
**Intergovernmental Working Group of Experts on International
Standards of Accounting and Reporting
(ISAR)**

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Thursday, 13 November 2025

**Agenda item 4. Integrating biodiversity and human capital
considerations in sustainability reporting**

Presented by

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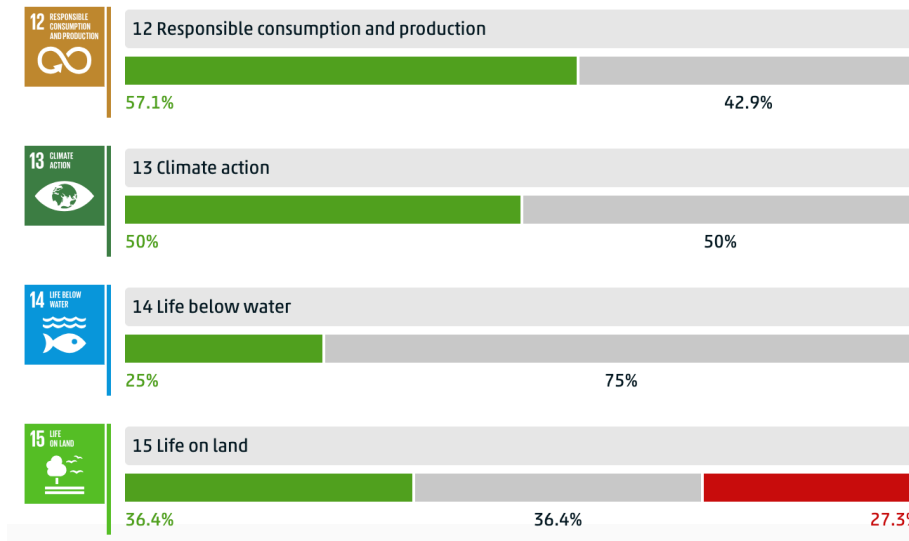
Agenda item 4 Integrating biodiversity and human capital considerations in sustainability reporting

