



# Investments for Life

## Biodiversity Strategy

Real Estate  
Updated in 2024

**Pension**Danmark

# Biodiversity

Biodiversity denotes the diversity of nature, which means the wide variety of animals, plants, their habitats and their genes. Biodiversity interacts with the physical environment to create the ecosystems that sustain all life on Earth.

# Introduction

There is a notable decline in biodiversity all over the globe. In recent years, we have seen more and more species become extinct and ecosystems being destroyed. One of the reasons for this is direct and indirect land use, where the real estate industry bears a large part of the responsibility.

The global loss of biodiversity poses a major challenge for the long-term sustainability of society. This is widely recognised, including through the Kunming-Montreal Global Biodiversity Framework from 2022, the EU Biodiversity Strategy and EU Restoration Law.

As an investor, we are not only concerned about being at the forefront when it comes to the demands and expectations that both authorities and our stakeholders have. We feel a great obligation to contributing to reversing the negative development through our professional activities. We have therefore joined the "Finance for Biodiversity Pledge", which commits institutional investors to protect and restore biodiversity through their financing activities and investments.

At PensionDanmark, we are also committed to being Nature Positive by 2030, as well as setting goals for our impact on nature and biodiversity, including ongoing reporting of our endeavours.

The future belongs to nature-positive business models and an economy where companies invest in restoring nature, and use it as a means to create business value, while simultaneously decelerating the loss of biodiversity. At PensionDanmark we believe that nature-friendly investments in properties and urban areas can produce value for members by generating a good and long-term return, create societal value by contributing to solving the biodiversity crisis, and create value for users by contributing to high quality of life – not just today, but also in 5, 20 and 50 years.

We have therefore set ourselves the goal of making sure our future investments not only generate value for people. We must also create better conditions for all the other living organisms and the ecosystems, which play a role in supporting and sustaining all life on our planet. That is also why we have chosen to name our biodiversity strategy "Investments for Life".

## About the Strategy

The biodiversity strategy is based around a promise and a number of objectives with affiliated actions that span the entire value chain, from land purchases and project development to construction, maintenance and evaluation.

In its current version, the strategy is limited to properties and urban development areas, and affiliated initiatives for biodiversity on-site, however the "Progression" section lays the ground for the strategy to expand its scope on an ongoing basis. Thus, within the near future, our initiatives will also focus on supply chains (off-site) and compensation investments, as well as ultimately incorporating other investment areas within PensionDanmark.

As a tool, the biodiversity strategy is intended to function in conjunction with the programmes for sustainable initiatives that form part of PensionDanmarks housing and business platform.

The strategy was launched in 2022, with a focus on urban areas and new construction. The current version is an update from 2024, where existing properties (standing assets) have also been included.

# Contents

**01** Promise

**02** Actions

**03** Value creation

**04** Framework

01

**Promise**



# Promise



At PensionDanmark, we endorse the global goal "Nature Positive by 2030" by committing ourselves to making all our investments in real estate a positive contribution to biodiversity by 2030.

To achieve this promise, we commit to working on halting biodiversity loss with immediate effect, partly by prioritising our efforts in line with the mitigation hierarchy objectives (see page 9), partly by meeting EU taxonomy requirements for biodiversity and ecosystems, and by fulfilling DGNB minimum requirements for nature and biodiversity (see page 23-25).

The following objectives will help ensure that all our activities focus on nature-positive initiatives:



We invest primarily in development areas with low nature value.



We always strive to conserve and improve the quality of local nature, when working on project development, as well as the development of existing properties.



We pay great attention to biodiversity in our construction processes and we prioritise nature-based solutions.



We manage green areas in our properties on nature's terms and we engage our tenants in nature management so that nature becomes a source of community, learning and experiences.



We document and evaluate the impact of our projects on biodiversity.

02

Actions



# Actions

OBJECTIVES

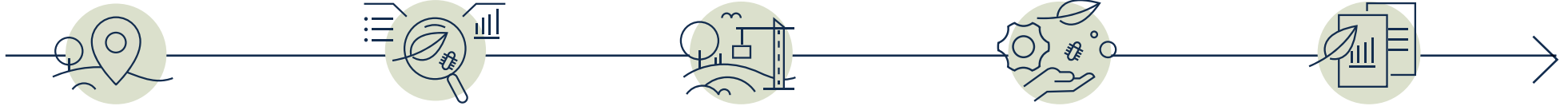
We invest primarily in development areas with low nature value.

We always strive to conserve and improve the quality of local nature, when working on project development, as well as the development of existing properties.

We pay great attention to biodiversity in our construction processes and we prioritise nature-based solutions.

We manage green areas in our properties on nature's terms and we engage our tenants in nature management so that nature becomes a source of community, learning and experiences.

We document and evaluate the impact of our projects on biodiversity.



ACTIONS

## Purchases

Avoid purchases of:

1. Greenfield areas of high value for biodiversity and/or which are habitats for endangered species. This applies to both terrestrial and marine areas.
2. Forest.
3. Agricultural land with good nutritional conditions and biodiversity in the soil. Agricultural land is differentiated in terms of biodiversity value, cf. national designations and land use.

## Development

1. Mapping of existing nature and biodiversity.
2. Development of project-specific biodiversity strategies or property action plan that focuses on the conservation and improvement of existing nature qualities, and with measurable success criteria for future biodiversity, including marine areas if relevant.
3. Prepare analysis of derived value creation.

