A collection of best practices for pension funds

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About VBDO

The Dutch Association of Investors for Sustainable Development (VBDO) is a not-for-profit multi-stakeholder organisation. Our mission is to make capital markets more sustainable. VBDO believes a more sustainable and responsible capital market leads to a healthier and more just world. As an independent association, we are a passionate driver, motivator and knowledge leader for responsible investment and have been helping to anchor sustainability in companies since 1995. VBDO helps organisations to make choices that look beyond financial gain alone and consider environmental, social and governance (ESG) factors. Members include insurance companies, banks, asset managers, NGOs, consultancies, trade unions and individual investors. VBDO is the Dutch member of an international network of sustainable investment forums. VBDO's activities target both the financial sector (investors) and the real economy (investees) and can be summarised as follows:

Driving change through engagement

As a lobbying organisation, VBDO maintains an active and committed dialogue with the largest Dutch-listed companies. We attend approximately 30 AGMs (annual general meetings of shareholders) every year, where we ask critical questions about each company's sustainability performance. During these meetings, a VBDO spokesperson requests specific commitments on environmental, social and governance issues.

By means of engagement, we put sustainable business operations high on the agenda of the board, and we encourage companies to keep raising the bar.

Motivating with benchmarks

As a watchdog of the financial sector, VBDO has a leadership position in the development and implementation of benchmarks. These comparative studies make the performance of companies in the field of responsible and sustainable investment clear and transparent.

Benchmarks utilise the competitive strength of the market. This means that organisations are motivated by public assessment of a benchmark to continuously improve their performance in relation to each other and themselves.

Our benchmarks are issued in English. The best-known examples are our Benchmark on Responsible Investment by Pension Funds, our Tax Transparency Benchmark and our bi-annual Benchmark on Responsible Investment by Insurance Companies in the Netherlands.

Knowledge sharing via thought leadership

As a network and knowledge centre, VBDO is always up to date with the latest developments in sustainable investment. We share this knowledge by organising events such as roundtable discussions, seminars and masterclasses.

Our thematic studies, white papers and other publications are made publicly available and appear regularly in the national media and trade journals.

For more information about VBDO, please visit our website: www.vbdo.nl/en

Preface

Looking back at 2026, the first quarter alone has already proven to be marked by contrasts. While the urgency of climate change, biodiversity loss, and social inequality remains undeniable, public and political support for sustainability is, in some places, under pressure.

In this context, one thing has become increasingly clear: progress is rarely linear. It is the result of persistence, collaboration, and at times the courage to be pioneers without the promise of immediate reward.

This dynamic is clearly visible within the Dutch pension sector. Pension funds operate in a complex landscape shaped by regulation, societal expectations, and financial responsibilities. Over the last few years, significant steps have been taken in advancing responsible investment practices.

The four examples highlighted in this publication demonstrate that meaningful change is not always about entirely new ideas, but often about doing the right things well. They are stories of organisations and people willing to step forward, take risks, and continue building towards a more sustainable financial system despite operating in an uncertain landscape where some players are driving forward change while others are hindering progress.

At the same time, we should acknowledge a key tension between effort and outcome. Not every collaboration leads to immediate, tangible results. Not every initiative is met with widespread recognition or support. Yet it is precisely these efforts that lay the foundation for long-term, systemic change.

This collection of interviews is therefore more than an overview of inspiring examples. Alongside the successes, we deliberately highlight lessons learned. By making these insights accessible, we aim to ensure that good practices do not remain isolated cases but instead contribute to broader adoption across the sector.

> The four examples highlighted in this publication demonstrate that meaningful change is not always about entirely new ideas, but often about doing the right things well.

I would like to express my sincere gratitude to all interviewed parties. Your openness and willingness to share both successes and challenges make this publication possible and meaningful.

While the road ahead is not without its challenges, this collection offers perspective. It demonstrates that, even in a complex and sometimes resistant world, concrete steps can be taken towards a more sustainable future. I hope it will both inspire and support you in taking those steps.

