

2020

ECOGAIN BIODIVERSITY INDEX

THE STATE OF BIODIVERSITY AND BUSINESS
IN THE NORDIC COUNTRIES

2020 ECOGAIN BIODIVERSITY INDEX

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EXECUTIVE SUMMARY

The Biodiversity Index is Ecogain's investigation of how the largest Nordic companies report on biodiversity in their sustainability reports.

The result from the index shows that the industries Materials, Energy, and FMCG (Fast Moving Consumer Goods) are those who have come the furthest in regard to understanding the business relevance of biodiversity.

A risk analysis from the World Economic Forum, one alarm clock from WWF World Nature Fund, and heavy science from the UN panel of experts IPBES has gotten companies talking about biodiversity.

The biodiversity index reviews companies' reporting on how they identify, set goals, take action, and follow up on biodiversity. The purpose is to help companies understand how biodiversity can become a natural part of their sustainability work and business.

The traffic light in the Biodiversity Index shows that biological diversity is still a deeply under in the Nordic business sector. Only one one-fth of

the large companies have formulated some form of biodiversity targets.

The result from the index shows that the industries Materials, Energy, and FMCG (Fast Moving Consumer Goods) are those who have come the furthest in regard to understanding the business relevance of biodiversity.

The ranking has weighted 'goals' and 'concrete measures' for biodiversity heavier than 'measures to identify' and 'measures to follow up.' In the ranking, the maximum score is 29 points.

The ranking shows the following:

The ranking of the 100 largest Nordic companies (Sweden, Norway, Denmark, Finland) shows that the four companies on top are: Ørsted (19 points), Fortum (19), Stora Enso (16), and Preem (14)

The corresponding ranking of the 100 largest Swedish companies (see <https://www.ecogain.se/biodiversitetsindex>) shows that the five top companies are: LKAB (17 points), SCA (17), Arla Foods (14), IKEA (14), and Preem (14).

A comparison between the largest Nordic companies in each country (top 20) shows that a significantly lower proportion of the biggest Swedish companies mention biodiversity in its annual and sustainability reports compared to the other countries. Finland has the highest mean value.

The Biodiversity Index tips about starting with any of the following measures to futureproof your company with regards to biodiversity:

- 1) Educate yourself and your colleagues,
- 2) Map your essential biodiversity issues;
- 3) Set a goal,
- 4) Make green in the company's surroundings,
- 5) Take responsibility for a species.

GREEN

Goal aligned with science.
No net loss of biodiversity after 2030

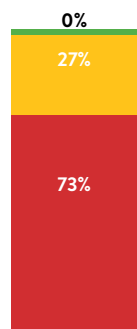
YELLOW

Some type of goal for biodiversity

RED

No goal concerning biodiversity

100 LARGEST NORDIC COMPANIES



A WORD FROM THE CEO

When it comes to planetary sustainability issues, we need companies to be able to hold three balls in the air simultaneously; circularity, climate and biodiversity. A Swedish CEO hatched those words in a call earlier this spring. It couldn't be more true!

But when we at Ecogain started with our sustainability review last year we discovered an imbalance. 85% of the Swedish largest companies had policies or targets for the climate. An equal share lacked it for biodiversity. Perhaps because biodiversity is so complex? But the difficulty itself is no reason not to address the issue.

In the middle of the corona pandemic in the spring of 2020, Ecogain now releases its Biodiversity Index 2020. Is it really a good time to talk about biodiversity? I think so. Behind the headings about the pandemic, the realization is growing that one of the best insurances too humanity's good life on earth is to leave room for nature and its species.

But is biodiversity really a matter that concerns businesses? Absolutely! Nature is somewhere in every company's value chain. Whether it is close to the core business or far away there is not a single company that lacks nature as a supplier, or which does not affect nature downstream.

H&M is an agricultural company that grows cotton on vast areas. This thought-provoking reflection I heard last week from the EU Business and Biodiversity Platform. It was intended as an example of how close nature is to companies. With that logic Electrolux, Skanska and Volvo would to a large extent be mining companies that extracts metals and minerals from the bedrock, Coop and ICA large agricultural companies, Trelleborg a forestry company. Preem would be described as both an oil producer and a forestry company, while Spotify and Microsoft could be viewed as energy producers that extract and convert energy from the flows of nature. When the magnifying glass emerges and the materiality analysis is done with the right skills, nature creeps closer to every business model. All companies could put a demand on how the utilization of nature's free services should be regulated in a fair way in their processes.

Next year, the UN will decide on new global biodiversity targets. Biodiversity's equivalent to the 1.5-degree target could be to completely stop the loss of nature and ecosystems by 2030, and to rebuild nature's capital by another 20% to 2050. The companies will be expected to formulate goals that are in parity with this target.

We at Ecogain want to be the ones who prepare and help companies adjust when expectations around biodiversity increase. Ecogain's annual Biodiversity Index is one part of that strategy. I am glad that this annual survey will strengthen companies both commercially and as responsible social actors.



Anders Enetjärn, CEO Ecogain





WHY A BIODIVERSITY INDEX?

The overall purpose of the Biodiversity Index is to make biodiversity relevant to businesses. Ecogain wants to inspire action in a matter that, in the long run, is associated with both significant risks and opportunities for businesses. The purpose is not to blame - rather it is to emphasize the good examples.

Ecogain hopes that the Biodiversity Index 2020 will place the issue of biodiversity in even more boardrooms. The issue involves both risks and opportunities. Like the climate issue, biodiversity therefore must become a natural part of every company's strategic sustainability work, from central operations to the farthest outpost of the supply chain.

More specifically, the purpose of the Biodiversity Index is to clearly and transparently map how far the largest companies have come with their reporting on and, accordingly, their work on biodiversity.

However, it is essential to emphasize that the Biodiversity Index primarily measures how businesses report on biodiversity. It gives a picture of how they prioritize the issue. The description of actual performance relating to biodiversity will evolve as methods for measuring biodiversity develops.

With its focus on the largest companies, the Biodiversity Index is an indicator of the industry today. What is the current status? Where does it need to go from here? The questions that we have chosen for evaluating the companies in this Biodiversity Index will help companies understand what is waiting around the corner.

Ecogain conducted the first review of Sweden's major companies' sustainability reports with concerns to biodiversity in 2019. An important conclusion of the 2019 survey was that while 85% of the companies had some kind of policy or target for climate, the equivalent for biodiversity was the opposite. 85% completely lacked a policy or goal.

The annual publication of the Biodiversity Index will show the trend over time. Which companies and industries are leaders, and which ones are lagging behind? Where are efforts, innovation and investments needed?

WHY THE LARGEST COMPANIES?

Within ecology, there is the concept of key species. A key species is of great importance for the survival of other species in an ecosystem. For example, the black woodpecker supplies many other species - birds, mammals and insects - with nesting holes. If things go well for the black woodpecker, then many of the forest's other inhabitants will also benefit. The black woodpecker is one of the forest ecosystem's key species.

The same goes for the ecosystem that is business. In business, there are key players who, through their actions, can influence the development of entire industries. The key players are the largest companies. Because of their size, they can set new standards for how businesses should be run. By extension, they create momentum for change within and across industries. It is therefore vital to scrutinize how these key players act and what they could do even better.

A photograph of a forest in autumn. The trees have yellow and orange leaves, and the ground is covered in fallen leaves. A large orange rectangular box is overlaid on the center of the image, containing text. The text is white and black, providing information about biodiversity. The background shows several tree trunks and a dense canopy of colorful leaves.

WHAT IS BIODIVERSITY?

Humans are dependent on products and services that nature provides, so-called ecosystem services (e.g., food production, water purification, climate control, erosion protection, recreation, wood and textile production). Biodiversity is a prerequisite for nature to produce such ecosystem services.

Biodiversity is also our best assurance for ecosystems to continue to function in the way they do today (and thereby continue to produce the same vital ecosystem services as they do today) when conditions, e.g. the climate, are changing. The greater the species variation, the greater the likelihood that species adapt to the new environment (e.g. drier summers).

The Convention on Biological Diversity defines biological diversity as “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.”

In short, biodiversity is a prerequisite for our survival and our well-being on earth.

THE FACTS THAT MADE BUSINESS TALK ABOUT BIODIVERSITY

The planet's ecosystems are in a critical situation. Biodiversity - the foundation of all functional ecosystems - is threatened by how we transform and in other ways affect nature.

Here we describe some facts and events that have attracted industry attention on the issue of biodiversity over the past two years.

WAKE-UP CALL FROM WWF

WWF's Living Planet Report from 2018¹ showed a shocking decline of 60% in a large number of populations of mammals, birds, fish, reptiles and amphibians over the last 40 years. The biggest threats to the species identified in the report have a direct link to human activities. These threats include loss of species' habitats as a result of changing land and water use and over-utilization of individual species through fishing and hunting.

Carter Roberts, WWF's US manager, commented: "This report sounds a warning shot across our bow. Natural systems essential to our survival — forests, oceans, and rivers — remain in decline. Wildlife around the world continue to dwindle," said Carter Roberts, president and chief executive officer of WWF-US. "It reminds us we need to change course. It's time to balance our consumption with the needs of nature, and to protect the only planet that is our home."²

HARD SCIENCE FROM IPBES

IPBES – Nations Scientific Policy Platform for Biodiversity Services - (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services) is the biodiversity equivalent of the climate IPCC.

