks that affect the entire market) we face. To protect our participants' pensions, we aim to identify and, where possible, reduce financial risks resulting from biodiversity loss.

We want to exercise our influence so that our investments no longer harm nature and biodiversity. Where possible, within the framework of our role and our responsibilities, we also seek to contribute to the full restoration of nature and biodiversity. In short, we want to increase the positive impact of our investments and reduce the negative impact.

Our participants strongly support nature and biodiversity as a focus theme for responsible investment, with 68% reporting that they support ABP in the choice of nature and biodiversity as a focus theme.⁶

Methods for measuring the biodiversity impacts of companies and investments are still evolving. However, we do not have the luxury of waiting for standards and data to be perfected before taking action. Biodiversity risks and impacts can currently be identified and mitigated while we continue to contribute to the further development of standards. We will continue to refine our policies in the future based on improved data availability, new widely accepted standards or evolving insights.

ABP's policy focuses on the main causes of nature and biodiversity loss as identified by IPBES⁷ especially the 4 causes where we, as investors, can exert the most influence. These are:

1. Changes in land use (e.g. deforestation and conversion of other ecosystems),
2. Use and depletion of ecosystems and species (e.g. degradation of soil fertility, water use and overfishing),
3. Climate change, and
4. Pollution of land, water and oceans (plastics, waste, emissions of hazardous substances).

ABP also recognizes the importance of animal welfare. Animals are used extensively for the production and consumption of food, fur and leather, and are also processed in the pharmaceutical industry. In these processes, the importance of animal welfare is often overlooked. Companies at significant risk of compromising animal welfare often have other adverse effects on people and the environment, such as biodiversity loss, deforestation, and pollution.⁸

Our goals for our Nature & Biodiversity policy are based on the principle of a sustainable economy that produces what is needed but not at the expense of people, society and the planet. More specifically, we align as much as possible with the Kunming-Montreal Global Biodiversity Framework⁹ and the legislative direction taken

⁶ Survey conducted by Motivaction among ABP participants in 2024.

⁷ Source: IPBES (2019), the global assessment report on biodiversity and ecosystem services.

⁸ Source: [Pensioenfederatie: 20220531 Dierenwelzijn \(verdieping\).pdf](#)

⁹ COP15: [Final text of Kunming-Montreal Global Biodiversity Framework](#) | [Convention on Biological Diversity \(cbd.int\)](#)



in the Netherlands and Europe, e.g. through the EU From Farm to Fork strategy, the EU Taxonomy, the EU Circular Economy Action Plan and the Dutch goals for protein transition.

In a sustainable economy, companies and financial institutions operate from a long-term perspective and create value by conserving and enhancing natural resources. They are also mindful of the natural and social environment in which they operate and the ecosystems on which they depend. In a sustainable economy, companies continue to use ecosystem services, but global consumption and production processes remain within the planetary boundaries.¹⁰ This involves a shift towards consuming more plant-based proteins and less animal protein, with an emphasis on treating animals humanely. A sustainable economy also embraces circular principles,¹¹ minimizing waste and reducing the extraction of raw materials from nature.