Angélique Laskewitz
Executive Director of VBDO

Furthering social indicators through collaboration

Collaboration is crucial for advancing sustainable investment in the pension sector and, indeed, the wider financial sector. Labour unions and academic institutions may not seem the most likely of collaborators. However, FNV (the largest Dutch labour union) and Wageningen University are demonstrating how such a collaboration can achieve so much more than working in silo. Together, these organisations are helping to demystify the social indicators used in the investment process.

Noor Verhoeven
Master's student at Wageningen University

Will-Jan Jacobs
Pension fund board member at FNV

Jacqueline van Leeuwen
Pension fund board member at FNV

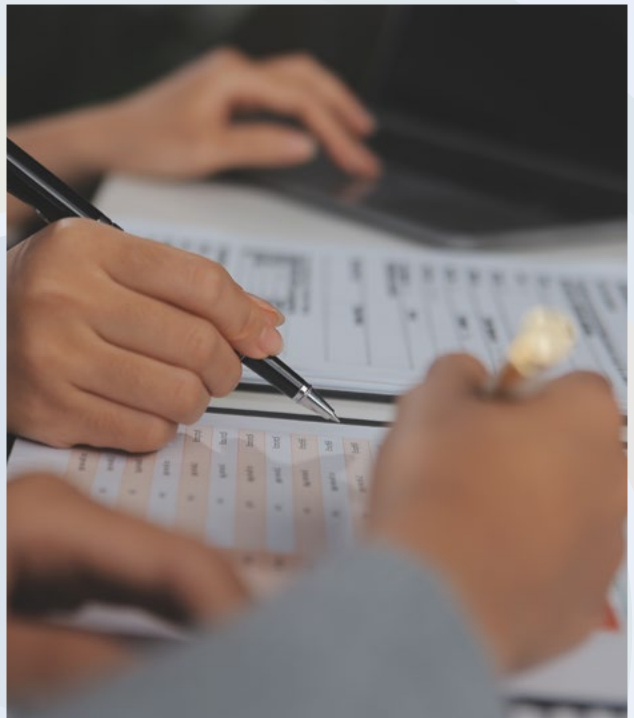
Collaborating on social indicators

Noor Verhoeven is a master's student at Wageningen University who is focusing on the social indicators used when assessing responsible human resource management (HRM) practices. She says: "My thesis research for Wageningen University is part of a collaboration with FNV. I'm mapping which social indicators are included in the responsible investment policy of Dutch pension funds, specifically those related to labour and employee rights, how these indicators have been selected, and how they are being used when making investment decisions. It would be great if the research could be continued in the future when my thesis is done."

Will-Jan Jacobs, a pension fund board member at FNV, elaborates on the role of FNV: "We are aiming to emphasise the "S" in ESG in alignment with our core values as a labour union. We wanted to devote more time and capacity to this effort, including research into social indicators, to provide pension funds with tools. The research project with Wageningen University is a result of this effort."

"There have, of course, been other collaborations with academia, but this specific type of partnership is new," says **Jacqueline van Leeuwen**, a pension fund board member at FNV, elaborating further on the expansion of FNV's role. "Research projects like this clearly demonstrate the added value of parity on pension fund boards, especially given FNV's presence on many of them. Bringing together academic expertise and union insights combines the best of both worlds and leads to stronger decision making. For FNV, it's also a chance to highlight where our strength lies: advancing the social dimension of ESG, which is still too often viewed as something of a mystery."

Jacobs continues on the need for this research project: "We hear quite often that social factors are hard to map and quantify. Since it is such a broad spectrum, it is hard to determine what the right indicators are. So, it is great



> We have access to a wealth of data on labour conditions across sectors. By sharing our insights, we want to contribute to clearer boundaries and more meaningful use of social indicators.

that Noor's research is making the connection between existing indicators, such as those developed for SFDR and CSRD. This is especially important considering that CSRD isn't that well known by pension funds but is going to function as a common language on ESG and thus on what could be good social indicators. So, we're going to show which indicators are used often and which indicators should be integrated in the future." Verhoeven adds: "So, the research and its aim are twofold: the mapping exercise and examining the indicators so they can be used to meet investment objectives, e.g., what should be measured and how? Most importantly, how can you measure positive and negative impact? For that, I will be using the impact value chain."