IPBES compiles the state of the world's biodiversity. Their reports are crucial for international agreements reached by countries on biodiversity.

IPBES' report The Global Assessment of Biodiversity and Ecosystem Services from 2019³, is the most significant scientific compilation to date of the status of the planet's ecosystem. The report shows that one million species are threatened with extinction in the coming decades. IPBES also stated that the strongest driving forces are changing land use on land and in freshwater, followed by direct over-utilization of species through, for example, fishing. Climate change is the third-largest factor driving biodiversity loss, followed by pollution and invasive species.

"Biodiversity and nature's contributions to people sound, to many people, academic and far removed from our daily lives ... Nothing could be further from the truth – they are the bedrock of our food, clean water and energy."

- Sir Robert Watson,
President of IPBES⁴

At the same time as we see how human activity affects ecosystems, both society and the economy are entirely dependent on nature's ability to continually deliver goods and services to our daily lives.

THE WORLD ECONOMIC FORUM MADE BIODIVERSITY RELEVANT TO BUSINESS

If IPBES represents the hard science, the World Economic Forum (WEF) strongly emphasizes which external issues will be most relevant to businesses.

On the 15th January this year, the World Economic Forum (WEF) presented its analysis of the main risks that the world has to face in the coming year

(note that this was the weeks before the Covid-19 pandemic spread around the world).

For the first time in the study's history, an entire category - the environmental risks - tops the list.

Business leaders now identify loss of biodiversity as one of the three global threats with the highest probability and most significant impact. WEF states that the loss of biodiversity has a fundamental im-

WEF'S GLOBAL RISKS LANDSCAPE 2020

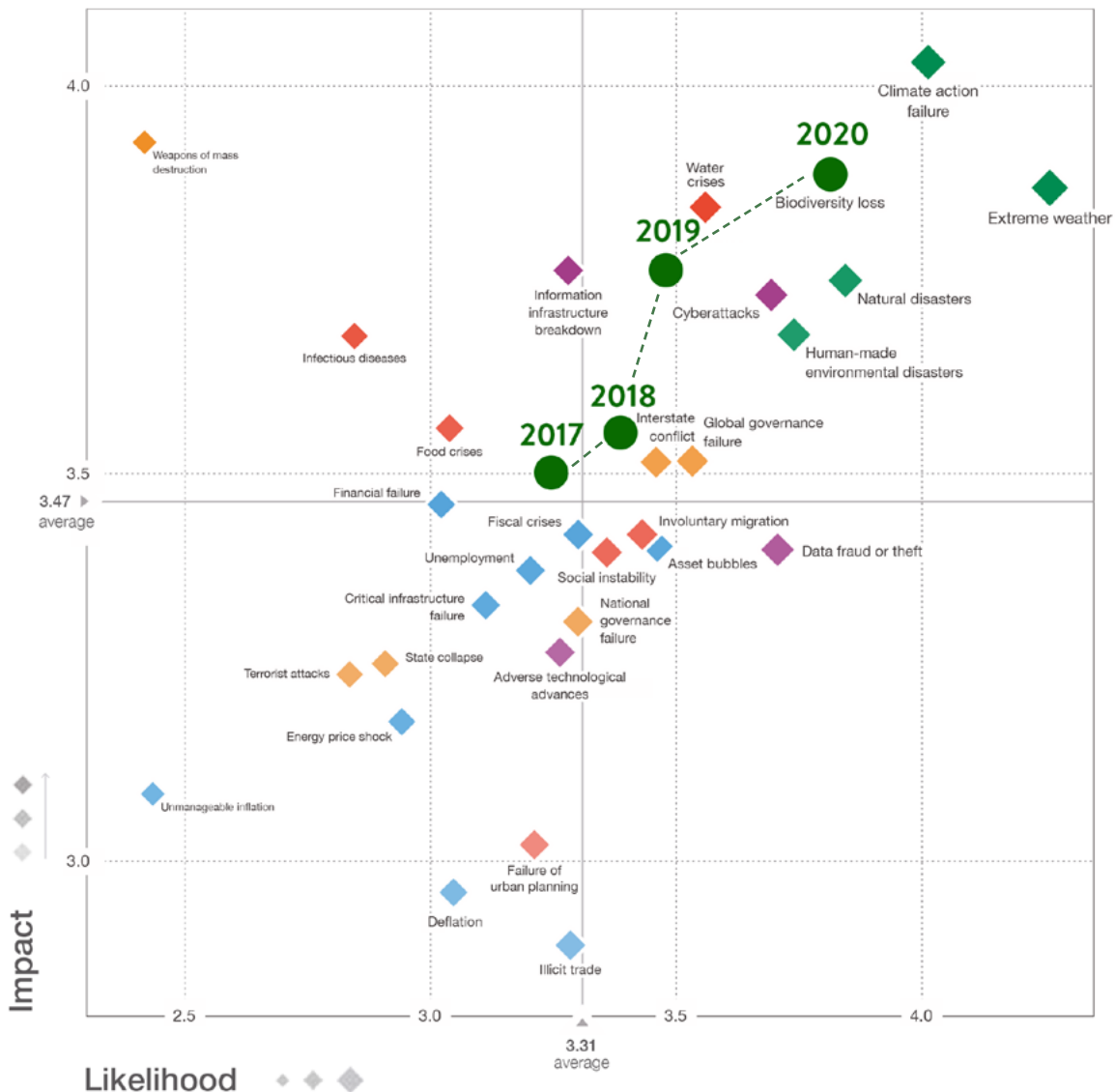


FIGURE 1 World Economic Forum Global Risk Report and the displacement of the issue of biodiversity during the period of 2017-2020

pact on humanity and our current way of life. This loss also affects our food supply and health and can lead to the collapse of entire value chains. Therefore, it affects companies.⁵

The World Economic Forum states that half of the world's GDP is moderately or highly dependent on nature, and thus exposed to the loss of biodiversity.⁶ Industries such as the construction sector, agricul-

ture, food and beverages are those that have the greatest dependence on nature's supplies.

When IPBES delivers facts, the World Economic Forum helps the business community interpret just how dangerous the situation is for businesses around the globe.

NATURE'S FREE SERVICES

Ecosystem services are the products and services that nature freely and of itself provides us with, and upon which we are dependent for our survival and wellbeing. Examples of ecosystem servi-

ces includes food production, water purification, protection against erosion, climate regulation and recreation.





SIX MOTIVES FOR BIODIVERSITY IN YOUR BUSINESS

Biodiversity has a bearing on several of the UN's 17 global goals for sustainable development. Research shows that biodiversity can even contribute to the achievement of all global goals, either directly or indirectly.⁷

In its efforts to support various companies' business development in harmony with nature, Ecogain has compiled these companies' reasons for this approach. We call it Business Case for Biodiversity.

Here are the six main reasons for including biodiversity in your company's business model and sustainability work⁸⁹:

STAFF

Attract and retain staff. More and more people are becoming aware of biodiversity. Today's employees want to be proud of their workplace and want it to be part of the solutions to the world's challenges.

CUSTOMER DEMANDS

Precede customer requirements. As the biodiversity issue grows, both your customers and the authorities will make increased demands. Preempt them!

FINANCING

Pave the way for good financing. Internationally, there will be an increased tightening of sustainable funding. ESG funding requirements will include

biodiversity-related requirements. The EU's taxonomy for financing is heading in the same direction. Projects that are good for biodiversity will mean better financing.

TRADEMARK

Dedicated environmental work will strengthen your company's brand and its basis in society. The biodiversity issue is underrepresented in business, and therefore there is potential to profile your company towards it and thereby stand out.

INNOVATION

Innovation and competence. Solutions for biodiversity mean innovative and exciting working methods. Species and ecosystems are fun to help and learn about. Capture your staff's interest, challenge them, and gain internal storytelling in the bargain.

LEGACY

Leave a legacy. Every company depends on natural resources, either directly or indirectly. If you change your business model according to the company's needs and dependencies, you can leave a positive legacy that will follow your company into the future.

The background of the page is a close-up photograph of green leaves and dark brown branches, likely from a tree or shrub. The leaves are vibrant green and have serrated edges. The branches are thin and dark, creating a complex network of lines. The lighting is soft, highlighting the texture of the leaves and the bark of the branches.

CLIMATE AND BIODIVERSITY IN THE SAME BOAT

Climate change and biodiversity loss are part of the same challenge and often share the same nature-based solutions. Climate change affects the conditions for animals, humans and entire ecosystems. At the same time, biodiversity loss leads to climate change, as the ecosystem's capacity to bind carbon dioxide is weakened. It is necessary to work

with both systems in parallel - it is not possible to solve one crisis while ignoring the other. However, this mutual dependence offers an advantage. Strengthening biodiversity will also absorb carbon dioxide, thereby slowing and eventually reversing climate change. These are nature-based solutions! Nature-positive companies might very well become a new concept.



FOUR GLOBAL MILESTONES TO FOLLOW

2020 has been called the Environmental Super Year, a year with several important decisions for climate and biodiversity. The COVID-19 pandemic has affected several schedules but has also highlighted the consequences of our way of overusing nature and its resources.

