



VAN LANSCHOT
KEMPEN

Biodiversity Policy

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1. Background

Definition and materiality

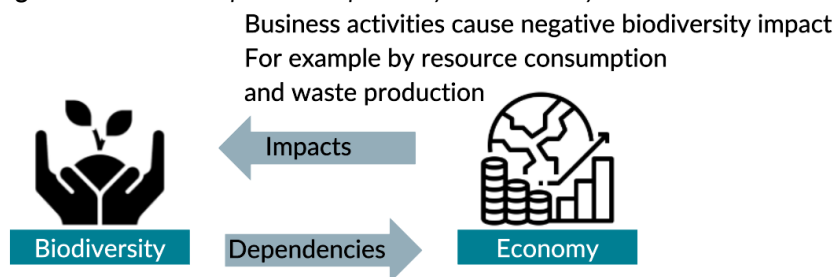
Biodiversity is one of the three focus themes of Van Lanschot Kempen and an important theme that affects our clients and our bank, as well as the broader economic system and social community in which we operate. Following the definition of Convention on Biological Diversity, biodiversity means “the variability 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.”¹

DNB, the Dutch Central Bank, argued several years back that financial institutions have significant exposures to risks resulting from biodiversity loss.² These risks include physical risks (i.e. deforestation and overexploitation), transition risks (i.e. policy changes and potential stranded assets) and reputational risks (i.e. exposure to business activities in protected areas). The impact of these risks may result in impairments to bank’s assets and collateral from their lending activities, and, on the investment side, may harm the value of our clients’ investments. On the other hand, by steering capital into positive change – for example by investing in regenerative agriculture – we can be part of the solution and enable a food and agriculture transition that operates within the ecological boundaries.

Economies impact biodiversity and at the same time are dependent on it

The interlinkage between biodiversity and economies is two-sided (figure 1). While economies have an adverse impact on biodiversity, at the same time they are also dependent on nature and its resources. Estimates from the World Economic Forum point at around half of the world’s GDP being moderately or highly dependent on nature and its services.³

Figure 1 Economies’ impact and dependency on biodiversity



Half of the world's total GDP
is moderately or highly dependent
on the services nature offers

Biodiversity impacts and dependencies create risks and opportunities

Biodiversity impacts and dependencies give rise to both risks and opportunities. These risks encompass the potential loss of species and ecosystem services, while opportunities could be created by focusing on the improvement of ecosystem resilience and functioning.

Adverse impact on biodiversity through economic activities

Economic activity can negatively impact biodiversity via direct and indirect drivers. Direct drivers have a clear and immediate impact on biodiversity, while indirect drivers influence the extent or rate of change of one of more direct drivers. Globally, five main direct drivers can be identified⁴: i) land-use change (including deforestation), ii) climate change, iii) pollution, iv) natural resource use and exploitation, and v) invasive species. This negative impact on biodiversity can take place in three stages in the value chain: upstream, downstream and midstream. Upstream refers to the material inputs

¹ CBD, *Convention on Biological Diversity*. The convention can be found [here](#).

² DNB (2020): <https://www.dnb.nl/en/general-news/news-2020/indebted-to-nature>

³ World Economic Forum (2020), *Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy*. The report can be found [here](#).

⁴ IPBES, *Models of drivers of biodiversity and ecosystem change*. The article can be found [here](#).

needed for production (supply chain), while downstream is the opposite end, where products get produced and distributed. Midstream is the transportation and storage stage.

Relevant biodiversity frameworks and legislation

Several international frameworks address the importance of biodiversity from a systems perspective and also include the role of business and finance, including the role of a bank such as Van Lanschot Kempen. These include:

- **The Global Biodiversity Framework (GBF)**

Adopted by world leaders in 2022 at the Kunming-Montreal Biodiversity Conference, the GBF contains goals and targets to protect and restore nature by 2030 and 2050. Financial institutions are impacted by target 15 to reduce negative impacts and increase positive impacts and target 19 to mobilize financial resources for biodiversity strategies and action plans.