Creating a shared language

Building on this, Jacobs adds that the discussion is not only about selecting indicators, but also about creating a shared language within the sector: "If we use different definitions and thresholds, it's hard to compare or steer on social performance. We need clarity on what we measure and where we draw the line."

Van Leeuwen emphasises that FNV wants to help facilitate that conversation: "We have access to a wealth of data on labour conditions across sectors. By sharing our insights, we want to contribute to clearer boundaries and more meaningful use of social indicators."

Against that background, Jacobs indicates that while there may be opportunities to do more with the data in the future, the current focus is on the indicators and which ones should be used more often, as well as how to measure impact. Van Leeuwen stresses the added value of a collaboration between knowledge partners: "The outcomes of this collaboration will help strengthen and advance pension funds' activities, while also demonstrating the value of working together. By joining forces, you build on each other's expertise rather than having each party reinvent the wheel."

THREE TAKEAWAYS FOR INSTITUTIONAL INVESTORS

Find facilitators
When you're working on furthering sustainability topics, facilitators can provide meaningful context and connections, especially when they're experts from unions and civil service organisations such as non-governmental organisations. They can often direct you towards lesser known and underutilised sources and data.

Use the expertise of knowledge partners
Building on the above, entering into a knowledge partnership with experts, including academics, is often mutually beneficial. It creates common ground, a shared language, and the broadening of each other's horizon by providing different insights. In other words, collaboration is a valuable tool in any institutional investor's arsenal.

Provide clarity
Be clear and concise about what you are trying to achieve, how you want to achieve it, and why you are doing so. When dealing with complex topics, this might mean starting smaller or with a narrower focus than you'd prefer, but projects can always be expanded upon. Transparency on definitions and methodology is also crucial.

“Investors hold the key; they just need to use it”

For more than a decade, Follow This has pushed major oil and gas to align their strategies with the Paris Climate Agreement. What started as a small Dutch shareholder initiative has grown into a movement backed by thousands of individual members and a growing group of institutional investors.

According to founder Mark van Baal, the climate debate is still too often framed as a trade-off between financial returns and climate action. “That is a false dilemma,” he says. “Addressing the climate crisis is not only a moral necessity; it is also a financial one.”

Mark van Baal
Founder Follow This

BP refusing to put a resolution on the agenda

The latest development concerns BP. Follow This submitted a shareholder resolution asking the company to explain how it will create value in a world where demand for oil and gas is declining. According to Van Baal, the resolution met all formal requirements, including support from more than 100 shareholders and several institutional investors.

“BP has confirmed that we met the conditions,” he says. “But they still argue that they do not have to put the resolution on the agenda. That is new. Apparently, we are asking a question they do not want to answer.”
The question itself, he argues, is not radical. Follow This is not asking BP to immediately change its business model or set new climate targets. It is just asking for transparency.

“We are simply asking, ‘What is your strategy when demand for oil and gas starts to decline? How will you continue to create value for shareholders in a shrinking market?’”

From climate targets to financial resilience

Follow This deliberately changed its approach this year. Instead of asking oil and gas companies to set Paris-aligned emissions reduction targets, it now asks them to explain how they will remain financially resilient under changing market conditions.

“In the current environment, with so much resistance against climate change issues, ESG, and sustainability, we wanted to ask a question every shareholder should care about,” Van Baal explains. “How will this company create value if the market changes?”

For pension funds, this should be central to their fiduciary duty, he says. “Climate change affects the entire portfolio through floods, heatwaves, extreme weather, and economic disruption. But the risk is also more direct: oil and gas companies may be basing their strategies on assumptions that no longer hold.

“If a company assumes that oil and gas demand will keep growing for decades, investors need to understand what happens if that assumption is wrong.”

Voting is no longer outside the toolkit

Van Baal believes that there has been a major achievement over the past decade: voting for climate resolutions has become a normal part of investor stewardship.

“When we started, almost everyone voted with management. Our first resolution at Shell received 2.7% support, and even that was significant. Today, around 20% of shareholders vote for our resolutions. In the European context, that is a lot.”

He also points to co-filing as a major step forward. Institutional investors that once saw shareholder resolutions as too confrontational are now willing to submit them together with Follow This.