In the wake of the COVID-19 pandemic, many in the business world (including the World Economic Forum and 180 executives at some of the world's largest companies¹⁰) believe that humanity must build back better and use all of the financial support packages for jobs in industries that create solutions for a living planet¹¹. Both the World Economic Forum and the UN Scientific Panel IPBES¹² emphasize that it is primarily the displacement of nature that increases the likelihood of pandemics of zoonotic origin such as COVID-19. In a world where companies strengthen biodiversity, the risk of pandemics will decrease.

The global biodiversity agenda will gain new and increasing momentum when this pandemic is over. Here we describe four events that your company needs to follow:

THE 1.5-DEGREE TARGET FOR BIODIVERSITY

The world has decided that the UN should set the global goal for biodiversity. The goal is to be set within the Convention on Biodiversity (CBD) framework. The Convention was signed at the United Nations Conference on Environment and Development in Rio 1992, at the same time as the Climate Convention.

The CBD planned its 15th partner conference in October 2020, but the meeting is now postponed until spring 2021. The CBD will then decide on

new global targets for biodiversity, including a "1.5-degree target for biodiversity".

The CBD's draft of January this year suggests that net losses of biodiversity should be halted by 2030 and that ecosystems should be strengthened by at least 20% by 2050 (No Net Loss by 2030 and Biodiversity Net Gain of at least 20% by 2050¹³).

The new goals from the CBD will have a far greater focus on measurability than previously. So far, functional counterparts to climate change's CO₂-equivalents have been lacking in regard to the possibility of measuring impacts and contributions to biodiversity, but these are about to emerge.

EU BIODIVERSITY STRATEGY

The 20th of May this year the EU Biodiversity strategy for 2020 - Bringing nature back into our lives was released.

It is part of the New Green Deal and will be EU's contribution to the global work on biodiversity after 2020. The strategy will, therefore, describe the proposed EU position for the global negotiations on the Convention on Biodiversity.

In the EU's biodiversity strategy up to 2020, the goal was to stop the loss of biodiversity and ecosystem services within the EU and restore them as far as possible. This goal has not been achieved.¹⁴

The new strategy contains several commitments which are listed below. One of the sought after outcomes is to fully integrate biodiversity considerations into other EU policies and address EU impacts on global biodiversity.

The goal is to put EU in a leading position in addressing the global biodiversity crisis.¹⁵

THE NEW EU-WIDE BIODIVERSITY STRATEGY WILL:

ESTABLISH PROTECTED AREAS FOR AT LEAST:



30%
OF LAND IN
EUROPE



30%
OF SEA IN
EUROPE

With stricter protection of remaining EU primary and old-growth forests legally binding nature restoration targets in 2021.

RESTORE DEGRADED ECOSYSTEMS AT LAND AND SEA CROSS THE WHOLE OF EUROPE



Increasing organic farming and biodiversity-rich landscape features on agricultural land



Halting and reversing the decline of pollinators



Restoring at least 25000 km of EU rivers to a free-flowing state



Reducing the use and risk of pesticides by 50% by 2030



Planting 3 billion trees by 2030

EU NATURE RESTORATION PLAN: KEY COMMITMENTS BY 2030.

1. Legally binding EU nature restoration targets to be proposed in 2021, subject to an impact assessment. By 2030, significant areas of degraded and carbon-rich ecosystems are restored; habitats and species show no deterioration in conservation trends and status; and at least 30% reach favourable conservation status or at least show a positive trend.
2. The decline in pollinators is reversed.
3. The risk and use of chemical pesticides is reduced by 50% and the use of more hazardous pesticides is reduced by 50%.
4. At least 10% of agricultural area is under high-diversity landscape features.
5. At least 25% of agricultural land is under organic farming management, and the uptake of agro-ecological practices is significantly increased.
6. Three billion new trees are planted in the EU, in full respect of ecological principles.
7. Significant progress has been made in the remediation of contaminated soil sites.
8. At least 25,000 km of free-flowing rivers are restored.
9. There is a 50% reduction in the number of Red List species threatened by invasive alien species.
10. The losses of nutrients from fertilisers are reduced by 50%, resulting in the reduction of the use of fertilisers by at least 20%.
11. Cities with at least 20,000 inhabitants have an ambitious Urban Greening Plan.
12. No chemical pesticides are used in sensitive areas such as EU urban green areas.
13. The negative impacts on sensitive species and habitats, including on the seabed through fishing and extraction activities, are substantially reduced to achieve good environmental status.
14. The by-catch of species is eliminated or reduced to a level that allows species recovery and conservation.

SCIENCE BASED TARGETS FOR BIODIVERSITY

Science Based Targets has become the norm for global companies that want to set climate targets based on science. Science Based Target Network (SBTN) develops scientifically set goals for cities and companies. The network builds on the view of planetary boundaries¹⁶, and has defined their goal as reaching a safe operating space for biodiversity.

Although it is not currently possible to apply for and join a Science Based Target for biodiversity, SBTN is already announcing two aspects that the companies must be prepared to fulfil. Companies must:

- Have performed a materiality analysis
- Schematically mapped their value chain’s influence and dependencies on biodiversity¹⁷

It is not yet known how much efforts are needed to stay within the planetary boundaries. SBTN will use CBD’s preliminary goal as a proxy until SBTN are able to verify that this goal is sufficient to reach sustainability within the planetary boundaries. CBD’s preliminary global goal for biodiversity would lead to companies having to reduce their negative impact on biodiversity to No Net Loss by 2030 and thereafter add 1% (positive impact) per year until 2050.

SBTN points to another way (a “bottom up approach”) to define science-based targets. It starts from the local perspective and the species and natural environments that a business affects. When a company has done an analysis of their impact and their dependency on biodiversity and has an estimate of what is needed to reach sustainability within the planetary boundaries, the company can define their specific, science-based goals.

EU TAXONOMY FOR SUSTAINABLE FINANCING

A large number of initiatives indicate that financial investors will become a strong force for sustainability. Those who perform sustainably will be able to finance their projects more easily.

We want to highlight the EU’s taxonomy for sustainable financing. In December 2019, the EU agreed on a new regulation for sustainable investment - the so-called Taxonomy Regulation. It is one of the most important developments in sustainable finance and will have major consequences for investors and issuers within the EU and beyond.

The new taxonomy will help investors and companies navigate the transition to a low-carbon, resilient, and resource-efficient economy. The so-called performance thresholds state that every economic activity should:

- make a significant contribution to one of six environmental objectives, and
- do no significant damage to the other five.¹⁸

THE SIX ENVIRONMENTAL GOALS OF THE EU TAXONOMY FOR SUSTAINABLE FINANCING

- CLIMATE CHANGE MITIGATION**
- CLIMATE CHANGE ADAPTATION**
- SUSTAINABLE USE OF WATER AND MARINE RESOURCES**
- TRANSITION TO A CIRCULAR ECONOMY**
- POLLUTION PREVENTION AND CONTROL**
- PROTECTION AND RESTORATION OF BIODIVERSITY AND ECOSYSTEMS**



ECOGAIN BIODIVERSITY INDEX METHODOLOGY

SELECTION OF COMPANIES

The biodiversity index includes a survey of the largest companies in Sweden, Norway, Denmark, and Finland. In 2019, only Swedish companies were examined.

The survey covers 52 companies from Sweden and 20 each from Denmark, Finland, and Norway. Together these are the 100 largest Nordic companies and the 20 largest companies in each country. The selection is based on information from Veckans Affärer¹⁹ and largestcompanies.se. The industry classification is based on GICS (Global Industry Classification Standard).²⁰

The focus of the Biodiversity Index is to study Nordic trade and industry. Therefore, companies that do not have a sustainability report for opera-

tions in the Nordic region are not included in the Biodiversity Index.

MATERIAL REVIEWED

The biodiversity index is entirely based on the companies' latest sustainability reports (sometimes integrated with the annual report). Since the review was conducted during March and April 2020, it has been carried out for each company based on the latest available sustainability report available on May 1st 2020. The investigation is thus, in most cases, based on the sustainability report for the financial year 2019. For companies that release their reports after May 1, their 2018 sustainability report has been reviewed.

WE MEASURE WHAT IS REPORTED, NOT ACTUAL PERFORMANCE!

It should be emphasized that the Biodiversity Index should not be equated with a rating on who contributed most to biodiversity or who has the lowest impact. What is measured is how companies communicate and report their goals and their work on biodiversity in sustainability reports. This is not the same as their actual performance. Based on industry and business models, companies have vastly different impacts and dependencies on biodiversity. This difference, by extension, means that the way they work with biodiversity differs widely.

Although the Biodiversity Index only measures how companies communicate and report, it is reasonable to assume that there is a correlation between communication and actual work carried out. In other words, what is being measured is a proxy for how companies work with biodiversity. From a social perspective, it is probably of greater interest that the Biodiversity Index provides a picture of how far the business community as a whole has progressed with its work on biodiversity.

WHY ONLY THE SUSTAINABILITY REPORT?

The reason that the Biodiversity Index is concentrated on a review of sustainability reports is that this is the natural channel for companies to communicate their sustainability work, and thereby their work on biodiversity. It is also a document that the company's management supports. Many companies dedicate a large part of their sustainability report to presenting their climate work. It is reasonable to assume that a company that works extensively with biodiversity would also place that work within the sustainability report.