- **Taskforce on Nature-related Financial Disclosures (TNFD)**

TNFD released its final recommendations in 2023, providing a voluntary framework for reporting on nature-related financial disclosures. Van Lanschot Kempen is committed to being a TNFD adopter, reporting in line with the TNFD Recommendations from 2024 onward. Our TNFD report is included as an appendix to the Annual Report, transparently showing how these recommendations are integrated into our sustainability disclosures.

From an EU perspective, biodiversity and nature are also targeted within the broader sustainable finance regulation agenda through inter alia the EU Taxonomy Regulation, the Sustainable Finance Disclosure Regulation (SFDR), the Corporate Sustainability Reporting Directive (CSRD) and the EU Deforestation Regulation (EUDR). Whereas GBF and TNFD are voluntary in nature, the key EU sustainable finance elements have the status of regulation.

- **The EU Taxonomy**

The EU Taxonomy is a classification system that defines criteria for economic activities aligned with six environmental objectives, with objective 6 directly related to biodiversity: protection and restoration of biodiversity and ecosystems. It creates a common language and provides a clear definition of what qualifies as 'sustainable' investments.

- **The Sustainable Finance Disclosure Regulation (SFDR)**

Under the SFDR, funds must disclose their negative impact as well as positive contribution to environmental and/or social objectives. This includes the ambition of contributing to the protection and restoration of biodiversity and ecosystems.

- **The Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS)**

The CSRD and ESRS are applicable to the corporate level and require companies to report on material sustainability topics using a Double Materiality Assessment (DMA). The ESRS provides specific standards on ESG reporting matters, including for biodiversity and ecosystems.

- **The EU Deforestation Regulation (EUDR)**

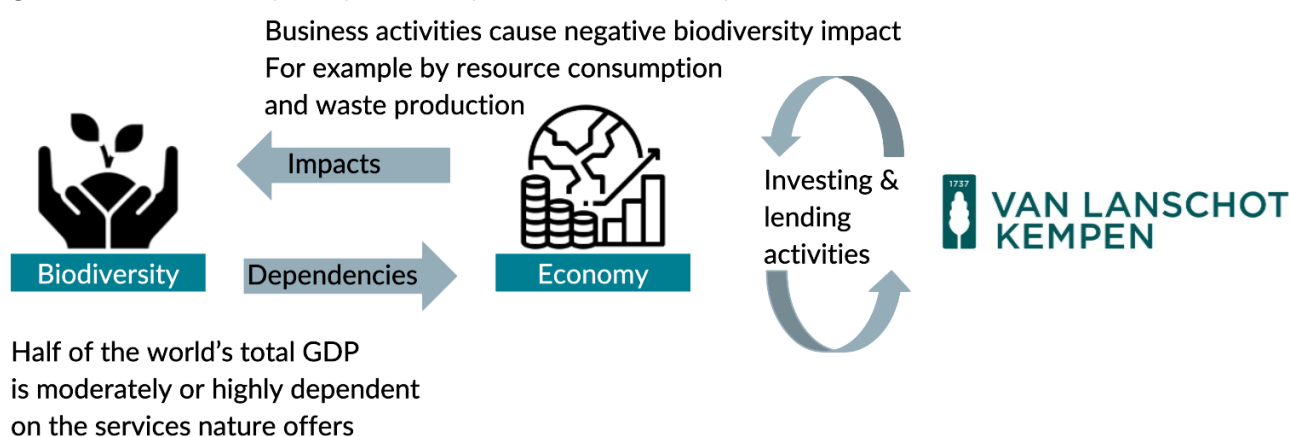
The EUDR has been introduced to regulate commodities and products associated with deforestation and forest degradation. It sets strict criteria for high-deforestation risk commodities and products entering into EU and requires companies to improve their sourcing practices through their supply chains.

2. Our position

Van Lanschot Kempen is a specialist, independent wealth manager dedicated to preserving and creating wealth for our clients and for society in a sustainable way. We advise clients and manage wealth with conviction and care. Our greatest impact stems from how we advise and guide clients in their investment decisions, where we uphold active ownership and use our voice and influence to encourage positive change. ESG considerations are an integral part of our decision-making, ensuring that sustainability is not addressed in isolation⁵.