“That is a huge shift. Voting, co-filing, and filing resolutions have become part of the stewardship toolkit. Before, the standard answer was, ‘We prefer engagement behind closed doors.’ But it turned out that voting for a resolution often leads to more engagement, not less.”

The comfort zone problem

For Van Baal, the central obstacle is not technology or economics. Clean energy technologies exist, are becoming cheaper, and can be scaled. The real challenge is behavioural.

“Oil and gas companies need to step outside their comfort zone and invest in new business models. Investors need to step outside their comfort zone and use their voting rights.”

He acknowledges that this can be difficult for pension funds and asset managers. Many investors still feel uncomfortable about voting against the board of a large listed company. However, this discomfort should not prevent them from taking action. Van Baal also believes that asset owners should engage more actively with their asset managers and proxy advisors, since these intermediaries have a role to play in helping investors to fulfil their long-term financial duty.

“The climate crisis will not be solved if everyone stays polite behind the scenes. Shareholders have power. The question is whether they are willing to use it.”

> Oil and gas companies need to step outside their comfort zone and invest in new business models. Investors need to step outside their comfort zone and use their voting rights.

“This is a financial argument”

Van Baal stresses that Follow This was founded from moral concern, but that its case for investors is financial. “Of course climate change is a moral issue. But when we speak to investors, we make a financial argument. The climate crisis is already costing the economy billions, and those costs will only increase.”

He believes pension funds have a unique responsibility because of their long-term horizon.
“Someone who starts building a pension today may depend on that pension 50 years from now. That means pension funds have to look far ahead. They cannot simply follow today’s political sentiment.”

As resistance from the oil and gas industry grows, Follow This also needs broader support. The organisation is funded by individual members and philanthropy, not by investors.

“We now have almost 4,000 members,” Van Baal says. “But as the pushback increases, including legal pressure, we need more people to support us.”

Still, he remains optimistic.
“The climate crisis is technically solvable. We know what needs to happen: replace fossil fuels with clean energy. The investors hold the key; they just need to use it.”

THREE TAKEAWAYS FOR INSTITUTIONAL INVESTORS

Discomfort can be a good thing
In order to advance a topic or conversation, stepping outside of what has become the norm or standard approach is an important step in getting things done. Investors can engage companies to encourage and assist them to do so, as well as look for different avenues to accomplish this.

Challenge asset managers and proxy advisors
For example, ask whether voting advice reflects long-term portfolio risks, not just short-term company-level considerations. Discussions do not have to be restricted to adherence to the pension fund’s own policy; general approaches, thoughts on sustainability-related topics, and the provider’s own policies and activities are valuable approaches as well.

Use voting rights as a core stewardship tool
In addition to engagement behind closed doors, more visible forms of engagement and escalation are valuable tools. Voting for credible climate resolutions and co-filing shareholder proposals, and on occasion being vocal about these decisions, should be an integral part of the standard active ownership approach.

Meet the moment: why finance needs a moral compass

We spoke to Kees Gootjes of De Nieuwe Beurskoers about the social dimension of ESG, the value of faith-based investor networks, and the power of collective action.

Kees Gootjes has one foot in the investment world and the other in the field of business and human rights. As Executive Director of De Nieuwe Beurskoers (DNBK), he brings those two worlds together.

Kees Gootjes
Executive Director of
De Nieuwe Beurskoers (DNBK)

DNBK is an interdenominational association of churches and church-affiliated asset owners. It uses its position as a shareholder and active owner to hold companies accountable for their impact on people and society. Its work currently focuses on the social dimension of sustainable investment: the "S" in ESG.

"The core of our work is to remind companies of their social responsibilities from a Christian perspective," Gootjes explains. "Companies are part of society. Of course they are allowed to make a profit – a healthy profit, even – but they also have responsibilities towards their employees, society, the environment, their suppliers, and the communities in which they operate."

For Gootjes, this is based on a simple principle: the economy should serve people, not the other way around.

The social dimension is not abstract

The social consequences of corporate behaviour are highly visible to DNBK's members. Churches and faith-based organisations support migrant workers, operate food banks, and provide assistance to people experiencing homelessness.

