

pka



Sammen giver
vi mere tilbage

PKA's work on biodiversity

April 22nd 2024 | Dewi Dylander | Deputy Executive Director

PKA's work on biodiversitet



About PKA



PKA's approach to biodiversity



Challenges and opportunities related to biodiversity

About PKA



360.000
members



90 %
women



USD +64 bn.
AuM



USD +6 bn.
in sustainable
investments



13
professional groups



4
pension funds



Dansk Socialrådgiverforening



DANSKE
FODTERAPEUTER



dbio
Danske Bioanalytikere



HK
KOMMUNAL
SAMMEN
ER DU
STÆRKERE



JORDEMODER
FORENINGEN

KØST
ERNÆRINGS
FORBUNDET
SUNDHED ER EN RET



**Radiograf
Rådet**
— med i billedet

SOCIAL PÆDAGOGERNE

PKA's approach to biodiversity today

2020 – first steps

- Joined the Convention on Biological Diversity (CBD)
- Prepared an internal position paper for biodiversity with focus on mapping existing biodiversity measures and new opportunities
- Signed up to the Finance for Biodiversity Pledge

2022 – second steps

- Set a new policy for handling deforestation
- Joined FAIRR with a focus on listed companies' handling of biodiversity

2023 – third steps

- Joined Nature Action 100 with case company Novo Nordisk

2024 – fourth steps

- Joined the UN PRI Spring initiative
- TNFD reporting based on FY2024
- Considering participation in COP16 in Columbia

Convention on
Biological
Diversity

Position paper
for biodiversity

Finance for
Biodiversity Pledge

Policy for
handling
deforestation

Paris-
agreement
for nature

EU SFDR

EU-
taxonomy

Nature
Action 100

UN PRI Spring

TNFD reporting

2020

2021

2022

2023

2024



PKA's position paper for biodiversity

Focus

- Mapping of existing biodiversity initiatives (e.g. data, investments, active ownership)
- New opportunities (e.g. initiatives, reporting)

Results

- Biodiversity included in our active ownership approach
- Exclusion of companies due to biodiversity risks, e.g. Wilmar International (palm oil) and JBS (cattle farming)
- Investments with a focus on biodiversity, e.g. green bonds with a focus on replanting forests and certified properties with green roofs and nature areas
- Biodiversity risks in the due diligence process when investing in infrastructure, e.g. wind farms



Biodiversity and nature-investments

Investment targets on biodiversity

- PKA prioritizes a sustainability profile with a goal of investing 15% of AuM in climate investments before the end of 2025 (2023: 13%)
- Biodiversity considerations are included in our certified property projects (2023: ~0.8b USD) and green bonds (2023: ~1.2b USD)

Example of investment in property

- In collaboration with the design studio and the nature agency Ad:terra, PKA supported more wild nature, host plants and water holes, to ensure a rich insect and plant life in the outdoor areas of the homes
- In the future, new frameworks and opportunities will be created for potential nature-friendly investments