Through the activities we undertake, ranging from our role as an investor of our clients' wealth, our role as a lender and as a corporate citizen we all have an impact on biodiversity, be it positive, neutral, or negative. As such, we can play a facilitating role in global supply chains and have a responsibility in its associated dependencies and impacts (figure 2). Our own operations, our balance sheet and the assets under management are in scope of this policy.

Figure 2 Van Lanschot Kempen' impacts and dependencies on biodiversity



Our focus on biodiversity

We strive to protect our clients' assets from risks and dependencies, reduce our negative impacts and promote our positive impacts by focusing on areas where we are best equipped to make a meaningful contribution, including biodiversity.

Our biodiversity commitment

We are committed to the Partnership for Biodiversity Accounting Financials (PBAF), Finance for Biodiversity Pledge and TNFD. In 2021, Van Lanschot Kempen became a partner of PBAF, an organisation focused on contributing to the mainstreaming and harmonization of biodiversity impact and dependency assessment in the financial sector. In the same year, we signed the Finance for Biodiversity Pledge, which calls for biodiversity-related best practices. Lastly, in 2024 we committed to being a TNFD early adopter, taking a pro-active role in reporting TNFD-aligned disclosures from financial year 2024 onwards.

Our biodiversity engagements

At Van Lanschot Kempen, we have the most direct influence via our inhouse managed funds. As such, the funds that promote environmental and social characteristics - including the protection and restoration of biodiversity and ecosystems, partly through sustainable investments - may opt to engage on biodiversity-related issues. Our biodiversity engagements that we undertake directly may be linked to an investee company's biodiversity and/or land use controversies, or cases where they may score low on biodiversity management whilst having a high business exposure to biodiversity. We furthermore take part in collaborative biodiversity engagements if there is a link with our investment objectives and strategic engagement agenda. This includes engagements in which we encourage investee companies to address their impacts and dependencies on nature in alignment with global biodiversity goals.

⁵ See for more details our policy "how we organise sustainability".

Nature as an asset class

We furthermore offer our clients the opportunity to invest 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 was launched in 2022.

3. Implementation: investment approach

We focus on biodiversity within our investment process applying a biodiversity investment framework. This framework helps us assess the risks and opportunities of a company on biodiversity:

1. Biodiversity controversies: we seek to avoid and minimize investments in assets with identified cases of very severe and severe biodiversity controversies
2. Location analysis: we seek to avoid and minimise investments in companies operating in biodiversity-sensitive areas that lack proper mitigation strategies.
3. High-risk commodity dependence: we seek to avoid and minimise investments in companies with exposure to high-risk commodities that lack relevant policies and mitigation measures to manage this risk.
4. Positive outcomes: we are committed to increase the share of our sustainable and impact investments that deliver positive outcomes to biodiversity inter alia through alignment with the nature-relevant SDGs.

Within our role of an asset manager, we aim to integrate the biodiversity framework through our four pillars of exclusion, ESG integration, active ownership and impact. Through these elements we aim to cease (via exclusions and active ownership), prevent or mitigate our adverse biodiversity impact (via ESG integration and active ownership) and contribute to positive solutions (via impact).

Exclusion

We apply exclusion criteria for companies based on company conduct behaviour. When companies are involved in actual severe adverse biodiversity impacts due to their business conduct, we avoid investing in these companies. Climate change, a direct drivers of biodiversity loss, is addressed through exclusion objectives for coal mining and tar sands for all fund managers where we have influence.⁶ We have assessed several activities that are detrimental to the transition to a low carbon economy and believe that these activities especially have an adverse impact on climate change. See our [Climate change policy](#) for more details..

ESG integration

Biodiversity is part of our ESG due diligence process and SFDR reporting approach. We include biodiversity in our ESG monitoring as well in our assessments via ESG risk ratings, controversies and business involvement. We integrate ESG both directly – through our funds' investments – as well as through our external solutions. The screens (including ESG ratings and controversies) are based on international standards and conventions, such as the OECD Guidelines, UN Global Compact and the Convention on Biological Diversity. With the screens, we aim to identify companies with activities negatively affecting biodiversity sensitive areas, and risks to water stress and waste. Using external datasets, we analyse the impacts and risks related to issues of biodiversity loss, deforestation and land use within the companies' own operations and/or their supply chains and integrate this into our investment process.