"Social issues affect the most vulnerable people in society," says Gootjes. "That is not an abstract concept to us. Our members are the ones sheltering labour migrants, running food banks, and supporting people who have nowhere else to go. The people picking cucumbers in greenhouses and those working in distribution centres but who have fallen on hard times are the people churches meet."

This direct connection with communities gives faith-based investors access to information that may not appear in corporate reports, ESG ratings, or conventional investor research.

"When workers are treated badly or suddenly lose their jobs, who supports them? Very often, it is churches, some of whom are members of DNBK. That gives us a legitimate basis for raising these issues in conversations with listed companies."

> When workers are treated badly or suddenly lose their jobs, who supports them? Very often, it is churches, some of whom are members of DNBK.

Gootjes, therefore, tries to remain closely informed about what DNBK's members are seeing in their communities and to connect those experiences to corporate responsibilities. This broader network can act as an early-warning system, bringing individual cases and structural problems to the attention of investors.

One such case was recently brought to him by a contact from a church in Taiwan. A number of workers had each paid approximately 2,000 US dollars to obtain a job at a factory for a Dutch publicly listed company. Six months later, the factory closed. The jobs disappeared, but the workers' debts remained.

"These are exactly the kinds of cases I want to capture," Gootjes says. "The conversation should not only be about major themes such as climate change or the CSRD. It should also be about very concrete situations. When a company has a policy stating that workers should not be charged recruitment fees, it should also make sure that policy is enforced."

A different kind of investor

This close relationship with society distinguishes DNBK from many other institutional investors.

"An institutional investor is primarily expected to deliver financial returns for its beneficiaries," Gootjes says. "A faith-based investor has that responsibility too but also represents the societal position of the church. The church has always engaged with the economy. That is not new. It is part of stewardship."

The church's influence is not based on moral arguments alone. It also represents a substantial part of society. The Protestant Church in the Netherlands, for example, has around 1.4 million members.

"That scale matters," says Gootjes. "Once a company understands how many people the church represents and how closely it is connected to society, it also understands why the church should be taken seriously as a stakeholder."

Internationally, religious investors have long used shareholder resolutions, engagement, and divestment to influence corporate behaviour. Gootjes believes a similarly visible role is possible in the Netherlands as well.

"They bring a perspective that is sometimes absent from financial discussions: a dignity and moral appeal that is clear without becoming moralistic."

Beyond financial materiality

That moral perspective is especially relevant at a time when parts of the financial sector are retreating from ESG. The backlash against sustainable investment in the United States has not gone unnoticed by Gootjes.

In his view, ESG became vulnerable when it was presented primarily as a way to improve financial performance.

"Sustainability was sold with the argument that incorporating ESG into investment decisions would automatically lead to better financial choices," he says. "But that correlation is not always there. When investors began to notice that, they started asking what the discussion was really about."

What was missing, he argues, was an explicit moral foundation.

"There is always a moral dimension to financial markets. Personally, I would not want to invest in tobacco, regardless of the returns, because the product is harmful. That decision does not have to be justified by financial materiality."

Not every responsible investment decision, in other words, needs to be translated into a financial risk or business opportunity. Some decisions can be based on a conviction about what is right, harmful, or socially desirable.

"We lost sight of that during the excitement surrounding ESG," says Gootjes. "But the moral dimension has not disappeared. It will return. Investors should not be afraid of it."

Standing on the right side of history

Gootjes places DNBK's work within a long tradition of religious and values-based investors attempting to influence the economy.

He points to Anabaptist investors in the Dutch East India Company (also known as VOC), who incorporated ethical principles and later withdrew their capital when the company remained involved in warfare. He also refers to Christian protests against Dow Chemical's production of napalm; Desmond Tutu's calls for churches to divest from apartheid-era South Africa; and the Dutch Council of Churches' boycott of companies that refused to distance themselves from apartheid.

Faith communities have not always been on the same side of these debates. Gootjes recognises that Christians can be found on both sides of major social and political turning points.
"That is precisely why a choice has to be made," he says. "I see myself as part of a long movement. We are at another turning point, and I want to be able to say that I did my best to put Christian investors on the right side of history."