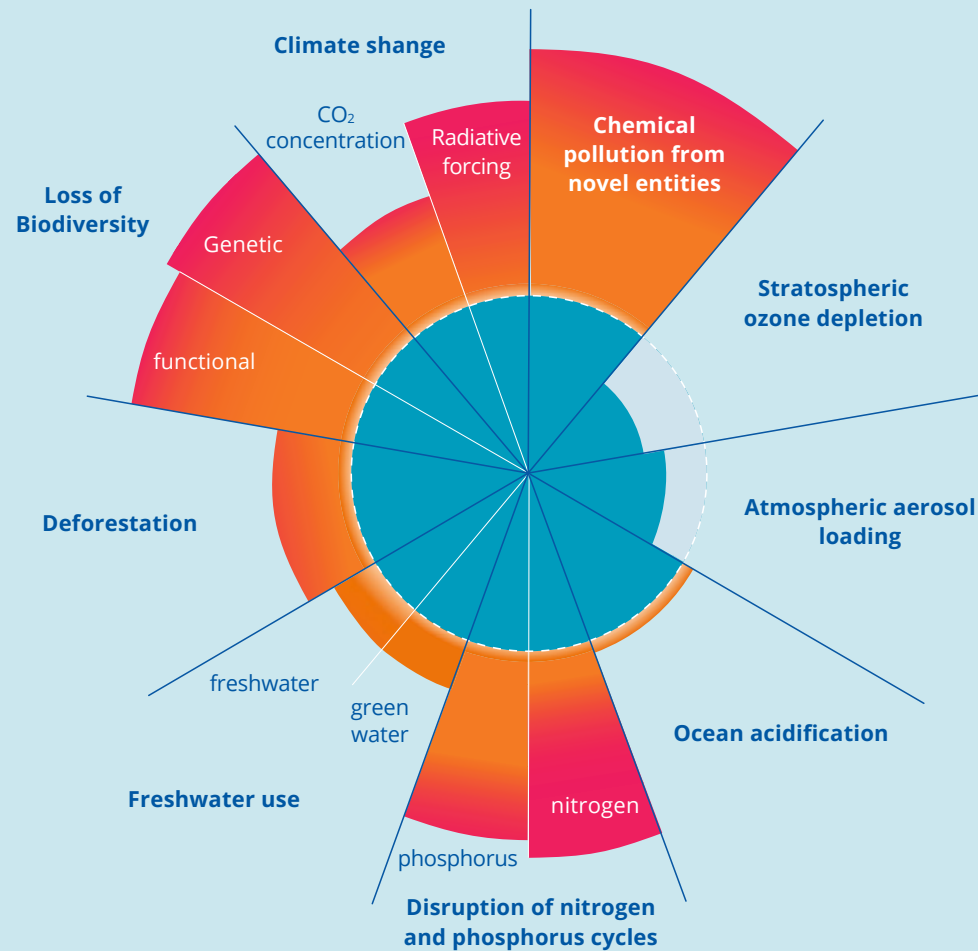
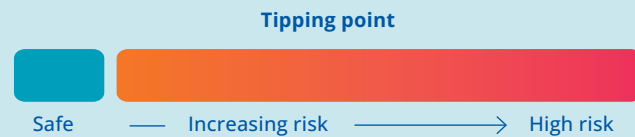
Fair pricing is integral to a sustainable economy. Businesses should bear the cost of their negative impacts on people and the environment, fostering innovation and ensuring that the financial responsibility for these effects is appropriately allocated. Companies dependent on shifting their environmental and social costs onto others have no place in a sustainable economy.

¹⁰ www.stockholmresilience.org/research/planetary-boundaries.html

¹¹ A circular economy creates less waste and uses fewer raw materials by reducing product consumption, through reuse and repair, and by closing material loops. Finite resources are replaced with renewable resources or alternative primary materials that have less impact on nature and biodiversity.

A sustainable economy remains within planetary boundaries

In a sustainable economy, the world's population with its total production, consumption and recreation remains within the Earth's ecological limits: the so-called 9 planetary boundaries, formulated by Johan Rockström. Many of these boundaries are close to being exceeded or have already been exceeded. While the exact values of these boundaries are arbitrary, this approach is viewed as a promising initial step towards ensuring the safe continuation of humanity.



Source: [The nine planetary boundaries - Stockholm Resilience Centre](#)

Nature & Biodiversity policy at a glance

What do we want to achieve?

- **Vision 2050:** Aligned with the Kunming-Montreal Global Biodiversity Agreement, we envision a future where people and nature coexist in harmony by 2050. Achieving this requires valuing, conserving, restoring, and wisely using biodiversity, along with preserving ecosystem services.

To realise our vision for 2050, we need to take targeted actions now. ABP puts her capital to work actively to reverse the loss of nature and to restore biodiversity, in line with the Kunming-Montreal Global Biodiversity Framework. This effort is the basis of our goals towards 2030: investing in solutions that strengthen biodiversity and contribute to banning deforestation from the real economy. We have defined the following objectives towards 2030:

- **Objectives for 2030:**

- **Eliminating deforestation from the investment portfolio**

By 2025, we expect companies at high risk of causing deforestation to commit to no deforestation¹². By 2030, our goal is to halt deforestation activities among companies within our investment portfolio, in line with the objectives of the Glasgow Declaration on Forests and contributing to the effort to eliminate deforestation in the real economy. In 2024, we developed methodologies for the different asset classes to identify (high risk on) deforestation in the portfolio. We also worked out in more detail per asset class how the 'no deforestation' objective will be implemented towards 2030.