Another reason for focusing on sustainability reports is objectivity in assessments. Studying only published documents guarantees consistency and objectivity in the assessment. A method involving interviews or surveys involves greater risks of subjectivity from the reviewer. In addition, the audited company gains a natural incentive to set up its own business in the best possible way.

Thus, this year's Biodiversity Index has been limited to sustainability reports. We are aware that companies' work on biodiversity could be communicated via other channels, such as their website. A broader scope may be considered in coming years.

16 EVALUATION QUESTIONS

The core of the Biodiversity Index is several issues that each company is evaluated on. This year's evaluation questions are a further development of the questions that were asked in 2019. For example, in 2019, we discovered that several large companies with significant dependencies on natural resources had missed the issue of biodiversity in their materiality analysis. This affected how we ask this year's questions.

The 16 evaluation questions in this year's Biodiversity Index have been divided into four groups, each of which constitutes necessary successful steps in a company's work on biodiversity:

- Identified the issue of biodiversity?
- Report goals on biodiversity?
- Action for biodiversity?
- Report the impact on biodiversity?

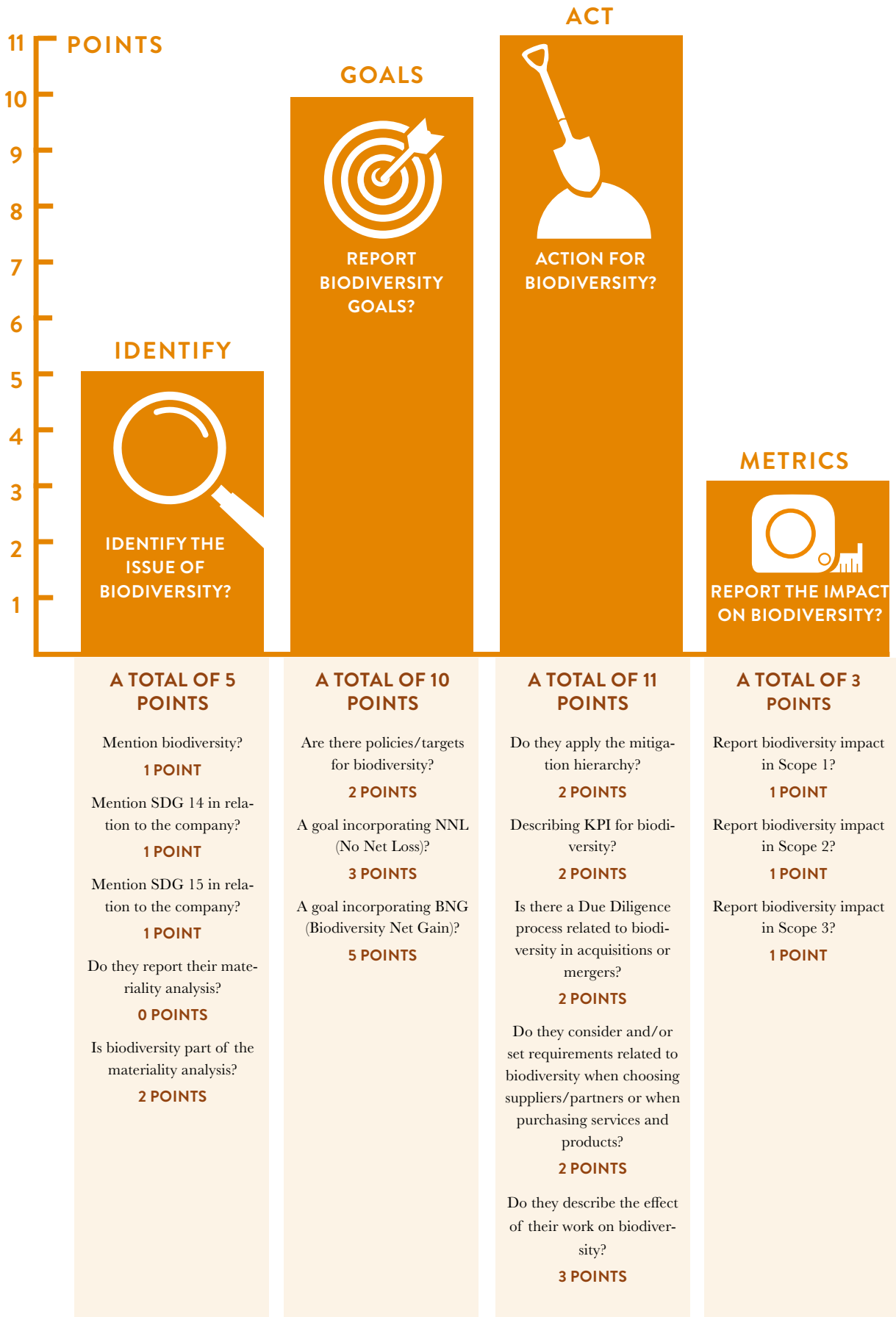
The first step for a company is to identify that, and to what extent, biodiversity is linked to business operations; the second is to set goals that give the company a strategic focus and enable demands from external parties; the third is to take actions that are relevant to biodiversity; and the fourth is to measure its impact. The measurement is highly challenging for companies and is thus cost driven. At present, there is no accepted method or consensus on how companies should quantify their impact. Nevertheless, this group of questions is included in the Biodiversity Index, as there is a strong indication that development will move towards increased measurability. Work is underway on method development on several fronts.

Each question has been weighted with a score of 1-5. The highest weight has been given to the questions and question groups that are most important for companies in participating in solutions for biodiversity. This means that the Target and Action groups weigh most heavily. The scoring system gives each company a unique score. It allows the ranking of the companies in descending order. YES on a question scores points, and NO on a question gives no points.

An important motive for the Biodiversity Index's sixteen evaluation questions is that they should help companies take the next step forward. The biodiversity index should be regarded as a way of helping the Nordic companies become even more future-proofed, and less as a competition.

In summary, the idea is that the 16 evaluation questions within the Biodiversity Index should capture the essential aspects of business and biodiversity. The information required to answer the 16 questions has also been assessed to be within the scope of what is reasonable for a company to communicate in its sustainability report.

EVALUATION QUESTIONS IN THE BIODIVERSITY INDEX





RESULTS

GREEN, YELLOW OR RED IN THE TRAFFIC LIGHT?

The biodiversity index categorizes companies' level of ambition on whether they have a biodiversity goal and whether this is in line with what seems to be expected based on science.

We build on CBD's (Convention on Biodiversity) draft from January 2020 which suggests a global goal for biodiversity of no net loss of biodiversity by 2020 and that the ecosystems have been strengthened with at least 20% by 2050 (see page 13). Science Based Target Network who works with setting goals in line with science confirms that they will use CBD's preliminary goal as a proxy until they can verify whether these goals are sufficient to prevent a collapse of the ecosystems.

The traffic light creates an overview of the Nordic industry as a whole as it categorizes the companies into three different colors - green, yellow and red:

GREEN LIGHT is for companies with a goal of No Net Loss (NNL) or Biodiversity Net Gain (BNG) by 2030

YELLOW LIGHT is given to companies with some form of goal or policy for biodiversity

RED LIGHT is for companies that lack biodiversity goals or policies

The Biodiversity Index has taken inspiration from the Haga Initiative's Ambition Index, which categorizes the 100 largest Swedish companies climate goals in relation to international commitments to reaching the 1.5-degree target.²¹

To set the bar for green light at No Net Loss (NNL) or Biodiversity Net Gain (BNG) to 2030 can easily

be viewed as a high demand. But just as companies need to set climate goals in line with the Paris Agreement, NNL and BNG is, according to science, the global goal for biodiversity currently believed needed in order to reverse the loss of biodiversity.

A scientific article reviewed all companies during the previous 20 years which have applied a goal in line with NNL or BNG. An important conclusion was the importance of setting goals according to scientific principles, that is, the goals are measurable, specific and time-bound.²² The article also describes the importance of that biodiversity is becoming easier to measure, so that it will be possible to effectively set and follow up on goals.

We at Ecogain are, of course, humble to the challenge of setting biodiversity goals as long as there are big question marks about measurability.

GREEN TRAFFIC LIGHT: COMPANY WITH BIODIVERSITY OBJECTIVES IN LINE WITH SCIENCE

None of the Nordic's 100 largest companies get green light. The selection includes companies that has set goals or ambitions for NNL or BNG, but without the goals being time specific. Therefore, they cannot be described as in line with science. Before the Biodiversity Index 2021, CBD's new "1.5-degree target for biodiversity" will have been decided. Science Based Targets Network will also until then have specified what is in line with science. Therefore, we can probably expect some Nordic companies to set time bound biodiversity goals, which are in line with science, during the following year. The companies which has goals describing NNL or BNG has the shortest way.

YELLOW LIGHT: BUSINESS WITH SOME FORM OF BIODIVERSITY OBJECTIVES

In this group, the level of ambition differs between the companies. In one part of the spectrum are companies that have NNL and even BNG as their target. In the second part of the spectrum, there are companies that have set some kind of goals, for example, to manage purchases using certifications that have a positive impact on biodiversity.