Modern slavery as a practical test

This ambition has taken concrete form in DNBK's Modern Slavery Netherlands Benchmark[1]. The benchmark uses the CCLA's modern slavery benchmark's methodology to assess how ten Dutch listed companies identify, address, and prevent modern slavery in their supply chains.

An estimated 50 million people worldwide live in conditions of modern slavery. Although few companies would openly dispute the importance of the issue, Gootjes warns that it remains difficult to address.

"No company will say that it does not care about modern slavery," he says. "But supply chains are becoming increasingly complex, and the gig economy continues to grow. The problem is increasing while attention is declining."

> Perhaps not everything changes immediately, but companies notice that the questions are being asked from different perspectives.

The benchmark was launched in 2025, which was also a Jubilee Year for the Netherlands. In the biblical tradition, a jubilee was associated with the restoration of property, the cancellation of debts, and the liberation of people from servitude.

"The liberation of people is at the heart of the Christian faith," says Gootjes. "It felt like a fitting moment to launch a benchmark concerned with freeing people from modern forms of slavery. That was not a coincidence. It reflects the spirit with which the benchmark was created."

The benchmark has opened doors. DNBK entered into substantive discussions with seven of the ten companies assessed, and the project attracted media attention and was submitted to the Dutch House of Representatives.

[1] https://denieuwebeurskoers.nl/de-nieuwe-beurskoers-roept-nederlandse-bedrijven-op-moderne-slavernij-actief-uit-te-bannen/

Gootjes also points to the role of government in public procurement. When a construction company is involved in a prominent public project, its approach to labour rights and supply-chain risks can become relevant to the contracting authority – the government.

"You do set things in motion," he says. "Perhaps not everything changes immediately, but companies notice that the questions are being asked from different perspectives."

Joining forces

De Nieuwe Beurskoers is a relatively small organisation with limited assets under management. Gootjes is realistic about what it can accomplish on its own.

Gootjes' message to other institutional investors is therefore straightforward: take part.

"As an investor, it is relatively easy to put your financial weight behind a good initiative," he says. "The majority of the work is often carried out by one or two organisations, and you add your name and support. There is nothing wrong with that. Together, you can achieve things that none of you could achieve alone."
Even a relatively small contribution can strengthen an initiative. It can also send an important signal to companies, fellow investors, and society at large.

Do not underestimate your influence

For Gootjes, responsible investment is ultimately about recognising both the limits and the possibilities of influence. Investors cannot solve every social problem, but that does not excuse inaction.

THREE TAKEAWAYS FOR INSTITUTIONAL INVESTORS

Look beyond conventional sources
Churches, trade unions, community organisations, and other social networks can provide valuable information about what is happening on the ground. Their knowledge can reveal risks and human consequences that are not visible in standard corporate reporting.

Do not shy away from moral arguments
Responsible investment does not always have to be justified through financial materiality alone. Investors can also make decisions based on their values and their understanding of their responsibilities towards society.

Join forces, regardless of your size
Investors do not need to lead every initiative themselves. By lending their name, expertise, or financial weight to credible collective efforts, they can help create influence that no single organisation could achieve alone.

"You should not overestimate yourself," he says. "But you should not underestimate yourself either." Collaboration is therefore essential. DNBK is a member of Eumedion, the Dutch platform through which institutional investors engage with the boards of major listed companies.

"Eumedion provides an excellent platform," says Gootjes. "It allows investors to engage with large companies at the highest level. We can contribute a societal perspective that others may not have – a moral appeal that is not moralising but is still clear."

Collective initiatives can benefit both their members and the wider investment community. Smaller organisations gain access to knowledge, capacity, and corporate decision-makers, while the collective gains additional financial weight, legitimacy, and visibility.

He ends with an appeal that applies as much to himself as it does to the financial sector.

"Do not underestimate your influence. A single Dutch lawyer managed to stand up to Elon Musk and his multi-billion-dollar bonus. We need to let go of this doubtful attitude: 'Who am I? It's not as if I can change the world.' You may not be able to change the world, but you can still do something. You can push, question, and create movement."

His final message is simple:
"Meet the moment."