Prof. dr. Nancy Kamp-Roelands



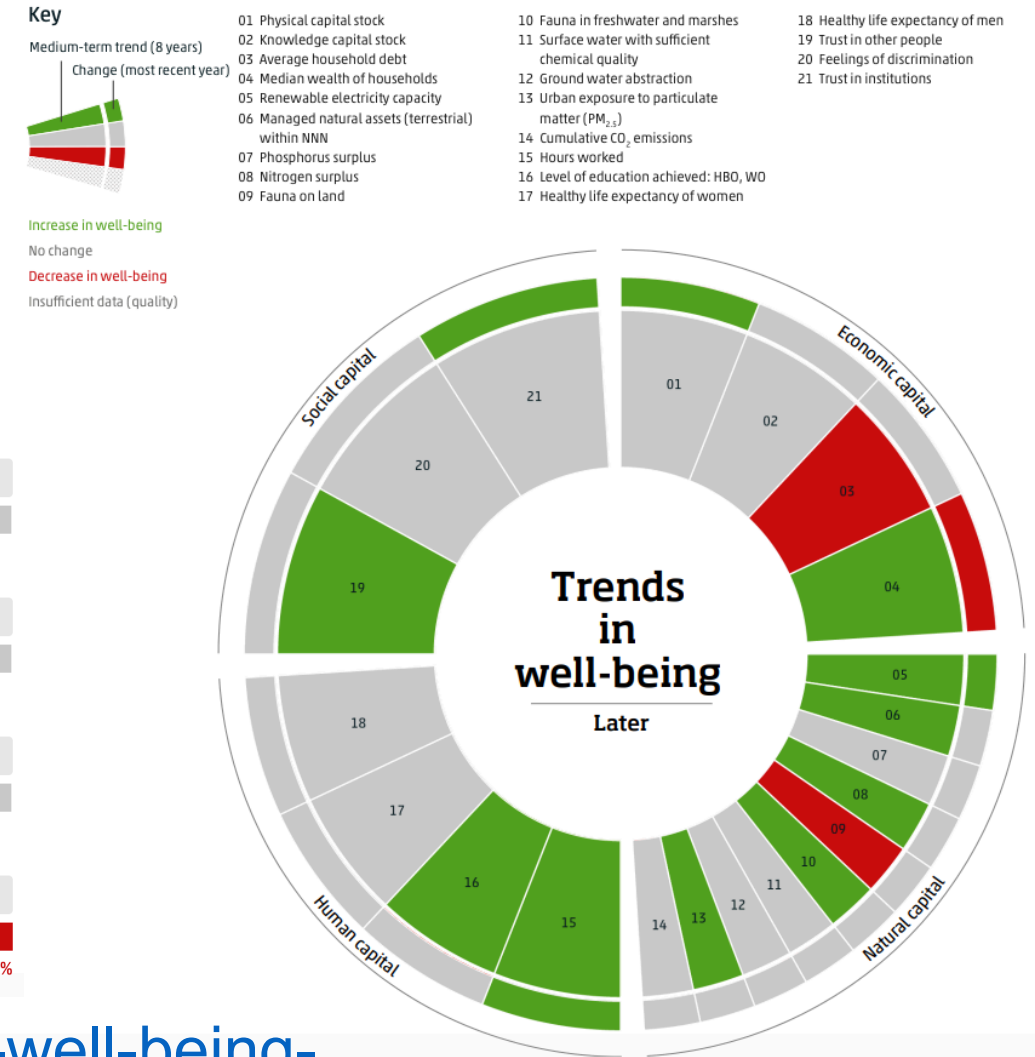
SDGs: Aligning macro-micro

- Annual monitoring of SDGs in the Netherlands
- Linking this to well-being on 4 capitals (OECD)
- Using amongst others company data



Trends in well-being 'later' at a glance

The circle below provides a visual representation of the trend and most recent change in all the indicators that, combined, form the 'later' dimension, grouped into four themes. Below that, you can see how the Netherlands is doing in comparison with other EU countries on the same indicators.



<https://www.cbs.nl/en-gb/visualisations/monitor-of-well-being-and-the-sustainable-development-goals>

Focussing on the most material topics

Results materiality analysis

Topic

Climate change mitigation - member dairy farms

Sustainable farming and land use

Climate change mitigation - production and transport

Climate change adaptation

Circular economy, packaging and waste

Responsible water management

Product quality and safety

Working conditions - own workforce

Diversity and inclusion - own workforce

Human Rights - value chain workers

Data security and privacy

Product traceability

Business ethics and integrity

Healthy and affordable products

Animal health & welfare

Fair relationship and pricing with (member) farmers

Corporate advocacy on public-policy, stakeholder engagement and partnerships

Responsible marketing

Good sourcing practices

Consumer behavior

Talent attraction, retention and growth

Responsible leadership and governance

Pasture grazing

Local sourcing of non-dairy

Pollution (other than GHG) own operations

Workplace diversity and inclusion - in value chain

Responsible taxation

Employee engagement in governance



Material topics

Compared to the 2023 materiality assessment, the most material (top 5) topics for which FrieslandCampina has included disclosures in accordance with GRI guidelines have not changed. The materiality of these topics was determined in accordance with GRI guidelines, only where impact materiality is relevant. In cases where the inclusion of explanatory notes was not possible, for example due to the lack of data, this has been explained in the GRI table in the Appendix.

The material topics form the basis of FrieslandCampina's integrated strategy and the topics addressed in this annual report.

<https://www.frieslandcampina.com/about-us/financials/financial-and-sustainability-reports/>

FrieslandCampina encourages member dairy farmers with financial premiums for results within four themes: climate, biodiversity, animal health and welfare, and outdoor grazing.

Members are free to choose how they want to contribute to the sustainability goals. The results are measured and members receive a financial reward depending on their achieved results. This premium is funded in part by a cooperative investment and in part by the company.

In this way, we encourage members to make their farms more sustainable, step by step and in their own way. In 2023, a new reward system came into effect, whereby member dairy farmers receive a higher premium for greenhouse gas emission reduction on the farm, up to 1.50 euros per 100 kilograms of milk. In addition, we develop various tools and resources to provide members with more insight and support.