Among the 100 largest companies in the Nordic region, 24 (27%) have at least one target for biodiversity. 23 companies (26%) have some form of KPI for biodiversity. The dominant industries among them is Industrial goods and services (six companies), Energy (five) and Materials (four).

RED LIGHT: COMPANIES WITHOUT BIODIVERSITY OBJECTIVES

Red light is given to companies that have not communicated any target for biodiversity. Among the

100 largest companies in the Nordic region, 66 (73%) lack biodiversity targets. Here are companies from all industries. 44 of these do not mention biodiversity at all in their annual reports.

PROGRESS FROM LAST YEAR

Even though there was no ranking or investigation of the Nordic countries last year, we instead choose to describe the findings from the largest 100 Swedish companies as the development among these possibly reflects the trend for the 100 largest Nordic companies. In the Biodiversity Index 2019, there were 13 companies of Sweden's 100 largest companies that had a target for biodiversity, i.e. slightly fewer than those who get yellow light this year,^{23,24} which is a small increase from 14% of Sweden's 100 largest companies in 2019 to 18% of Sweden's 100 largest companies in 2020.

100 LARGEST COMPANIES IN THE NORDIC COUNTRIES

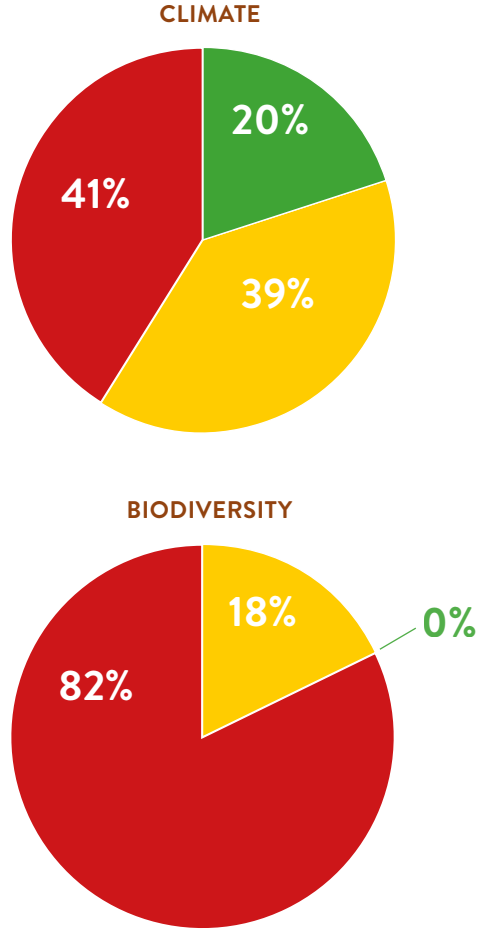
| GREEN LIGHT | YELLOW LIGHT | RED LIGHT |
|-------------|---|--|
| | <p>A.P. Møller – Mærsk A/S, H & M Hennes & Mauritz AB, Norsk Hydro ASA, Vattenfall AB, Neste Oyj, Kesko Oyj, Stora Enso Oyj, UPM-Kymmene Oyj, Equinor ASA, Ørsted A/S, NCC AB, Boliden AB, Metsäliitto-konserni, Coop Norway SA, Fortum Oyj, Aker ASA, Orkla ASA, Husqvarna AB, Stena AB, Axis-Shield AS, ABB Power Grids Sweden AB, Danish Crown A/S, Finnair Oyj, AAK AB (publ)</p> | <p>Volvo AB, Volvo Car AB, Nokia Oyj, Ericsson, Telefon AB LM, Skanska AB, Scania CV AB Scania AB, Electrolux, AB, Essity AB, ICA Gruppen AB, Telenor ASA, Corral Petroleum Holdings AB, Securitas AB, Sandvik AB, Nordea Bank AB, Atlas Copco AB, Centrica Energy Trading A/S, KONE Oyj, SKF AB, Assa Abloy AB, Helse Sør-Øst RHF, Telia Company AB, Axel Johnson Holding AB Axel Johnson AB, SSAB AB, Odd Reitan Private Holding AS Reitangruppen AS, Danske Bank A/S, Outokumpu Oyj, Sampo Oyj, Rema 1000 AS, Carl Bennet AB, Peab AB, Wärtsilä Oyj Abp, Vestas Manufacturing A/S, Lego A/S, Coop Denmark A/S, Skandinaviska s Banken AB, Energi Denmark A/S, Swedbank AB, SAS AB, Handelsbanken, Investor AB, Norwegian Air Shuttle ASA,, Alfa Laval AB, Alecta pensionsförsäkring, ömsesidigt, Norsk Tipping AS, Hexagon AB, PostNord AB, Lego System A/S, Circle K SwedenAB, Veidekke ASA, Atea ASA, Trelleborg AB, Spotify AB, Cargotec Oyj, Saab AB, Valmet Oyj, Konecranes Oyj, Equinor Refining Denmark A/S, Pandora A/S, Ahlsell AB (publ), Systembolaget AB, Huhtamäki Oyj, Helse Vest RHF, Volkswagen Group SwedenAB, Bilvia AB, Cellmark Investment AB, Metso Oyj, Amer Sports Oyj</p> |

COMPARED TO THE CLIMATE ISSUE

In its Ambition Index, the Hagainitiative (Hague Initiative) examines how many of Sweden's 100 largest companies have a target in line with the 1.5-degree target of the Climate Convention. The goal is for a company to halve its carbon dioxide emissions by 2030. In the 2020 Ambition Index, the Haga Initiative gives green light to 20% of the companies. 39% of companies receive yellow light. This means that they have some type of climate target, but not in accordance with the halving target. The Hagainitiative is a corporate network that works for a "profitable industry without climate impact". The members of the Hagainitiative all set goals that are in line with the 1.5-degree goal.²⁵

Going back to biodiversity. Even though there is a slight positive trend in the development of biodiversity, the imbalance compared to the climate issue is largely at the same level as 2019. The methods of 2019 and 2020 differ slightly, but we can still say that biodiversity is still a deeply under-prioritized issue among Nordic businesses.

SWEDEN'S 100 LARGEST COMPANIES AND THEIR STATUS WITH REGARD TO OPERATING WITHIN THE PLANET'S BOUNDARIES



RANKING OF THE 100 LARGEST COMPANIES IN THE NORTH

The selection was made based on the list largest-companies.se.²⁶ The industry classification is based on GICS (Global Industry Classification Standard).²⁷ Note that these 100 Nordic large companies make up 51% of Swedish companies. Thus,

this selection is not consistent with the Nordic “big company lists” for each country, which are presented in later sections.

| RANK 2020 | COMPANY | INDUSTRY | REV. 2018, T.EUR | COUNTRY | POINTS |
|-----------|-------------------------|------------------------|------------------|---------|--------|
| 1 | Ørsted A/S | Energy | 5 776 230 | Denmark | 19 |
| 1 | Fortum Oyj | Energy | 4 520 000 | Finland | 19 |
| 3 | Stora Enso Oyj | Materials | 10 045 000 | Finland | 16 |
| 4 | Preem | Energy | 10 086 421 | Sweden | 14 |
| 5 | UPM-Kymmene Oyj | Materials | 10 010 000 | Finland | 13 |
| 5 | Metsäliitto-konserni | Materials | 5 040 000 | Finland | 13 |
| 5 | AAK AB (publ) | Industrials | 2 545 387 | Sweden | 13 |
| 8 | Hennes & Mauritz | Consumer Discretionary | 20 342 064 | Sweden | 12 |
| 8 | Norsk Hydro ASA | Materials | 16 043 590 | Norway | 12 |
| 8 | Neste Oyj | Energy | 13 217 000 | Finland | 12 |
| 8 | Coop Norway SA | Consumer Staples | 4 915 053 | Norway | 12 |
| 8 | Coop Denmark A/S | Consumer Staples | 4 759 424 | Denmark | 12 |
| 8 | Orkla ASA | Consumer Staples | 4 071 567 | Norway | 12 |
| 8 | Axis-Shield AS | Health Care | 3 048 715 | Norway | 12 |
| 15 | Kesko Oyj | Consumer Discretionary | 10 675 900 | Finland | 11 |
| 15 | Equinor ASA | Energy | 7 935 652 | Norway | 11 |
| 17 | A.P. Møller – Mærsk A/S | Industrials | 25 812 032 | Denmark | 10 |
| 17 | Vattenfall AB | Energy | 15 262 231 | Sweden | 10 |
| 17 | Rema 1000 AS | Consumer Staples | 5 419 749 | Norway | 10 |
| 17 | Finnair Oyj | Industrials | 2 568 400 | Finland | 10 |
| 21 | Essity AB | Consumer Staples | 11 532 510 | Sweden | 9 |
| 22 | NCC AB | Industrials | 5 580 956 | Sweden | 8 |
| 22 | Boliden AB | Materials | 5 104 863 | Sweden | 8 |
| 24 | Aker ASA | Financials | 4 203 773 | Norway | 7 |
| 24 | Husqvarna AB | Consumer Discretionary | 3 998 423 | Sweden | 7 |
| 24 | Huhtamäki Oyj | Industrials | 2 988 700 | Finland | 7 |
| 27 | Danish Crown A/S | Consumer Staples | 2 870 360 | Denmark | 6 |
| 28 | Veidekke ASA | Industrials | 3 556 103 | Norway | 5 |
| 28 | Stena AB | Industrials | 3 379 950 | Sweden | 5 |
| 28 | Pandora A/S | Consumer Discretionary | 3 054 034 | Denmark | 5 |