Biodiversity case study: how to make ambition investable

Biodiversity has become a familiar topic in the boardrooms of pension funds, insurers, and other institutional investors. The challenge is no longer to explain why nature matters but how to turn awareness into practical investment decisions.

The work of Triodos Investment Management (Triodos IM) and Canada-based Fondaction Asset Management is particularly relevant through this lens. Their collaboration around regenerative agriculture and forestry is not only a funding story, but also a case study in how institutional investors can move from ambition to implementation.

According to Karel Nierop, Head of Products & Solutions at Triodos IM, biodiversity has been a priority for institutional investors for several years. "But we have noticed that people struggle to move it from a boardroom topic to actual capital allocation," he says.

That gap between intention and execution is where we find the most important lessons.

BEST PRACTICE 1
MAKE THE THEME INVESTABLE

A recurring obstacle for institutional investors is that the topic of biodiversity can feel too broad, too abstract, and too difficult to place within a portfolio and its existing asset classes. Investors may be in favour in principle but still ask practical questions, "Which asset class does it belong to?", "How does it fit with existing mandates?", "What does the risk-return profile look like?", "Who can execute the proposed business model on the ground?"

The joint venture between Triodos IM and Fondaction aims to address these questions by translating biodiversity into a more concrete investment proposition: regenerative agriculture and forestry in Europe and North America, collected in the Value Nature Fund[2], which the organisations aim to launch later in 2026. The focus is on land, farms, and forests that can be transitioned from conventional practices to regenerative, organic or close-to-nature approaches.

[2] https://valuenaturefund.com

Karel Nierop
Head of Products & Solutions
at Triodos IM

The best practice here is not simply launching a product. It is making an abstract sustainability theme understandable and actionable for institutional investors.

"We see it slowly moving from something abstract to an investable topic," says Nierop. "But I still often have discussions with investors about where to place it in terms of asset class."

That question matters. If investors cannot place a theme within their portfolio, it is unlikely to move beyond discussion. Making biodiversity investable, therefore, means making it recognisable: linking it to real assets, land, long-term income streams, diversification, and transition value.

BEST PRACTICE 2
TREAT COLLABORATION AS A DISCIPLINE

Partnership is often presented as a solution in impact investing, but in practice it is difficult. Many mission-driven organisations share similar goals, yet they also have strong views on how those goals should be achieved. That can make collaboration harder than it may seem.

For Nierop, the partnership between Triodos IM and Fondaction is, therefore, an important part of the story. The two organisations had known each other for years through the Global Impact Investing Network (GIIN) and discovered that their backgrounds, values, and ambitions overlapped. However, shared values alone were not enough. They had to decide to build something together.

"Anyone who has been involved in impact investing knows that collaboration and partnerships are always mentioned as activities that should happen more often," Nierop says. "But they do not always come to fruition, because mission-driven organisations often believe they know best themselves. That can slow collaboration down."

The lesson for other investors is that collaboration should not remain an intention. It requires structure, time, and a willingness to work across geographies, organisational cultures, and investment approaches.

In this case, the collaboration developed on several levels: exploring investments in each other's products, working together on advocacy, speaking at events, and building an investment strategy around nature and biodiversity. The complementary geographic focus also helped. Triodos IM brings a European perspective, while Fondaction adds a North American one. Lastly, both organisations offer complementary expertise within agriculture, forestry, nature-based solutions, and carbon markets.

BEST PRACTICE 3
SENIOR LEADERSHIP MUST CREATE SPACE

One of the clearest lessons from this case is the importance of senior leadership. When Triodos IM and Fondaction started working together, they were not yet certain that the collaboration would result in a fund. The outcome had to be explored before it could be proven.

That required leadership teams to make time and resources available without demanding immediate tangible outcomes.

"It is also about the courage of senior leadership," says Nierop. "You have to say, 'We are going to do this, and we are going to make resources available to build it.'"

Those resources did not necessarily mean large budgets. At the start, the most important resource was people's time: the space to explore, test, structure, and build. For institutional investors, this is a relevant lesson. New investment themes rarely become investable by themselves. They need internal sponsorship and permission to move through a phase of uncertainty.

This is often the difference between "We should do something" and "We are doing something".