## Construction

1. Nature development is integrated into the stage plans for construction.
2. Where necessary, measures are taken to protect valuable nature areas.
3. Separate construction economy for landscape and nature, to safeguard the targets for biodiversity and nature quality.
4. Regular monitoring of biodiversity.
5. Minimise the use of resources, which have a negative effect on biodiversity off-site.

## Maintenance

1. Separate operating budget for the maintenance of landscape and nature to ensure goals for biodiversity and nature quality.
2. Maintenance plan that ensures nature-based maintenance of green and blue areas.
3. Annual review of actions and maintenance.
4. Regular (3-year) monitoring, documenting the effects of nature-enhancing measures.
5. Involvement of tenants in monitoring and carrying out maintenance.

## Evaluation

1. Annual evaluation of promise, objectives and derived value creation.
2. Annual report.
3. Ongoing knowledge-sharing.

PREREQUISITES

- Screening and mapping by biodiversity advisors (possibly EIA).
- Biodiversity is a criterion in the investment portfolio for land purchase.

- Biodiversity advisors are involved from the early planning stages.
- Involvement of local stakeholders.
- Strategic collaborations.

- Transfer of management responsibility to municipality/district association/owner associations.
- Ensure adequate maintenance economy for urban nature.

- Data collection.
- Secure finances for data collection and evaluation processes.



# Mitigation Hierarchy

To ensure that we live up to the nature-positive promise in a professionally sound manner, our actions must always be prioritised according to the principles of the mitigation hierarchy.

In our biodiversity evaluation, we must be able to account for our choice of initiatives on a project level, in accordance with the four priority levels:

## Avoid

Our first priority is always to avoid harming ecosystems, habitats or species. This particularly applies to rare and endangered nature and species, which are most vulnerable to extinction. This priority is supported by the EU taxonomy regulation “Do no significant harm” and the principles that sustainable development cannot be established in areas, which already have a high biodiversity value (see page 10 and pages 23-24).

## Reduce

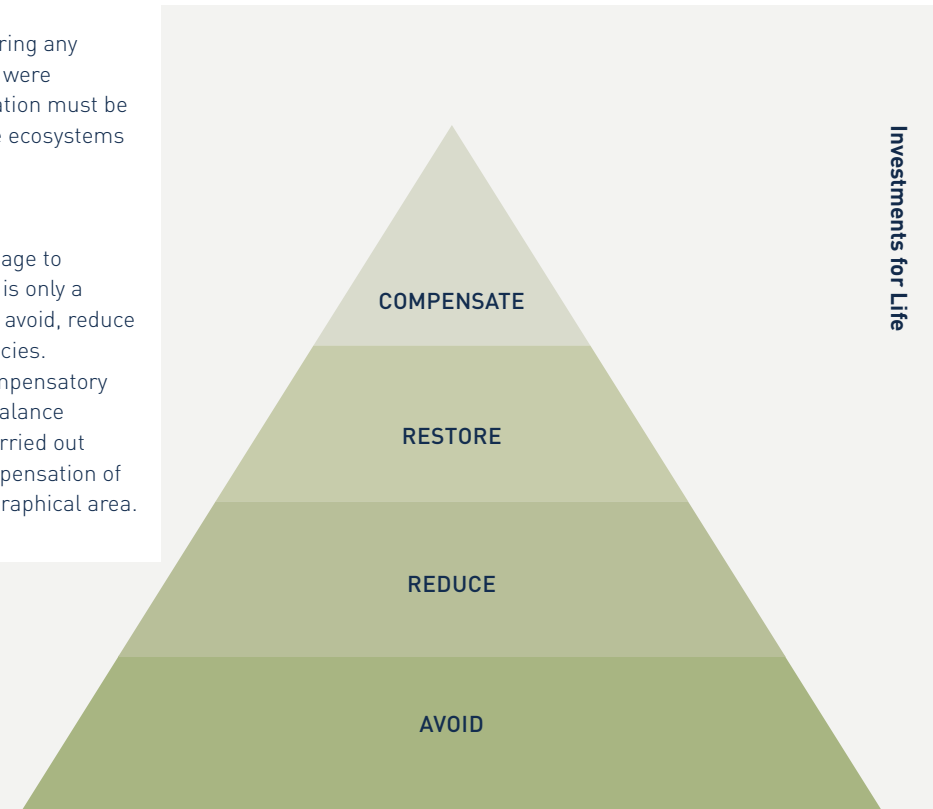
Our second priority is relevant in situations where we cannot avoid damaging ecosystems, habitats or species. In such cases, we strive to reduce the damage as much as possible, including the conservation of as much land as possible.

## Restore

Our third priority is that we are dedicated to restoring any damage to ecosystems, habitats and species that were unavoidable in relation to our investment. Restoration must be carried out locally, and directly in relation with the ecosystems and habitats where the damage occurred.

## Compensate

Our fourth priority is that we compensate for damage to ecosystems, habitats and species. Compensation is only a relevant option for us when we cannot adequately avoid, reduce or restore damage to ecosystems, habitats or species. Our compensation strategies aim to establish compensatory nature or alternative measures that can counterbalance the loss of biodiversity. Compensation must be carried out according to the “like-for-like” principle, i.e., compensation of the same quantity and quality, as well as the geographical area.