| | | | | | |
|----|-----------------------------|------------------------|------------|---------|---|
| 28 | Systembolaget AB | Consumer Staples | 3 007 893 | Sweden | 5 |
| 32 | ICA Gruppen AB | Consumer Staples | 11 226 339 | Sweden | 4 |
| 32 | Danske Bank A/S | Financials | 6 467 380 | Denmark | 4 |
| 32 | Outokumpu Oyj | Materials | 6 363 000 | Finland | 4 |
| 32 | Lego A/S | Consumer Discretionary | 4 873 251 | Denmark | 4 |
| 32 | ABB Power Grids Sweden AB | Industrials | 2 943 466 | Sweden | 4 |
| 38 | Volvo Car AB | Consumer Discretionary | 24 588 382 | Sweden | 3 |
| 38 | Skanska AB | Industrials | 16 712 894 | Sweden | 3 |
| 38 | SAS AB | Industrials | 4 298 196 | Sweden | 3 |
| 38 | Alfa Laval AB | Industrials | 3 957 646 | Sweden | 3 |
| 38 | Circle K Sweden AB | Consumer Staples | 3 654 024 | Sweden | 3 |
| 38 | Trelleborg AB | Industrials | 3 309 392 | Sweden | 3 |
| 38 | Cellmark Investment AB | Industrials | 2 760 206 | Sweden | 3 |
| 38 | Handelsbanken | Financials | 4 230 992 | Sweden | 3 |
| 45 | Nokia Oyj | Information Technology | 23 147 000 | Finland | 2 |
| 45 | Telia Company AB | Communication Services | 8 132 025 | Sweden | 2 |
| 45 | Wärtsilä Oyj Abp | Industrials | 4 923 000 | Finland | 2 |
| 45 | SEB AB | Financials | 4 630 496 | Sweden | 2 |
| 45 | Swedbank AB | Financials | 4 308 558 | Sweden | 2 |
| 45 | Hexagon AB | Industrials | 3 753 197 | Sweden | 2 |
| 52 | Volvo, AB | Consumer Discretionary | 38 036 359 | Sweden | 1 |
| 52 | Peab AB | Industrials | 5 083 355 | Sweden | 1 |
| 52 | Energi Denmark A/S | Energy | 4 357 692 | Denmark | 1 |
| 52 | Valmet Oyj | Industrials | 3 159 000 | Finland | 1 |
| 56 | Securitas | Industrials | 9 874 816 | Sweden | 0 |
| 56 | Ericsson, Telefon AB LM | Information Technology | 20 518 914 | Sweden | 0 |
| 56 | SCANIA AB | Industrials | 13 345 206 | Sweden | 0 |
| 56 | Electrolux, AB | Consumer Discretionary | 12 080 329 | Sweden | 0 |
| 56 | Telenor ASA | Communication Services | 11 009 691 | Norway | 0 |
| 56 | Sandvik AB | Industrials | 9 739 083 | Sweden | 0 |
| 56 | Nordea Bank AB | Financials | 9 469 288 | Sweden | 0 |
| 56 | Atlas Copco AB | Industrials | 9 280 800 | Sweden | 0 |
| 56 | Centrica Energy Trading A/S | Energy | 9 274 758 | Denmark | 0 |
| 56 | KONE Oyj | Industrials | 8 942 400 | Finland | 0 |
| 56 | SKF, AB | Industrials | 8 341 654 | Sweden | 0 |
| 56 | Assa Abloy AB | Industrials | 8 179 615 | Sweden | 0 |
| 56 | Helse Sør-Øst RHF | Health Care | 8 151 242 | Norway | 0 |
| 56 | Axel Johnson | Financials | 8 014 754 | Sweden | 0 |

| | | | | | |
|----|------------------------------|------------------------|-----------|---------|---|
| 56 | SSAB AB | Materials | 7 293 315 | Sweden | 0 |
| 56 | Reitangruppen AS | Financials | 7 182 795 | Norway | 0 |
| 56 | Sampo Oyj | Financials | 5 815 000 | Finland | 0 |
| 56 | Carl Bennet AB | Financials | 5 353 128 | Sweden | 0 |
| 56 | Vestas Manufacturing A/S | Energy | 4 906 285 | Denmark | 0 |
| 56 | Investor AB | Financials | 4 135 354 | Sweden | 0 |
| 56 | Norwegian Air Shuttle ASA | Industrials | 4 014 537 | Norway | 0 |
| 56 | Alecta pensionsförsäkring | Financials | 3 910 170 | Sweden | 0 |
| 56 | Norsk Tipping AS | Consumer Discretionary | 3 802 070 | Norway | 0 |
| 56 | PostNord AB | Industrials | 3 665 976 | Sweden | 0 |
| 56 | Atea ASA | Information Technology | 3 460 587 | Norway | 0 |
| 56 | Spotify AB | Consumer Discretionary | 3 292 642 | Sweden | 0 |
| 56 | Cargotec Oyj | Industrials | 3 280 100 | Finland | 0 |
| 56 | Saab AB | Industrials | 3 226 767 | Sweden | 0 |
| 56 | Konecranes Oyj | Industrials | 3 136 400 | Finland | 0 |
| 56 | Equinor Refining Denmark A/S | Energy | 3 081 012 | Denmark | 0 |
| 56 | Ahlsell AB (publ) | Industrials | 3 045 264 | Sweden | 0 |
| 56 | Helse Vest RHF | Health Care | 2 849 604 | Norway | 0 |
| 56 | Volkswagen Group Sweden AB | Consumer Discretionary | 2 778 756 | Sweden | 0 |
| 56 | Bilia AB | Consumer Discretionary | 2 762 158 | Sweden | 0 |
| 56 | Metso Oyj | Industrials | 2 706 000 | Finland | 0 |
| 56 | Amer Sports Oyj | Consumer Discretionary | 2 685 200 | Finland | 0 |

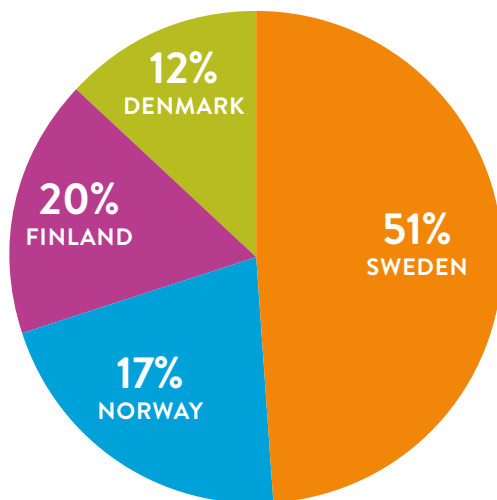
Finnish Fortum and Danish Ørsted are the two companies that rank highest (19 points) in the Biodiversity Index 2020 on the list of the largest Nordic companies.

Fortum has set targets for Biodiversity Net Gain (BNG) and Ørsted has set targets for No Net Loss (NNL). In addition to ambitious goals, both companies apply the mitigation hierarchy, have KPIs for biodiversity, set requirements for biodiversity when purchasing and communicate their work with biodiversity. A large proportion of the companies,

6 out of 10, are active in the Energy and Materials industries. Among the top 20 on the Nordic list are several other types of companies with significant land and/or water claims in the value chain, for example AAK, Coop Norway, Coop Denmark and Orkla. It may be interesting to pay attention to outliers such as the health care company Axis-Shield with 12 points and Finnair with 10 points.

| QUESTION (Y/N) | 100 LARGEST NORDIC COMPANIES |
|---|------------------------------|
| Mention biodiversity in sustainability reporting? | 48% |
| SDG 14 (Life below water) | 27% |
| SDG 15? (Life on Land) | 31% |
| Reporting materiality analysis? | 71% |
| Is biodiversity part of the materiality analysis? | 21% |
| Requires or implements mitigation hierarchy? | 4% |
| Policy / Objectives for biodiversity? | 27% |
| NNL goals? | 2% |
| BNG goals? | 1% |
| Describing KPIs (measures) for biodiversity? | 26% |
| Reporting on the impact of biodiversity in Scope 1? | 0% |
| Reporting on the impact of biodiversity in Scope 2? | 0% |
| Reporting on the impact of biodiversity in Scope 3? | 0% |
| Due Diligence process related to biodiversity? | 0% |
| Demands regarding biodiversity for purchases? | 32% |
| Describing the effect of work for biodiversity? | 30% |

DISTRIBUTION OF THE 100 LARGEST NORDIC COMPANIES



| INDUSTRY | TOP 100 NORDIC COUNTRIES |
|------------------------|--------------------------|
| CONSUMER STAPLES | 10% |
| ENERGY | 11% |
| FINANCIALS | 13% |
| HEALTH CARE | 3% |
| INDUSTRIALS | 34% |
| INFORMATION TECHNOLOGY | 3% |
| MATERIALS | 8% |
| CONSUMER DISCRETIONARY | 14% |
| COMMUNICATION SERVICES | 2% |
| REAL ESTATE | 0% |

Rounded to even numbers, therefore does not add up to 100%

"THE BIG 20" FOR EACH COUNTRY

We have chosen to report the outcome of the 20 largest companies in each of the four Nordic countries. The presentation of these "big 20 lists" gives us a certain opportunity to fairly compare the very largest players in the business sector between the countries. Note that several of the companies that are ranked high on previously reported lists of the 100 largest in the Nordic countries do not even place on the "big 20 list". For example, both LKAB and SCA are too small here.