BEST PRACTICE 4
SOLVE FOR IMPLEMENTATION, NOT ONLY INTENTION

A nature-related investment strategy depends heavily on execution. It is not enough to identify biodiversity as a priority or to define a high-level allocation theme. Investors also need local partners, operators, farmers, forestry specialists, and entrepreneurs who can implement change on the ground.

Nierop expected this to be one of the biggest bottlenecks. What surprised him was that the ecosystem is developing faster than he had assumed.

"I thought there would be a huge scarcity of parties that could actually execute this locally," he says. "And although they are not abundant, we already have quite a strong network."

He sees a new generation of farmers, entrepreneurs, and nature-focused businesses emerging around regenerative agriculture and land use. That makes the comparison with the early renewable energy market relevant. In the beginning, renewable energy was also a developing market: the technology existed, but not all investors trusted it yet. Over time, it became a mainstream institutional investment theme.

Nierop believes regenerative agriculture and forestry could follow a similar path, but only if investors help build the market.

> Ultimately, we want to be a catalyst for institutional capital to help bring about this transition.

BEST PRACTICE 5
POSITION BIODIVERSITY AS BOTH SOMETHING THAT THE PORTFOLIO IMPACTS AND SOMETHING THAT CREATES RISKS FOR THE PORTFOLIO

For institutional investors, biodiversity should not only be framed as a positive impact theme, it is also connected to long-term portfolio risks. Biodiversity loss, climate change, soil degradation, and water stress can affect economic systems, supply chains, and asset values. At the same time, investment portfolios themselves have an impact on those risks.

This dual perspective is important. It helps move the conversation beyond values alone and into the core responsibilities of long-term investors.

The investment case for regenerative agriculture and forestry starts with land as a scarce asset. Land can increase in value over time and generate income through crops, timber, and other outputs. More sustainable practices can also reduce certain costs, for example through better water use or lower dependence on synthetic fertilisers. Additional revenues from price premiums or ecosystem services may also play a role, but should not be the only foundation of the investment case.

The broader lesson is that biodiversity strategies need to connect impact with financial logic. For pension funds and insurers, that makes the topic easier to integrate into existing investment processes.

BEST PRACTICE 6
USE ONE INITIATIVE TO CATALYSE A BROADER MARKET

For Triodos IM, the ambition is not only to build a fund. The broader goal is to build a platform and help mobilise institutional capital towards regenerative agriculture and forestry. In that sense, the Value Nature Fund is intended as a proof point: a way to show that a fragmented and emerging theme can be structured for institutional investors.

"We want to show, with a portfolio at scale, that this can be done," says Nierop. "Ultimately, we want to be a catalyst for institutional capital to help bring about this transition."

That is an important best practice for investors working on emerging sustainability themes. The first step does not have to solve the entire market, but it should help to create evidence, build confidence, and make it easier for others to follow.

The comparison with renewable energy is again relevant. What is now a mainstream institutional asset class started as a less familiar market, with questions around scale, technology, risk, and execution. Regenerative agriculture and forestry may be at an earlier stage, but the development path could be similar.

TAKEAWAYS FOR INSTITUTIONAL INVESTORS

The Triodos IM and Fondaction case offers several practical lessons for institutional investors looking to move biodiversity from discussion to implementation.

First, make the topic investable. Biodiversity will remain difficult to allocate money to unless it is translated into concrete strategies, structures, and portfolio logic.

Second, treat collaboration as a real capability. Partnerships require more than shared values. They need time, trust, senior leadership commitment, and a willingness to build across organisational boundaries.

Third, ensure senior leadership creates space for experimentation. New investment themes require resources before the outcome is fully known.

Fourth, focus on implementation capacity. The success of nature-related investing depends on the quality of local partners and operators who can deliver change on the ground.

Fifth, position biodiversity as both an impact priority and a long-term financial issue. For institutional investors, the strongest case is not that nature sits outside the portfolio, but that it is increasingly connected to portfolio resilience.

Finally, remember that pioneering initiatives can be a catalyst for significant change.

The broader message is clear: many investors already agree that biodiversity matters. The next step is to move from "We should do this" to "We are doing this".

Colophon

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