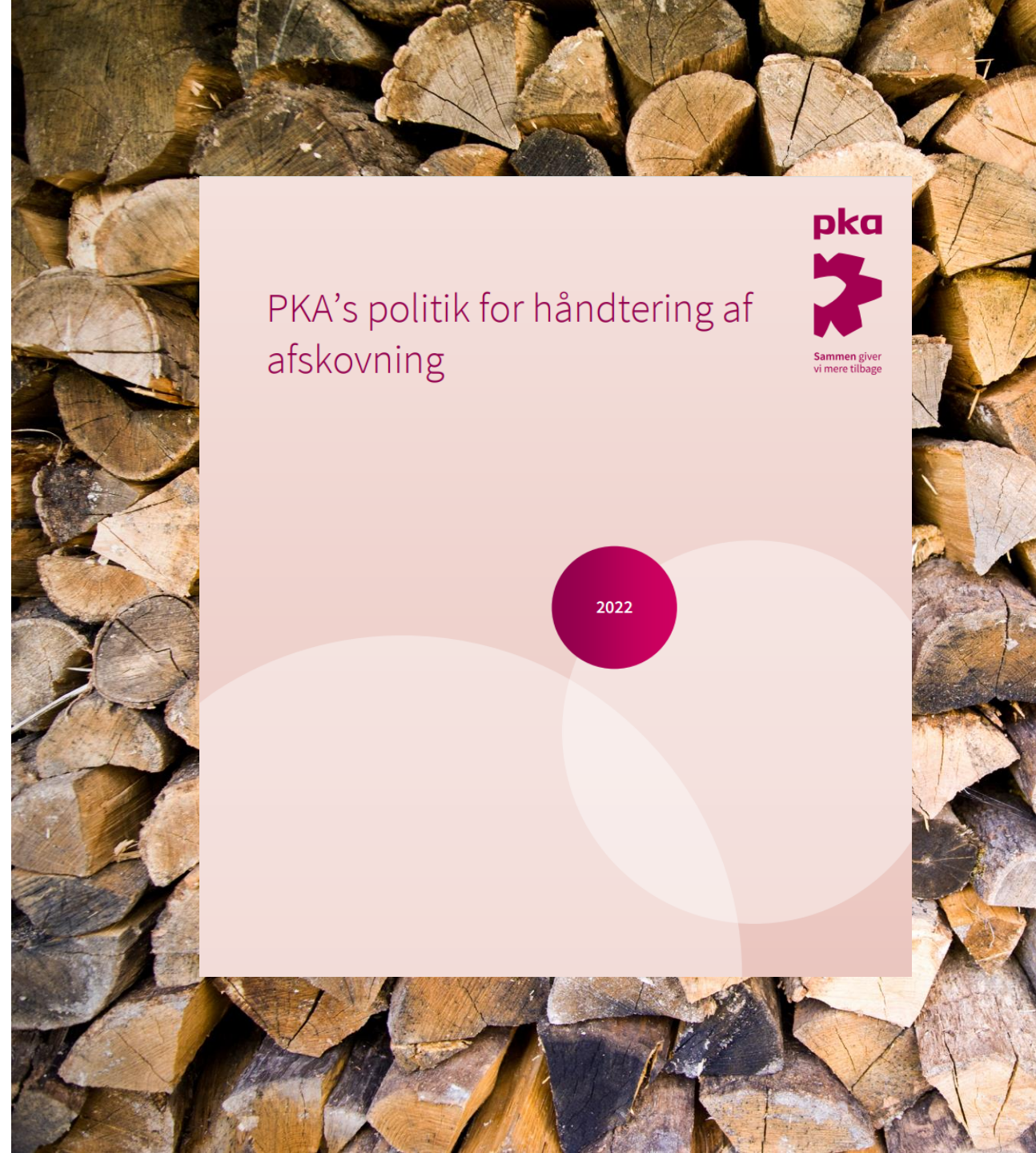
Example of investing in a green bonds

- French government bonds with a focus on reforestation and conservation of natural areas



PKA's policy for handling deforestation

- PKA joined the UN Convention on Biological Diversity in 2020 and recognizes the importance of protecting the world's forests
- PKA's deforestation policy supports PKA's biodiversity strategy, the Paris Agreement and the UN's global goals
- PKA aims to influence companies to prevent deforestation through active ownership via EOS at Federated Hermes (EOS), which has three concrete expectations for companies about deforestation:
 - Companies that procure palm oil, soy, beef, leather, pulp and paper must commit to set clear timelines for eliminating deforestation in their supply chain
 - Companies must be transparent about their strategy for achieving a deforestation-free supply chain
 - Companies must support the transition to regenerative agriculture and invest in nature-based solutions



PKA's politik for håndtering af
afskovning

pka



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2022

PKA's policy for handling deforestation

- PKA's active ownership is based on EOS's framework for assessing companies' goals and action plans to prevent deforestation and improve biodiversity
- Currently, EOS is in dialogue with 22 companies involved in deforestation on PKA's behalf
- Companies are selected based on data from FAIRR and Forest500 to identify companies that cause the most tropical deforestation
- Companies are initially placed on PKA's Engagement list, while we await the outcomes from the engagements
- PKA's escalation policy for deforestation follows the same format as for other companies - i.e. if there is no progress/no dialogue, the companies will be placed on the negative list after a period on the observation list



2024: It's a journey

- Still early days for biodiversity for investors – "Learn as we go"

Active ownership: Nature Action 100

- PKA has joined Nature Action 100 with case company Novo Nordisk
- Investor initiative for engagements with 100 largest listed companies about their ambitions and efforts for handling the loss of nature and biodiversity
- Can be compared to Climate Action 100+ with a focus on biodiversity

Stewardship: UN PRI Spring

- PKA has joined the UN PRI stewardship initiative for nature, Spring, convening institutional investors to use their influence to halt and reverse global biodiversity loss by 2030

Risks & reporting: TNFD Reporting

- PKA has committed to reporting according to the TNFD framework* for FY2024, which we expect to be the leading guide for dealing with biodiversity risks and footprint as an investor. It is similar to TCFD but with a focus on nature
- PKA has reported according to the TCFD framework since 2021

Risks & reporting: SFDR

- Reporting on biodiversity as part of PAI**

Investments: EU Taxonomy

- We look forward to quantify and promote our biodiversity-related investments more systematically when the EU taxonomy's biodiversity targets are adopted