Through the onboarding of a dedicated biodiversity and nature location-level dataset from MSCI in 2025, we are able to more deeply understand a company's biodiversity footprint and the relative intactness of nature. It allows us to screen and monitor our investments on Mean Species Abundance (MSA) and Partially Disappeared Fraction of Species (PDF). MSA is about the average abundance of species in a given area compared to their abundance in an undisturbed, natural state. From a business standpoint, we can measure how a company uses land in a way that could significantly damage the local environment, relative to a company's sales. PDF measures the fraction of species that are at risk of disappearing due to environmental pressures, such as land use changes or pollution. Here we look at a company's spatial footprint, water consumption and GHG emissions and how it (potentially) contributes to irreversible extinction of species. With this deeper understanding of the impact of our investments on nature, we are able to better integrate this into our investment screening, monitoring and reporting. This allows us to provide more transparency to our clients on our progress in limiting biodiversity loss. Dependent upon whether the investee assets are managed externally or internally, we are able to also directly steer on these parameters. For non-listed assets, we have minimum certification standards and a no deforestation policy requirement in place for land investments.

⁶ By 'influence' we refer to a broader term than active funds, we refer to: (1) we generally have influence where allocation amounts are high (for active and passive fund managers); (2) we have influence for mandates via BestSelect; (3) we have influence where the selected fund is a co-creation between Van Lanschot Kempen and the asset manager in question.

Active ownership

Biodiversity is a core engagement theme for Van Lanschot Kempen. We actively and directly engage with companies on biodiversity-related controversies. 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 TNFD. To this end, we are 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. Within the Dutch context, we take a leading role in the Dutch Climate Coalition initiative, through collaborative engagement actions relating to the food system. Besides engagement with investee companies directly, we also engage with (external) fund managers. We assess them in our due diligence process and through their annual reporting cycle and engage with them proactively where we identify concerns.

Next to engagements we use our voting rights to express our views on biodiversity matters such as a company's performance regarding topics within this theme. We use our voting rights in line with our engagement activities. For example, we exercise our voting rights regarding supporting shareholder proposals relating to deforestation or plastic waste. More information on our voting practices in relation to biodiversity can be found in our [Proxy Voting Dashboard](#) and [2025 Proxy Voting Guidelines](#).

Impact

We offer tailored solutions to our clients across various asset classes. We understand the importance of creating solutions that positively impact biodiversity. One way to benefit stakeholders is by aligning investee revenues with Sustainable Development Goals 14 (Life Below Water) and 15 (Life on Land). This can be done by investing in conservation and restoration of life on land and life below water. To make our policy on positive impact on biodiversity more concrete, we provide two examples:

- The Global Impact Pool that aims to realise market-based financial returns and a measurable, positive impact on society and the environment. More information about the Kempen Global Impact Pool can be found [here](#).
- The Kempen SDG Farmland Fund where we seek investments in nature-based solutions. More information can be found [here](#).

Within our discretionary portfolio we also allocate part of our client assets to external Impact Funds focusing on specific themes, such as climate change, thereby indirectly reducing negative impact on biodiversity.

4. Implementation: own operations

Although our greatest environmental impact stems from how we invest our clients' assets, we are committed to 'walk the talk' by setting a positive example in our own operations. Therefore, we translated our ambition to conserve biodiversity into tangible measures within our organization. While most of these activities are modest in scale and do not significantly affect biodiversity, they represent meaningful steps in the right direction. These efforts address the main drivers of biodiversity loss:

Land use

We are enhancing biodiversity at our office locations by diversifying plant species in our gardens, installing insect hotels to support pollinators, and providing birdhouses with varying entrance sizes. In 2023, we replaced the roof at our Den Bosch office (De Toren) with a green roof. At our new Breitner office in Amsterdam, we take into account biodiversity for the roof terrace and shared green spaces in the surrounding area.

Pollution

We reduce residual waste and reuse furniture wherever possible. Circularity is a key criterion in our office furniture procurement processes. In addition, we do not use pesticides in our office gardens and exclusively choose natural cleaning products.