# Actions

## Land purchases



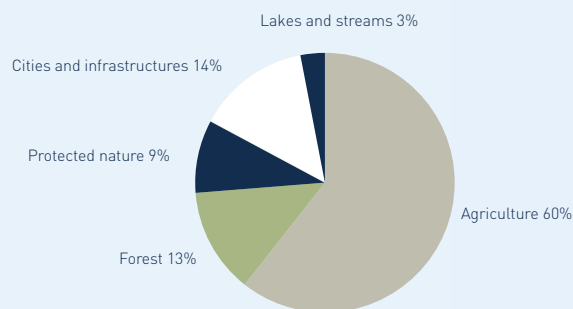
The purchase of land areas must meet DGNB's minimum requirements regarding nature and biodiversity, and meet EU taxonomy requirements for biodiversity and ecosystems. The criteria and process for recommendations for land purchase in relation to biodiversity is presented below.

### Screening of land for existing or potential biodiversity value

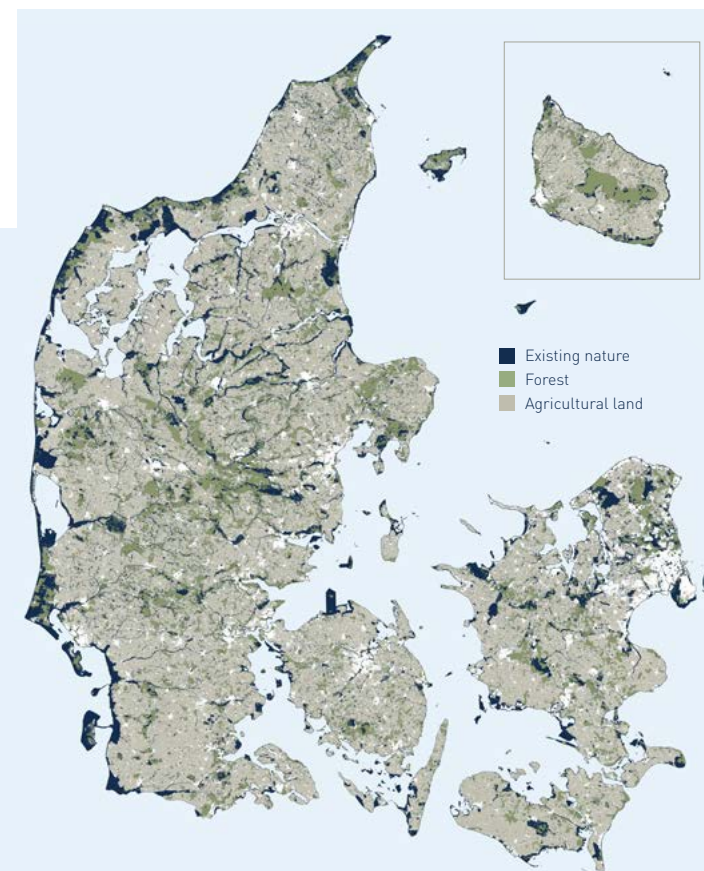
The aim of the EU taxonomy is to have a common system for classifying environmentally sustainable investments. Six environmental objectives have been established, one of which covers biodiversity and ecosystems. With regards to construction and urban planning, the taxonomy implies that areas with existing nature conservation or potential for biodiversity must not be utilised or impacted negatively. A legal environmental assessment and impact of protected nature areas must be carried out, and furthermore there are three categories of land that must not be built upon: forest, greenfield and arable land with moderate to high fertility and below ground biodiversity.

When purchasing land, PensionDanmark carries out a screening of the area's biodiversity status, based on national mapping of land use and the state of nature, including marine and freshwater areas, if relevant. In addition, environmental assessment and impact assessment legislation is also adhered to.

The map to the right shows land categories relevant for urban development and new construction cf. the EU taxonomy biodiversity requirements.



Land use in Denmark 2022



# Actions

## Project development



During project development, the overall framework is laid out for the final project. This includes objectives for the preservation and improvement of existing nature qualities, as well as the establishment of new habitats that can help improve the conditions for biodiversity in the project area. The work in this phase acts as a specific guide to the implementation of the specific project.

### Mapping existing biodiversity

Early on in project development, existing nature qualities on the site, as well as the natural context of the site are mapped out, including marine environments if relevant. The survey is used to ensure the conservation of particular species or natural areas, and to evaluate the effects of project development at a later stage.

### Development of project-specific biodiversity strategies

In accordance with DGNB, a biodiversity strategy is carried out, which sums up the mapping of existing nature qualities and describes the potentials for conserving and enhancing biodiversity.