Primarily, companies from the Materials, Consumer Staples and Energy industries, also top the countries' large company lists. When the points are summed up nationally for the five highest-ranked companies in each country, the result shows that

Finland takes the lead in biodiversity ranking (73 points), followed by Denmark (60), Norway (59) and Sweden (49). This could be interpreted as Finland being farther ahead than the other Nordic neighbors when it comes to reporting and addressing the issue of biodiversity. However, it should be noted that Finland has a much higher proportion of companies in the Energy and Materials industries among large companies than the other Nordic countries.

A slightly more anecdotal comparison is how the airline Finnair ranks with 10 points while Norwegian gets 0 points in the evaluation. These are certainly aimed at different customer segments, but it is nevertheless of interest to highlight how much it can differentiate between close neighbors with not completely different business models.

SWEDENS BIG 20 LIST

| RANK 2020 | COMPANY | INDUSTRY | REV. 2018 MSEK | POINTS |
|-----------|------------------|------------------------|----------------|--------|
| 1 | Preem | Energy | 79 046 | 14 |
| 2 | Hennes & Mauritz | Consumer Discretionary | 200 0044 | 12 |
| 3 | Vattenfall | Energy | 135 295 | 10 |
| 4 | Essity | Consumer Staples | 109 265 | 9 |
| 5 | ICA Gruppen | Consumer Staples | 107 396 | 4 |
| 6 | Volvo Cars | Consumer Discretionary | 214 166 | 3 |
| 7 | Skanska | Industrials | 159 532 | 3 |
| 8 | Telia Company | Communication Services | 82 629 | 2 |
| 8 | Volvo | Consumer Discretionary | 336 291 | 1 |
| 10 | Ericsson | Information Technology | 202 457 | 0 |
| 11 | Scania | Industrials | 126 825 | 0 |
| 11 | Electrolux | Consumer Discretionary | 122 388 | 0 |
| 11 | Atlas Copco | Industrials | 17 509 | 0 |
| 11 | Sandvik | Industrials | 95 180 | 0 |
| 11 | Nordea | Financials | 93 456 | 0 |
| 11 | Securitas | Industrials | 92 221 | 0 |
| 11 | Axel Johnson | Financials | 78 119 | 0 |
| 11 | SKF | Industrials | 77 938 | 0 |
| 11 | Assa Abloy | Industrials | 76 421 | 0 |
| 11 | SSAB | Materials | 67 031 | 0 |

NORWAYS BIG 20 LIST

| RANK 2020 | COMPANY | INDUSTRY | REV. 2018 MNOK | POINTS |
|----------------------|---------------------------|------------------------|---------------------------|---------------|
| 1 | Norsk Hydro A/S | Materials | 160 914 | 12 |
| 1 | Coop Norway SA | Consumer Staples | 49 297 | 12 |
| 1 | Orkla ASA | Consumer Staples | 40 837 | 12 |
| 1 | Axis-Shield AS | Health Care | 30 578 | 12 |
| 5 | Equinor ASA | Energy | 79 593 | 11 |
| 6 | Rema 1000 AS | Consumer Staples | 54 359 | 10 |
| 7 | Aker ASA | Financials | 42 163 | 7 |
| 8 | Veidekke ASA | Industrials | 35 667 | 5 |
| 9 | Telenor ASA | Communication Services | 110 425 | 0 |
| 9 | Helse Sør-Øst RHF | Health Care | 81 755 | 0 |
| 9 | Reitangruppen AS | Financials | 72 042 | 0 |
| 9 | Norwegian Air Shuttle ASA | Industrials | 40 265 | 0 |
| 9 | Norsk Tipping AS | Consumer Discretionary | 38 134 | 0 |
| 9 | Atea AS | Information Technology | 34 709 | 0 |
| 9 | Helse Vest RHF | Health Care | 28 581 | 0 |

DENMARKS BIG 20 LIST

| RANK 2020 | COMPANY | INDUSTRY | REV. 2018 MDKK | POINTS |
|----------------------|------------------------------|-------------------------------|---------------------------|---------------|
| 1 | Ørsted A/S | Energy | 43 134 | 19 |
| 2 | Coop Denmark A/S | Consumer Staples | 35 541 | 12 |
| 3 | A.P. Møller – Mærsk A/S | Industrials | 162 198 | 10 |
| 3 | Reitan Distribution A/S | Consumer Staples | 16 979 | 10 |
| 5 | Bestseller A/S | Sällanköpsvaror och -tjänster | 13 860 | 9 |
| 6 | Velux A/S | Sällanköpsvaror och -tjänster | 12 772 | 8 |
| 7 | Dagrofa Logistik A/S | Consumer Staples | 12 091 | 6 |
| 7 | Danish Crown A/S | Consumer Staples | 21 406 | 6 |
| 9 | Pandora A/S | Sällanköpsvaror och -tjänster | 22 806 | 5 |
| 10 | Danske Bank A/S | Financials | 48 149 | 4 |
| 10 | Lego A/S | Sällanköpsvaror och -tjänster | 36 391 | 4 |
| 12 | Energi Denmark A/S | Energy | 32 541 | 1 |
| 13 | Centrica Energy Trading A/S | Energy | 69 259 | 0 |
| 13 | Coloplast A/S | Health Care | 15 528 | 0 |
| 13 | Equinor Refining Denmark A/S | Energy | 23 007 | 0 |
| 13 | Lundbeck A/S, H | Health Care | 18 117 | 0 |
| 13 | Solar A/S | Industrials | 11 098 | 0 |
| 13 | Vestas Manufacturing A/S | Energy | 36 638 | 0 |

FINLANDS BIG 20 LIST

| RANK 2020 | COMPANY | INDUSTRY | REV. 2018 MEUR | POINTS |
|----------------------|----------------------|------------------------|---------------------------|---------------|
| 1 | Fortum Oyj | Energy | 4 520 | 19 |
| 2 | Stora Enso Oyj | Material | 10 045 | 16 |
| 3 | UPM-Kymmene Oyj | Material | 10 010 | 13 |
| 4 | Metsäliitto-konserni | Material | 5 040 | 13 |
| 5 | Neste Oyj | Energy | 13 217 | 12 |
| 6 | Kesko Oyj | Consumer Discretionary | 10 675 | 11 |
| 7 | Finnair Oyj | Industrials | 2 568 | 10 |
| 8 | Huhtamäki Oyj | Industrials | 2 989 | 7 |
| 9 | Kemira Oyj | Material | 2 486 | 4 |
| 9 | Outokumpu Oyj | Material | 6 363 | 4 |
| 11 | Nokia Oyj | Information Technology | 23 141 | 2 |
| 11 | Wärtsilä Oyj Abp | Industrials | 4 923 | 2 |
| 13 | Valmet Oyj | Industrials | 3 159 | 1 |
| 14 | Kone Oyj | Industrials | 8 942 | 0 |
| 14 | Sampo Oyj | Financials | 5 815 | 0 |
| 14 | Cargotec Oyj | Industrials | 3 280 | 0 |
| 14 | Konecranes Oyj | Industrials | 3 136 | 0 |
| 14 | Metso Oyj | Industrials | 2 706 | 0 |
| 14 | Amer Sports Oyj | Consumer Discretionary | 2 685 | 0 |
| 14 | Caverion Oyj | Industrials | 2 283 | 0 |

The comparison of the “big 20 lists” shows that 47% of Norway's 20 largest companies mention the UN's sustainability goals 14 Sea and marine environment, to compare with a result of 20% and less in the neighboring countries. It is of course Norway's geography and maritime activities that are playing a part here.

Sweden has a significantly lower proportion of companies in the “largest companies listing” (35%) who mention biodiversity in their annual and sustainability report compared to the other countries (average for all four countries is 50%).

The big Swedish companies also seem to be less likely to put demands on biodiversity when purchasing (20% compared with an average of 37% across all four countries), or at least being worse at reporting.

The Swedish major companies also perform poorly in describing the efficiency of their own work with biodiversity (20% compared with the Nordic average 37%).

It is only in Denmark and Finland that there are companies on the “big 20 list” that communicate goals that are in line with No Net Loss (NNL) or Biodiversity Net Gain (BNG).