- **€10 billion investment in biodiversity, of which €1 billion through impact investment**

Beyond mitigating our portfolio's negative impacts and risks, we aim to actively finance solutions. By 2030, our goal is to invest €10 billion in biodiversity-related SDGs, of which € 9 billion in Sustainable Development Investments (SDIs)¹³ and €1 billion in impact investments that demonstrate measurable progress towards ecological transition. This is an ambitious goal, as the opportunities for such investments are currently very limited. We want to play a role in developing opportunities to contribute to this effort as a financier.

12 Deforestation cannot be seen in isolation from the current food production and agricultural system; it is largely caused by it. One of the major drivers of deforestation in tropical areas is the high demand from Europe for palm oil, soy for animal feed, and cocoa. Combatting deforestation without addressing the underlying causes within the current food production and agricultural system is merely treating the symptoms.

13 SDIs are investments in companies and projects that contribute to the SDGs. We concluded that specifically SDG 12, 14 and 15 are clearly linked to biodiversity, and will count investments in these SDGs as contributing to the objective.

Nature and Biodiversity explained in detail

Where are we now?

In our investment portfolio, we apply biodiversity criteria to sectors prone to biodiversity risks. We focus on the following aspects:

- Management: We expect environmental and biodiversity responsibilities to be clearly embedded within management structures.
- Goals: We expect companies in certain sectors to set targets for responsible water use and the use of certified raw materials.
- Performance: We expect companies in certain sectors to reduce emissions and use water responsibly.
- Risk management: We impose additional requirements on producers of soy, beef and palm oil to prevent deforestation.
- Incident involvement: we monitor all companies for their involvement in nature and biodiversity-related incidents.

ABP assesses all new investments in illiquid markets, such as real estate, infrastructure and natural resources for relevant ESG risks. We establish agreements to take appropriate measures if there is (the potential for) a negative impact on nature and biodiversity. We increasingly use location-specific data to identify protected natural areas or endangered species around our investment locations.

ABP has previously undertaken a number of thematic engagement initiatives, including engagement focused on palm oil producers (through 2020) and a sustainable food supply (through 2022). The results and the lessons learned from these engagements have been used as building blocks for this biodiversity policy.

In addition to reducing the negative impacts of investments on nature and the environment, ABP seeks investments with a positive impact on biodiversity.

For example, ABP invests in sustainable forestry, companies that develop alternatives to plastics, and in green bonds that raise money to finance nature restoration or regenerative agriculture.

The degradation of biodiversity and nature can create financial risks in the investment portfolio, which we identify wherever we can. However, the assessment of risks and mapping of nature-related dependencies is still evolving.

ABP, sometimes through our asset manager APG, is part of various sector initiatives in biodiversity, allowing us to pool influence and expertise. Examples of initiatives we or our asset manager are involved in include Taskforce for Nature-related Financial Disclosures (TNFD), Partnership for Biodiversity Accounting Financials (PBAF), DNB Working Group on Biodiversity, Finance for Biodiversity Pledge, Cambridge Systemic Risk Initiative and World Economic Forum Biodiversity Finance Initiative.

What are we going to do?

We are making choices to achieve our goals. These choices concern where ABP invests, how we exercise our influence as active shareholders, and how we support biodiversity restoration and mitigate impacts on biodiversity. In making these choices, we distinguish between companies that can and want to change and those that either cannot or do not wish to change.

Where we invest

ABP is a long-term investor, which means that we aim to invest in activities aligned with a sustainable economy. Our assessments are based on facts and scientific research, incorporating input from experts and considering the preferences of our participants.