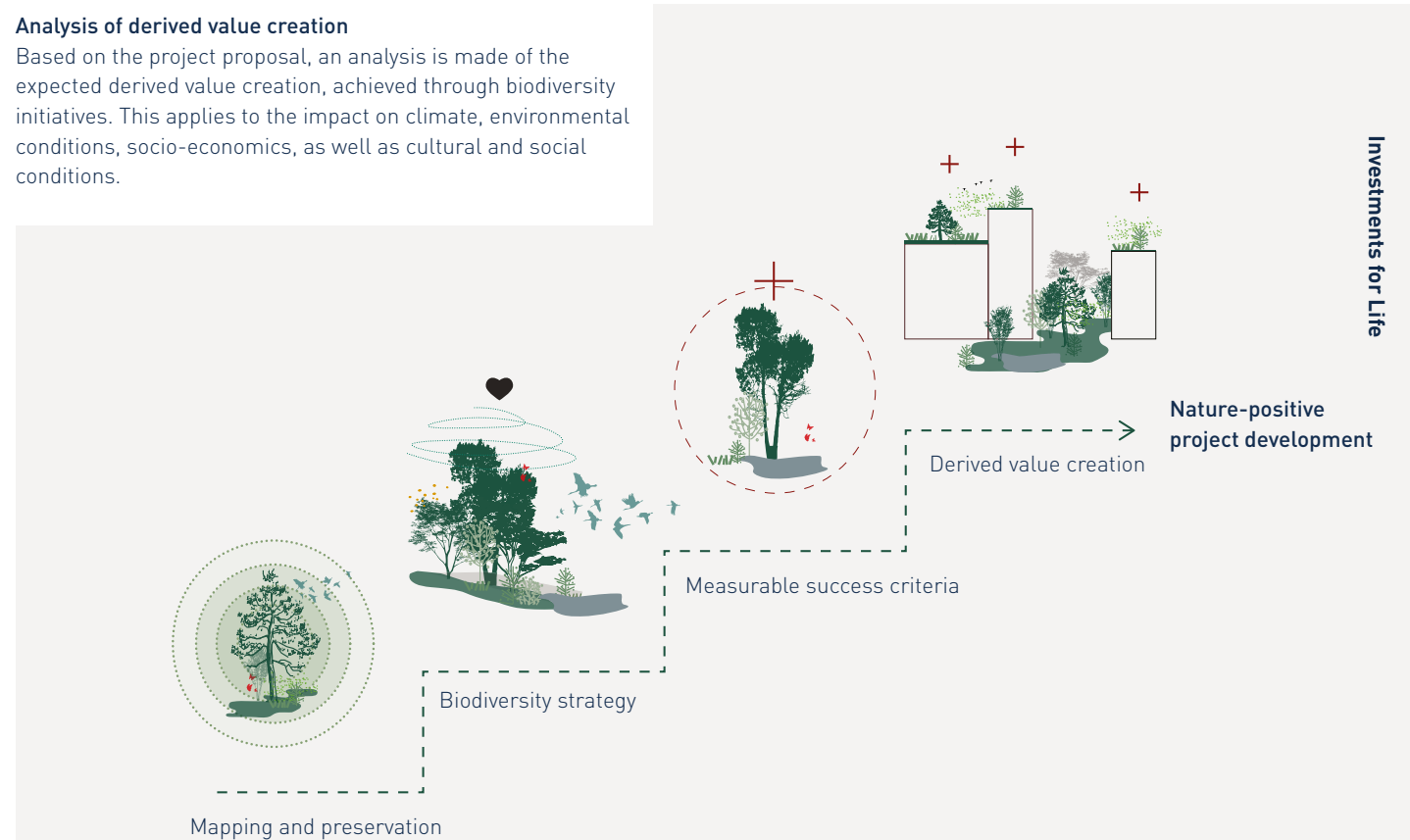
### Setting measurable success criteria

The biodiversity strategy describes measurable success criteria for the integration of biodiversity into project development, as well as possible mitigation measures.

As such, the biodiversity strategy serves as a framework and guide for future project phases, as well as ensuring that objectives are maintained.

### Analysis of derived value creation

Based on the project proposal, an analysis is made of the expected derived value creation, achieved through biodiversity initiatives. This applies to the impact on climate, environmental conditions, socio-economics, as well as cultural and social conditions.



# Actions

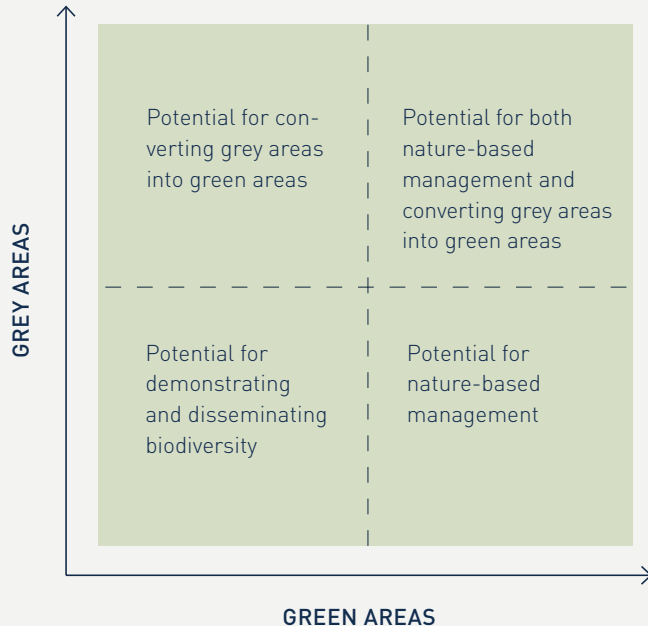
## Existing properties



Individual action plans for biodiversity are prepared, based on the mapping of existing properties' natural conditions. In 2023, PensionDanmark carried out surveys on 69 properties that we own fully. Mapping was conducted with the use of the test version of the National Method for Mapping Urban Nature.

### Development of biodiversity action plans

Based on the mapping of current biodiversity on existing properties, an action plan will be developed for each property, with specific recommendations on how biodiversity can be enhanced. It is intended that leaseholders will be involved in the development and implementation of action plans.



The action plan's recommendations depend on the property's land potential, which can roughly be divided into four categories with associated likely initiatives (see figure). On properties with large green areas, there is often potential for nature-based management, while properties with large grey areas have potential for partial conversion of grey to green areas that support biodiversity. On properties with limited outdoor areas, small-scale biodiversity initiatives provide the opportunity to disseminate biodiversity and nature perspectives to residents and users. All initiatives place emphasis on the potential for social, economic and aesthetic value creation.

The recommended initiatives in the property action plans are categorised according to economy, as either cost-saving, cost-neutral or investments that increase the property's broad value creation. Costs are calculated as start-up expenses and ongoing operational expenses. Savings are calculated on the basis of existing maintenance.