Company's promotion of sustainable development via financial incentives and transparency in annual report

Table Sustainable Development 2024
For member dairy farms in the Netherlands

Themes	Indicators	Threshold value (start of bonus)	Bonuses	Top value (maximum bonus per 100kg milk)
 ANIMAL HEALTH AND WELFARE	 Longevity (years + months)	€0.00 5 years and 4 months		7 years and 2 months €0.10
	 Calf rearing (KalfOK)	€0.00 70 points		95 points €0.10
 CLIMATE	 Greenhouse gas emission (gram CO ₂ eq./kg milk)	€0.00 1075 g CO ₂ eq.		750 g CO ₂ eq. €1.50
	 Nitrogen soil balance (kg N/ha)	€0.00 160 kg/ha		20 kg/ha €0.10
	 Ammonia emission (kg NH ₃ /ha)	€0.00 70 kg/ha		35 kg/ha €0.10
 BIODIVERSITY	 Protein from own land (% of total protein used)	€0.00 45%		80% €0.10
	 Permanent grassland (% permanent grassland)	€0.00 40%		100% €0.10
	 Nature & Landscape (% total surface)	€0.00 0%		40% €0.10
 GRAZING	 Grazing	Partial grazing €0.40		
		Full grazing €1.30		

<https://www.frieslandcampina.com/about-us/financials/financial-and-sustainability-reports/>

Strengthening nature

Natural capital forms one of the most important production resources of FrieslandCampina. It is essential for productive soils, vital cows, and the quality of the products. At the same time, the activities of milk production and milk processing also have an impact on this natural capital on which we are so dependent.

Targets

FrieslandCampina's strategy is to reduce the negative impact on nature and to increase the positive impact. In this way, FrieslandCampina is working towards the goal of achieving a net-positive impact on nature with the activities. In addition, it creates new opportunities for additional revenues for member dairy farmers based on their efforts and results.

Policy

In 2017 FrieslandCampina developed, together with the World Wide Fund for Nature (WWF Netherlands) and Rabobank, the Dairy Farming Biodiversity Monitor that provides clear insight into the impact of dairy farms based on various indicators. Since 2018, these indicators have been included in Fokus planet sustainable development, FrieslandCampina's sustainability programme for member dairy farmers. With this system, the integral impact on nature of individual farms is monitored annually.

This includes consideration of the impact on the soil, emissions to air, land-use, biodiversity management and greenhouse gas emissions. The result is rewarded with a financial premium on the milk price.

In addition, through collaboration with customers and regional partners, member dairy farmers are additionally rewarded in 1,878 cases for their efforts to improve biodiversity (2023: 1,623 cases).

The coming years, FrieslandCampina continues to be involved in the development of monitoring methodologies for sustainable agriculture. In doing so, various guidelines, such as those of the Science Based Target network (SBTn), are used. Meanwhile, FrieslandCampina is examining how (interim) goals can be set for strengthening biodiversity throughout the entire chain. These goals will be defined in 2025, in line with the timeline of CSRD reporting, with the aim to first report externally over reporting year 2025.

Actions

Resilient natural resources are crucial for the continuity and success of FrieslandCampina. To ensure this, FrieslandCampina actively collaborates with member dairy farmers on three focus areas, as described below, and supports member dairy farmers with knowledge, tools, and partnerships.

Sector-initiative
with WWF NL
and Rabobank
to measure and
monitor impact
of dairy farmers

<https://biodiversiteitsmonitor.nl/documents>

Reporting on risks and opportunities

BIODIVERSITY AND ECOSYSTEMS

Material impact, risk or opportunity		Description
Ecosystem degradation and ecosystem service failures	Negative Impact (VC)	Unilever relies on intensive agricultural practices, which can pose threats to biodiversity and ecosystem services and could lead to ecosystem collapse (localised or across many locations). This impacts water availability, soil health, and terrestrial and aquatic biodiversity ecosystems. Deforestation and land conversion is also caused by agricultural expansion and can contribute to biodiversity loss, disrupt communities and negatively impact climate change mitigations.
Ecosystem degradation leads to reduction of crop yields in key sourcing locations	Risk (VC)	Agricultural practices (use of fertilisers, freshwater, agricultural chemicals and monocultures) and rising temperatures lead to biodiversity loss and ecosystem degradation, which in turn reduce crop yields in key sourcing locations, including the US, Brazil, Argentina, India, Indonesia, the Philippines and Côte d'Ivoire.
Systemic risk of biodiversity collapse (systemic risk)	Risk (VC)	Ecosystem degradation or biodiversity loss and ecosystem service failures can escalate over the medium to long term into shock events that affect the commodities and financial markets we depend on.
Increased activism, legal or non-compliance costs resulting from biodiversity degradation and loss	Risk (OO) (VC)	Our actions or those of actors in our value chain that can cause harm to biodiversity and ecosystems, could lead to increased public scrutiny, legal claims or non-compliance incidents resulting in fines and penalties and potential loss of market share impacting long-term profitability.