- We require companies with significant impacts on biodiversity to take adequate action and formulate policies to reduce these impacts. These companies face significant transition risks: if legislation compels companies to operate sustainably, these companies would be severely affected. Investing in such companies is too risky, especially in the long term. In future, we want these companies to:
 - Identify and report on biodiversity risks, impacts and dependencies;
 - Set goals to reduce negative impacts on biodiversity;
 - Publish and implement plans to meet those targets;
 - Report demonstrable progress.
- We no longer invest in companies that cause significant harm to nature and biodiversity:
 - Companies involved in serious nature-related controversies;
 - Companies involved in activities with serious risks to animal welfare where viable alternatives exist, such as fur;
 - Companies involved in the production of non-organic pesticides;
 - Companies involved in the production of single-use plastics.
- Companies in sectors or producing products that pose a high risk to nature and biodiversity are only investable if certain criteria are met:
 - Companies with a high deforestation risk (meat, cocoa, coffee, palm oil, animal feed, paper and forest products) must put in place strong policies to combat deforestation;
 - Companies with a high animal welfare risk (meat and other animal proteins) must have strong policies to ensure animal welfare;
 - Companies that conduct animal testing must have an animal testing policy or program for their (non-)pharmaceutical testing activities. Initial expectations for pharmaceutical testing are less stringent due to the essential nature of the products;
 - Companies active in metals and mining must have good climate, biodiversity and (mining) waste programs.

- Investing more: We invest more in companies that contribute to the restoration of nature and companies that can accelerate the transition of the food chain.

We will periodically review where we can tighten our expectations based on a more complete understanding of the biodiversity impact in our portfolios and on evolving insights and the availability of information.

How we use our influence

We support companies that can and want to make the transition by engaging with them and based on the sector-specific expectations we have set for our investment portfolio.

This engagement is not optional. If companies do not make sufficient progress, we escalate the dialogues. We express our dissatisfaction through our voting behavior at shareholder meetings, for example, by voting against the appointment of directors, supporting relevant resolutions, or co-submitting them.

We vote against the reappointment of the chairperson of the supervisory board or the board of directors at companies in high-risk sectors for biodiversity loss that do not have appropriate policies in place. If escalation also fails to bring about change, we could eventually further tighten our investment criteria.

ABP also intends to use its influence to change the structure and transparency of the entire market in which companies and financial institutions operate. ABP does this through discussions with policymakers and regulators, stock market entities and industry organizations. In this way, ABP can exert influence on relevant legislation and regulations or on the development and/or implementation of standards for sustainable business practices.

ABP specifically targets reforms within the food system in its engagement program. The required transition in food production is significant and complex and food companies will need to change and develop new methods to enhance productivity and make food production carbon-neutral, deforestation-free, and waste-free, as well as to produce proteins more efficiently and humanely. We also urgently need to

minimize the frequent and intensive use of fertilizers, pesticides, energy, water and unsustainable land use to prevent further ecosystem degradation. These transitions are interconnected, must be pursued simultaneously, and in ways that complement and reinforce each other. To this end, we will conduct intensive dialogues with companies active in the packaged food segment, supermarkets, and other food businesses within the Nature Action 100 framework. We will periodically assess which other sectors and themes we want to focus our engagement on.

Voting is an integral part of ABP's policy. We expect companies with a (potentially) high impact on biodiversity loss to take measures to reduce their negative impact. Our voting policy targets companies in high-risk sectors. This means that we vote against the reappointment of the chairperson of the supervisory board/non-executive board at:

- companies active in meat (processing), cocoa, coffee, paper, palm oil, soy and forestry that do not have a policy in place to combat deforestation;
- pharmaceutical companies that do not have a 3R policy to replace animal testing with non-animal testing, reduce it where possible or improve it to avoid animal discomfort (3R methods); mining companies that do not have a strong environmental management system.

How we invest in solutions to biodiversity problems

Beyond mitigating our portfolio's negative impacts and risks, we aim to actively finance solutions. By 2030, our goal is to invest €10 billion in biodiversity-related SDGs.

This is an ambitious goal, as the opportunities for such investments are currently very limited. We want to play a role in developing opportunities to contribute to this effort as a financier.

ABP co-founded the SDI Asset Owner Platform, which enables investors to invest more in companies and projects that contribute to the SDGs. We call these Sustainable Development Investments (SDIs). Of the EUR 10 billion invested in biodiversity, we expect to invest EUR 9 billion in this type of investment. There is no set SDI framework for biodiversity, but several SDGs do relate to the preservation of nature and biodiversity.¹⁴

Furthermore, ABP aims to invest €1 billion in solutions for biodiversity issues with a positive and measurable impact on the restoration of nature and biodiversity and/or the transition to a sustainable economy that respect ecological boundaries. As with other investments, we are making these investments with a view to the returns needed for a good pension.