### Objectives for implementing action plans

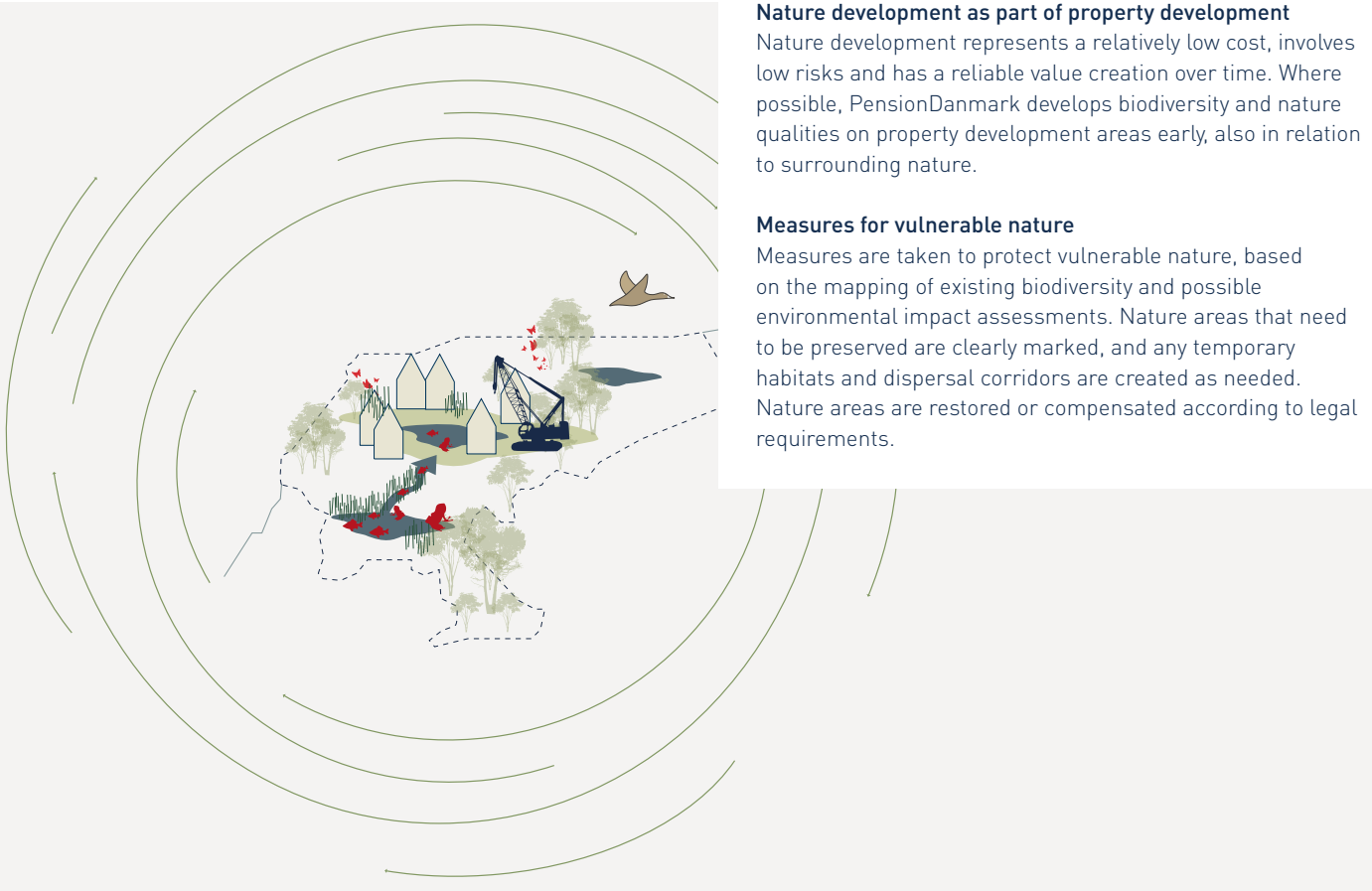
In order to fulfil our Nature Positive by 2030 promise, it is crucial that as many of our existing properties as possible contribute positively to biodiversity by 2030, and that as much land area as possible effectively contributes to enhancing biodiversity.

# Actions

## Construction



During the construction phase of a project, measures are carried out to protect existing nature qualities, promote new nature qualities and minimise the negative, indirect effects on off-site biodiversity.



### **Nature development as part of property development**

Nature development represents a relatively low cost, involves low risks and has a reliable value creation over time. Where possible, PensionDanmark develops biodiversity and nature qualities on property development areas early, also in relation to surrounding nature.

### **Measures for vulnerable nature**

Measures are taken to protect vulnerable nature, based on the mapping of existing biodiversity and possible environmental impact assessments. Nature areas that need to be preserved are clearly marked, and any temporary habitats and dispersal corridors are created as needed. Nature areas are restored or compensated according to legal requirements.

### **Separate construction budget for landscape and nature**

All construction budgets include a separate budget item for landscape and nature to ensure targets for biodiversity and nature quality. This ensures that other initiatives during the construction project are not prioritised over landscape and nature, or that nature quality deteriorates as a result of other costs.

### **Monitoring of nature-enhancing initiatives**

During the construction phase, sufficient data is compiled to describe the prerequisites for nature development. Soil, hydrology, executed planting plans with information about the origin and size of plants. And, biodiversity monitoring that can be carried out in collaboration with residents and stakeholders.