<https://www.unilever.com/files/unilever-annual-report-and-accounts-2024.pdf>

Reporting on actions and their progress

- Regenerative agriculture
- Sustainable sourcing
- Deforestation-free supply chains
- Protect and restore programs
- Advocacy:
 - Nature and biodiversity
 - Regenerative agriculture

Reporting on indicators

<https://www.unilever.com/files/unilever-annual-report-and-accounts-2024.pdf>

Nature targets	Goal	2024	2023	2022
Implement regenerative agriculture practices on 1 million hectares of agricultural land by 2030 (millions of hectares) ^(a)	1m	0.13m	0.06m	0.05m
Help protect and restore 1 million hectares of natural ecosystems by 2030 (millions of hectares) ^(a)	1m	0.43m	0.29m	0.20m
95% volume of key crops to be verified as sustainably sourced by 2030 (% purchased) ^{(b)(c)}	95%	79%	79%	81%
Maintain no deforestation across our primary deforestation-linked commodities (% palm oil, paper and board, tea, soy and cocoa order volumes that are deforestation-free) ^(d)	95%	97%	98%	–

(a) These results are from projects funded by Unilever and our partners. Unilever has an agreement with our project partners that allows all parties to make public statements on the total impacts of these projects provided they acknowledge the role of the other party.

(b) Raw materials produced according to third-party certification and aligned with Unilever's SAP were 63% in 2024, 66% in 2023 and 71% in 2022.

(c) Raw materials purchased from non-sustainable sources but matched with credits representing verified sustainably sourced raw materials were 16% in 2024, 13% in 2023 and 10% in 2022.

(d) 2023 performance measured for all commodity volumes ordered for three-month period October to December, except for palm oil in India measured only for December.

The change to our goals in 2024 reflects our commitment to expand and stretch our sustainability requirements, and has impacted our 2024 performance on our sustainably sourced and no deforestation goals. Our updated sustainable sourcing goal requires that all materials be verified, and we are transitioning suppliers and programmes to verification through 2024. In addition, having reached 97.5% deforestation-free sourcing in 2023 for palm oil, paper and board, tea, soy and cocoa order volumes, we set our target at 95% on an ongoing basis for the same commodities in 2024, to ensure we can expand the scope of our programme by onboarding new suppliers and materials. This expands our deforestation-free sourcing and provides better resilience and greater scale. The scope of this target covers more than 65% of Unilever's impact on land used to grow our key crops, and focuses on those commodities that are most often linked to deforestation and conversion of natural ecosystems to farmland.

Impact metrics related to biodiversity and ecosystems change	2024
Number of Unilever sites in or near (i.e. within 1km) of biodiversity-sensitive areas, that are negatively affecting biodiversity	22
Area of Unilever sites in or near (i.e. within 1km) of biodiversity-sensitive areas, that are negatively affecting biodiversity (hectares)	322

While the indicators used may identify potential negative impacts, they risk over- and under-reporting due to outdated and inaccurate global biodiversity data sets. Consequently, we are unable to directly attribute Unilever's operations to negative impacts on biodiversity and ecosystems.

Reporting on biodiversity

- Biodiversity one of the most material global risks
- Whether this is a material topic depends on company's activities
- Measuring biodiversity requires local knowledge: cooperation of industry, government, financial sector and NGOs is of importance
- Progress indicators, measuring progress on implementing actions to reduce negative impacts and restore biodiversity are important
- Link macro-micro is important although direct contribution of companies cannot be identified

Executive education

Online course sustainability assurance (ISSA 5000) March-
November 2026

<https://www.rug.nl/business-school/executive-programmas/sustainability-assurance/?lang=en>



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