This could include investments in sustainable forestry and alternatives to meat consumption, as well as nature-inclusive building, preserving or even adding biodiversity. Sustainable packaging materials, such as biodegradable organic packaging, are needed to combat environmental pollution from microplastics, for example.

To make a measurable impact, ABP intends to focus on asset classes such as infrastructure, real estate, private equity, private natural capital, alternative credits and credits. We invest in private equity because we also want to invest in the early stages of new companies to drive transition.

Biodiversity footprint and exposure to biodiversity impacts and dependencies

It's crucial that both financial institutions and the companies they invest in measure their key ecological impacts and dependencies on nature. This allows us to determine whether and how we are operating within the planet's ecological boundaries.

At the end of 2023, we mapped our portfolio's impact on biodiversity for the first time, using a biodiversity footprint methodology, which we will continue to improve over the coming years. Mapping biodiversity impacts enables us to monitor and assess the outcomes of our policies.

By measuring the biodiversity footprint in our portfolio, we gain insights into the impacts related to our investments. While uniform methods and indicators are not yet available, a footprint gives us an initial picture of the impact of our investments

¹⁴ SDG 12: Responsible Consumption and Production, SDG 14: Life Below Water; SDG 15: Life on Land



on biodiversity. This will be possible especially for liquid investments and a limited number of illiquid investments. We aim to contribute to the development of standards so that this can be measured uniformly and reliably.

In addition to the footprint, we use external frameworks such as ENCORE and Trase. earth to ensure we are focusing on the correct issues across different sectors. These methods enable us to further refine our focus (industries, causes of biodiversity impacts, root causes, nature dependencies) and help us deploy our instruments where they have the most impact. For direct investments where location data is available, we will use geospatial¹⁵ data to map biodiversity risks and take appropriate measures in our investment decisions.

All these tools and analyses provide insight into our negative impacts, our risks and dependencies in the portfolios and enable us to follow up on the commitments in the Kunming-Montreal Agreement.¹⁶

By experimenting with and further developing heatmaps, we are increasingly able to identify where the most significant biodiversity risks and dependencies lie in our portfolio.

We intend to report on both the footprint and heatmap measurements, including the limitations of these measurements. Meanwhile, we continue to explore opportunities to improve tools for measurement, reporting and management.

Cooperation

The integration of biodiversity into financial investments, along with the availability of data on biodiversity and animal welfare, and the market's expertise in these areas, continue to evolve. ABP is committed to supporting initiatives that advance these

¹⁵ Time-specific data linked to a specific location on the Earth's surface.

¹⁶ COP15: [Final text of Kunming-Montreal Global Biodiversity Framework](#) | [Convention on Biological Diversity \(cbd.int\)](#)

topics within the financial sector and make it easier for ABP and others to manage issues related to nature, biodiversity, and animal welfare. Over the next few years, ABP wants to continue contributing to initiatives in these fields in order to uphold its responsibility within the financial ecosystem. Beyond its existing commitments to initiatives like TNFD, PBAF, the DNB Working Group on Biodiversity and Naturalis Biodiversity Center, in 2023, ABP also joined the Finance for Biodiversity Pledge.

Dialogue and reporting

ABP conducts ongoing research with its participants and employers on the topic of sustainable and responsible investment, among other themes, including with regard to their investment preferences.

In the run-up to the adoption of this Nature & Biodiversity Policy, we asked participants about their sustainability preferences. The vast majority of ABP participants support the fact that Nature & Biodiversity is an ABP focus theme for responsible investment.¹⁸

We also engaged in dialogue with many other stakeholders. These insights were incorporated into the development of this policy.

Over the next few years, we will inform our participants, employers and other stakeholders about the progress of the implementation of this policy.

The Nature & Biodiversity Policy has been adopted by ABP's Management Board, which monitors the progress of the implementation of the policy and its execution by our asset manager APG. We monitor portfolio-wide targets and ambitions on a quarterly basis. We monitor portfolio-wide goals and ambitions on a quarterly basis and aim to monitor the biodiversity impact of our investments, annually evaluating our progress towards our ambition and whether adjustments to the policy are necessary.

¹⁸ 68% in 2024 (Motivaction survey Support for Sustainable Investing 2024)

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