### **Minimise use of resources**

Regardless of whether the project is a new construction or a renovation, consideration must be given to resource consumption, and in particular whether the materials have a negative effect on biodiversity through extraction, processing or transport.

# Actions

## Maintenance



Nature can do the job, but nature takes time. As a project developer, it is crucial that whoever takes over the project after construction has the necessary knowledge and skills to carry out maintenance, ensuring that the planned nature qualities develop as intended.

### What is urban nature?

The difference between urban nature and traditional urban green areas is that we “allow” urban nature to develop naturally, whereas the development of green areas is traditionally controlled intensively through weeding, mowing, pruning and fertilising.

Urban nature can be designed and established using locally adapted plant species that form natural ecosystems and attract natural fauna from the surroundings. But, urban nature can also find its own way into the build landscape.

The special thing about urban nature in relation to nature in general is that it exists in the environment that the city represents. An environment that differentiates itself by being dominated by human activity and constructions, and therefore has a different hydrology, different soil types and a different local climate.

### Nature-based management

The maintenance of urban nature aims to support and mimic natural processes. For example, meadow vegetation should not be cut evenly and regularly, but rather a little at a time over summer. Dead trees are left in the area to decompose naturally, and species are allowed to establish and disappear. Particularly problematic species are however removed.

In order to hand over the intentions of the urban nature design, site walks are conducted together with the project developers and maintenance organisation. Here, the intended and observed development of planting is reviewed and the work is adjusted to the desired natural development.



Over time, there will be a gradual transfer of knowledge and skills from the development team to the maintenance team.

# Actions Evaluation



Each year, a status of projects is presented in our biodiversity report. The quantity and quality of biodiversity is evaluated on the basis of the property's baseline and actual status.



Example of a diagram showing the percentage development of each of the six biodiversity indicators used, which address both space for biodiversity and quality of biodiversity.

## Measurements

As a basis for the evaluation, baseline data describing biodiversity is obtained for each property before biodiversity projects are initiated or the site is developed. The annual result describes changes in relation to the baseline and a possible projection of expected biodiversity, for example in connection with project development, is estimated according to current project plans. Biodiversity on operational properties is monitored every three years.

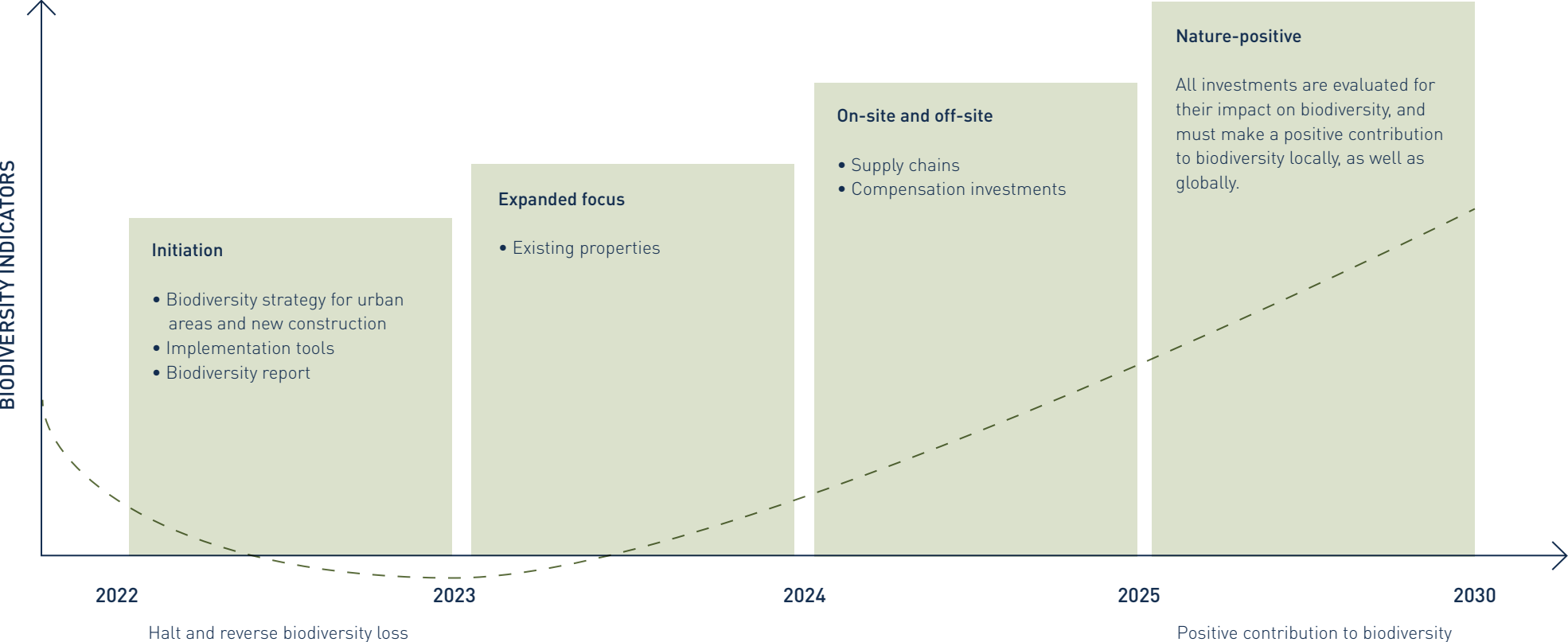
## Internal documentation

The implementation of biodiversity initiatives is evaluated regularly by internal status documentation and follow up on project development and property action plans as well evaluation of the overall property portfolios.