Climate change

We have set an annual CO2 reduction target of 8% per FTE (baseline year 2019). Most of our Dutch offices are powered by 100% green electricity and heated with biogas or district heating. We are also in the process of electrifying our lease fleet by only offering electric lease cars. In addition, we have a business travel policy for which train travel is the norm for journeys below 700 km. We invest in innovative solutions such as Sustainable Aviation Fuel (SAF). To offset our 'hard to abate' emissions, we collaborate with Land Life and Trees4all on projects that also integrate biodiversity considerations. Additionally, we have invested in our own climate-resilient Van Lanschot Kempen forest through our partnership with StukjeNatuur.

Natural resource use and exploitation

Our catering focuses on increasing plant-based options and sourcing ingredients locally.

Invasive species

Does not apply.

5. Implementation: balance sheet

We endorse the environmental principles of the [UN Global Compact \(UNGC\)](#) and [OECD Guidelines for Multinational Enterprises \(MNEs\)](#), and aim to comply with these principles at all levels of our organisation. Where relevant and possible, we will also engage our borrowers on their compliance with the Global Compact and OECD environmental principles, as well as – at the very minimum – any relevant local legislation.

The nature of our borrowers

Van Lanschot Kempen's corporate lending book is highly concentrated. It consists mainly of loans to business professionals in specific sectors (e.g. health care professionals, lawyers, accountants, etc.) and Dutch SMEs which on average have low involvement in environmental issues. The number of borrowers active in manufacturing and/or with production facilities abroad is also small. Most borrowers have their businesses in the Netherlands and are therefore governed by Dutch laws and regulations. These laws are relatively stringent and well enforced.

Due diligence

To identify, prevent, mitigate, and remedy potential or actual negative impacts on the environment in relation to our corporate lending activities, we have implemented an ongoing due diligence process. This process focuses on borrowers with a potential high risk profile in the ESG field. In practice, this means additional due diligence is especially directed towards borrowers in sectors with elevated risk, such as agriculture, construction, and international logistics. The risk classification of a client is determined prior to and on a periodic basis during the term of the loan through an additional screening.

Engagement

If a client's ESG profile is classified as 'high risk', we initiate an engagement process aimed at encouraging the client to implement adequate measures to reduce their negative impact. The engagement plan clearly defines the expectations for improvement in advance. If, after intensive engagement, no meaningful progress is achieved, Van Lanschot Kempen may decide not to enter into any new financing activities with the client. In such cases, the client is referred to the Client Acceptance & Exit Committee, which oversees the process.

Exclusion

Due to significant ESG and corruption risks, as well as the associated due diligence costs, we do not provide direct business loans to a number of sectors. These excluded sectors are: the oil, gas and mining industry (including deep sea mining); defence and arms industry; trade in precious stones and precious metals; fishing companies and companies specializing in the international trade of fish and fish products; the gambling industry; cannabis industry; physical sex industry⁷; international logistics transporting goods that 1) are subject to UN, EU or Dutch sanctions, 2) have not been declared to customs, or 3) are prohibited in the country of destination; production and sale (over 5% of turnover) of fur and exotic leather; the use of nuclear material for military or non-peaceful purposes; illegal export of scrap without proper permits; new coal-fired power plants; production and trade (over 20% of turnover) in tobacco; non-medical animal testing; and entertainment activities involving wild animals.

⁷ Including brothels/sex clubs, window prostitution, escort agencies, independent sex workers and webcam sex work

6. Governance, stakeholder consultation and reporting

Governance

Our sustainability governance structure can be found [here](#). The policy is informed by internal relevant expertise and periodically reviewed to reflect material changes. The Sustainability Board approves the Biodiversity policy, which is also discussed in the Sustainability Investment Council.

Stakeholder consultation

We consulted with two NGO's prior to the publication of this updated biodiversity policy. If you have any questions or remarks regarding this biodiversity policy, please contact us at corporateustainability@vanlanschotkempen.com.

Reporting

We aim to report our progress regarding our biodiversity commitments, ambitions and objectives for Van Lanschot Kempen on an annual basis and integrate biodiversity in our existing reporting for client portfolios.

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Other information

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