## Reporting

Consolidated numbers from five biodiversity indicators (Species diversity excluded, see figure) are reviewed and published in PensionDanmarks annual report. In addition, PensionDanmarks overall activities are reported in the EU taxonomy scheme, based on published criteria and available data.

# Progression





03

Value creation

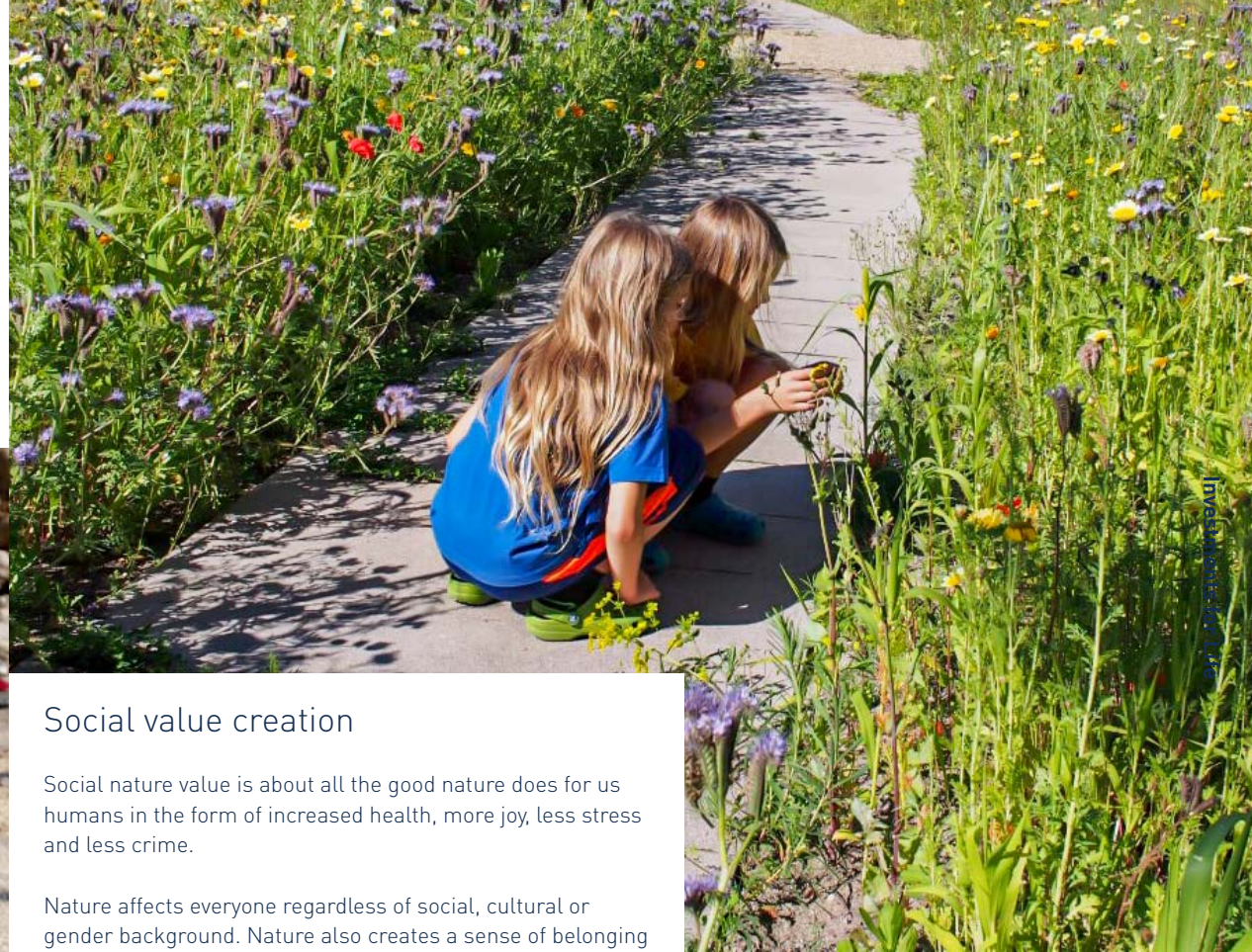


# Value creation

## Biological value creation

Biological nature value is about ensuring space and good living conditions for biodiversity – from plants, animals and humans to microbiological life – in the soil, in water, in the air, in cities and in the countryside.

Biological diversity of life is the basis of the planet's ecosystems, and thus also of resilient cities and healthy societies.



## Social value creation

Social nature value is about all the good nature does for us humans in the form of increased health, more joy, less stress and less crime.

Nature affects everyone regardless of social, cultural or gender background. Nature also creates a sense of belonging and promotes local communities and generosity.

# Value creation



## Aesthetic value creation

Aesthetic nature value is about the deeper, sensuous, physical and psychological experiences of nature that feel meaningful and life-affirming for the individual. At the same time, the greatness of nature reminds us of our own place on the planet – and our collective responsibility for it.

Aesthetic nature experiences become ethical realisations and promotes behaviour that protects nature in everything we do.



## Economic value creation

Economic nature value is about ecosystem services, processes, resources and experiences that nature contributes with and that have value for people and society, not least in the transition to more sustainable cities.

Ecosystem services can be anything from rainwater management, storm surge protection, air pollution treatment and carbon capture, to food production, building materials and recreational nature experiences. Proximity to nature is a factor that helps to ensure a high attraction value for urban areas.



04

# Framework



# Framework



PROMISE

REQUIREMENTS

TOOLS

# Nature Positive by 2030



*Nature Positive is a global societal goal defined as ‘Halt and Reverse Nature Loss by 2030 on a 2020 baseline, and achieve full recovery by 2050’. To put this more simply, it means ensuring more nature in the world in 2030 than in 2020 and continued recovery after that.*

[www.naturepositive.org](http://www.naturepositive.org)

# EU taxonomy

The EU taxonomy defines which economic activities can be classified as sustainable within six environmental objectives.

Environmental Objective 6: Protect and restore biodiversity and ecosystems.

With regards to the biodiversity environmental objective, activities have been defined in order to protect environments from significant harm (Do No Significant Harm, DNSH).

**For new construction, DNSH stipulates that construction may not be carried out on the following**

01. Arable land with moderate to high fertility and below ground biodiversity. Defined in: EU LUCAS Survey (Appendix 2)
02. Greenfield areas. Defined in: European Red List or IUCN Red List (<https://www.iucnredlist.org/>)
03. Forest. Defined in: National legislation or national greenhouse gas inventory or FAO's definition of forest.

**For all new construction, it is required that**

- An environmental impact assessment (EIA) or screening be done, in accordance with Appendix 01.
- Necessary mitigation and compensatory measures are carried out.

Mapping of the three land uses covered by the EU taxonomy for biodiversity and new construction.



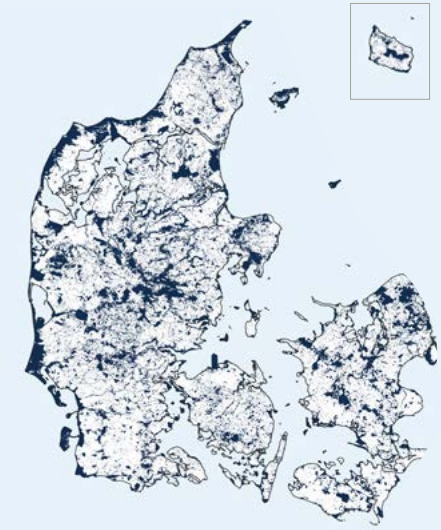
Forest (13% of DK land area)

All forest areas in Denmark have been mapped out, and can be downloaded from public map databases.



Nutrient-rich agricultural land (60%)

Virtually all agricultural land in Denmark has good soil fertility, and arable land according to the definition is therefore differentiated in screenings as areas (field blocks), where there are also designations for nature or forest.



Greenfield areas with high nature quality (12%)

A greenfield area is defined as:

- Natura 2000 areas and UNESCO Reserves
- § 3 areas cf. the Nature Conservation Act
- Conservation areas
- Nature reserves
- Areas with bioscore >3 (including the occurrence of endangered species, and species on the Red List)

# Mapping for land purchases



Map of Denmark for screening whether an area is covered by one of the three land categories defined by the EU DNSH taxonomy for biodiversity.

- Existing nature
- Forest
- Agricultural land



# DGNB certifications

## Certification and biodiversity

DGNB New Construction\*: ENV 4 Biodiversity (10%)  
 DGNB Urban Areas: ENV 2.4 Biodiversity (4,6%)  
 ENV 1.5 Urban climate – biofactor (2,2%)  
 DGNB Buildings in Use: ECO 3-B purchase and  
 maintenance (1,4%)  
 SOC 2-B User satisfaction (1,5%)

## DGNB Urban area knock-out criteria

- Conservation of existing habitats: Analysis and description of actions for existing habitats and distribution, as well as planning conservation, mitigation and construction.

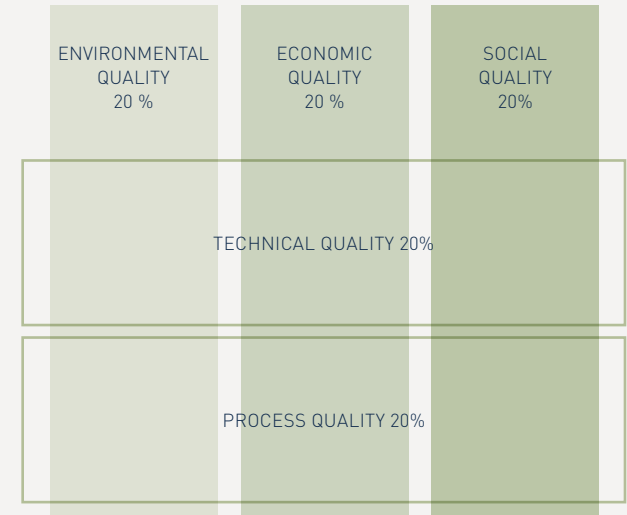
## Other DGNB focus areas

- Avoid building on greenfield areas
- Conservation of old trees on the site
- Biodiversity strategy
- Biodiversity baseline
- Biogeographical context
- Natural habitats
- Native vegetation
- Variation in terrain and resources
- Care and dissemination actions
- Calculation of off-site biodiversity impact
- UrbanBioScore

\* Based on the DGNB manual for Renovation and New construction 2025.



The diagram represents the prioritising of qualities in the DGNB New Construction and DGNB Buildings in Use manuals.



The diagram represents the prioritising of qualities in the DGNB Urban areas manual.

Investments for Life  
Biodiversity Strategy  
Real Estate

The strategy has been prepared by SLA, Oiko, Aaen Engineering and Snild for PensionDanmark

© PensionDanmark 2024, published for the first time in 2022, updated in December 2024

Photo: SLA, Istock (p.4)  
Front page: Yellow hoverfly on a Creeping thistle.