Finland has the most positive numbers in this comparison which can be further seen if we look at the average percentage (accumulation of percentages divided by the number of questions).

| QUESTION (Y/N) | FINLAND | SWEDEN | DENMARK | NORWAY | AVERAGE |
|--|---------|--------|---------|--------|---------|
| Mention biodiversity in sustainability reporting? | 55% | 35% | 56% | 53% | 50% |
| SDG 14 (Life below water) | 20% | 20% | 17% | 47% | 26% |
| SDG 15? (Life on Land) | 35% | 25% | 22% | 33% | 29% |
| Reporting materiality analysis? | 85% | 80% | 39% | 53% | 64% |
| Is biodiversity part of the materiality analysis? | 25% | 25% | 22% | 20% | 23% |
| Requires or implements mitigation hierarchy? | 5% | 5% | 6% | 0% | 4% |
| Policy / Objectives for biodiversity? | 35% | 10% | 22% | 40% | 27% |
| NNL goals? | 5% | 0% | 6% | 0% | 3% |
| BNG goals? | 5% | 0% | 0% | 0% | 1% |
| Describing KPIs (measures) for biodiversity? | 35% | 15% | 44% | 40% | 34% |
| Reporting on the impact of biodiversity in Scope 1? | 0% | 0% | 0% | 0% | 0% |
| Reporting on the impact of biodiversity in Scope 2? | 0% | 0% | 0% | 0% | 0% |
| Reporting on the impact of biodiversity in Scope 3 ? | 0% | 0% | 0% | 0% | 0% |
| Due Diligence process related to biodiversity? | 0% | 0% | 0% | 0% | 0% |
| Demands regarding biodiversity for purchases? | 50% | 20% | 44% | 33% | 37% |
| Describing the effect of work for biodiversity? | 40% | 20% | 44% | 47% | 37% |

BUSINESSES AT THE TOP OF THIS YEARS LIST

FORTUM (19 POINTS)

Fortum is a listed Finnish energy company (turnover € 4.5 billion). Fortum is highly ranked on the Biodiversity Index list of the 100 largest Nordic companies for describing how they are working with biodiversity, for having set an ambitious target for Biodiversity Net Gain (BNG), and of course since they communicate this responsibility. Fortum has a Biodiversity Action Plan that sets out the company's goals, responsibilities, time planning and partners regarding biodiversity. The company is also clear that it is actively working on biodiversity issues in its value chain. For example, the company describes how biodiversity is one of the aspects evaluated in procurement of raw materials such as coal. Fortum also reports on various habitat restoration that are implemented throughout the year, with descriptions of locations, areas, the species that the measures target and what measures have been taken.

ØRSTED (19 POINTS)

Ørsted is a listed Danish energy company (sales € 5.8 billion). Ørsted is highly ranked on the biodiversity index list of the 100 largest Nordic companies since they are describing their active work with biodiversity, has set a goal that corresponds to No Net Loss and are implementing the mitigation hierarchy in its project development. Ørsted reports on the company's "offshore wind policy for protection against biodiversity" which describes in detail how the company works with biodiversity, and how they actively work to avoid and reduce the impact on marine ecosystems. Ørsted also expresses the need for scientific data linked to biodiversity, and to build knowledge. The company is clear that the conversion to green energy through expansion of offshore wind power must not be done at the expense of biodiversity

OTHER GOOD EXAMPLES

Good examples have a power to inspire others to learn and follow. Here we highlight some companies that in very different ways represent good examples of companies reporting on and taking responsibility for biodiversity

MAERSK (10 POINTS)

Maersk is a Danish shipping company (sales € 25.8 billion), one of the world's largest in its industry. In its sustainability report, Maersk chooses to highlight two important aspects linked to the seas, partly the enormous pressure that the seas are exposed to and the factors that drive the negative development, and that the seas, with a growing population, will be an increasingly important source of energy and food production. Maersk describes their own starting point in this as "doing no harm". In its work to achieve this, the company works to avoid emissions in the seas, reduce noise that interferes with marine life, build knowledge and support research on the seas with actors such as the World Ocean Council and in clearing plastics from the seas through collaboration with The Ocean Cleanup.

FINNAIR (10 POINTS)

Finnair is a Finnish airline (sales € 2.6 billion). In its sustainability report, Finnair is clear that biodiversity is the basis for a number of ecosystem services that have direct relevance to the company's business and the industry in large, including aesthetic services (freely translated beautiful scenery and a living plant and animal life). In its sustainability report, Finnair also describes concrete work on issues related to biodiversity, primarily that the company evaluates potential effects on the environment and biodiversity in its planning of various travel destinations. The company also clarifies its ban on transporting hunting trophies from endangered species. Finnair describes how biodiversity issues will become increasingly important as the airline industry phases out fossil fuels. The company wants to ensure that this change of production does not lead to deforestation and utilization of wetlands or a reduction of land that is important for food production.

METSÄLIITTO GROUP (13 POINTS), STORA ENSO (16 POINTS) AND UPM (13 POINTS)

The Metsäliitto Group (sales of € 5 billion), Stora Enso (€ 10 billion) and UPM (€ 10 billion) are all Finnish forest companies. We have chosen to present the companies together as a common good example. In many ways, they match each other in ambition level, what they report and how they describe their concrete work on biodiversity.

All three companies have identified biodiversity in their materiality analyzes, all report KPIs for biodiversity, all set requirements when purchasing and describe in detail their work on sustainable forestry and biodiversity, and why this is important. Some more unique features in the various companies' sustainability reports are Stora Enso's illustrative full page on the company's work on "Biodiversity management practices in Northern forests", Metsäliitto's KPIs and data on biodiversity that put their work into figures and UPM's development of methods and indicators for to measure biodiversity and thereby ensure how they achieve the goal of maintaining and improving biodiversity in their own forests.

NORSK HYDRO (12 POINTS)

Norsk Hydro is a Norwegian industrial company specializing in aluminum (turnover € 16 billion). The company has a target for biodiversity, raises the issue in the materiality analysis, has KPIs, sees risks with degradation of biodiversity and describes its work on biodiversity. The company describes the rehabilitation of mines and the establishment of the Biodiversity Research Consortium Brazil-Norway. Most interesting, however, is the company's communication about the link between their own operations and biodiversity. They acknowledge that the impact on biodiversity is one of their greatest effects on the environment, and they report that a number of their inputs in the value chain lead to an impact on biodiversity. In figures they present the number of observed threatened species as well as the accumulated size of the areas where the intervention occurred due to their mining activities, as a way to account for the impact on biodiversity.

H&M (12 POINTS)

H&M is a Swedish fashion and textile company (revenue 20,3 billion €). H&M communicates their increased focus on biodiversity and their dependencies on nature. They realize that they are dependent on several of the ecosystem services that nature provides free of charge such as crop pollination. Moreover, they realize that they themselves have an impact, mainly in their value chain and they are actively working with responsible sourcing of raw materials such as cotton and wood and have set concrete targets for these materials. In addition, they have a biodiversity strategy "... that defines the steps we need to take to reduce our impact and contribute to more resilient and healthy ecosystems". H&M is also signatory of the Fashion Pact which interestingly enough includes "...setting science-based targets to contribute to the protection and restoration of ecosystems".

In likeness with IKEA the overarching strategy for H&M in relation to their environmental work is to become "...fully Circular & Climate Positive". We encourage them to go all the way and include the protection of biodiversity and ecosystems in that strategy.

COOP DANMARK (12 POINTS)

COOP Danmark is a grocery chain (revenue 4,8 billion €). COOP has identified biodiversity as a material issue. Furthermore, they are actively communicating their work with responsible buy-in of fish and shellfish, palm oil, soy and wood products. They recognize the risk of biodiversity loss and deforestation due to the production or draught of these products, they have set goals for all of these products and they communicate the progress being made.

COOP is a company that has identified the question of biodiversity and started working with it. The next step is to set a company-wide goal giving them a strategic focus and to intensify their work with biodiversity and responsible sourcing even further.

EXAMPLES FROM THE TOP 100 SWEDISH LIST

LKAB (17 POINTS)

LKAB is a Swedish mining company (sales of SEK 24.0 billion), owned by Swedish states. LKAB is highly ranked on the Biodiversity Index's list of the 100 largest Swedish companies because the company has identified the issue and acted for biodiversity and that they are clearly the company in the index that have the most ambitious targets for biodiversity.

LKAB recognizes that their operations, and the land they use, have a negative impact on biodiversity, which is why the company has developed guidelines for land use. This means that LKAB implements the four steps of the mitigation hierarchy (avoiding, minimizing, restoring and compensating) in its operations. One effect is that LKAB can describe how the company works actively with ecological finishing and landscaping. In their report there is a clear goal: "In addition to the statutory measures, LKAB strives for 'net gain' in terms of natural values and biodiversity".

IKEA (14 POINTS)

IKEA is a Swedish furniture company (sales € 2.6 billion). IKEA's sustainability strategy is called People & Planet Positive. On the environmental front, IKEA is lifting three heavy commitments; that IKEA will become a circular company, that they will become climate positive and that they will regenerate resources, protect ecosystems and improve biodiversity. IKEA's greatest impact on biodiversity is through its large purchasing of materials, including forest raw materials and cotton. This is something that IKEA understands, and therefore work a lot with responsible purchasing and a broad approach to sustainability in material assessment, which includes aspects such as biodiversity and land use. Among other things, they have as their goal that 100% of the forest raw material they purchase must be FSC certified, something they call "becoming forest positive". IKEA also communicates an insight related to the idea that the largest companies also are key actors in change.. An insight that this time is linked to sustainable purchasing

of forest raw material, but which is applicable in significantly more areas than that: *“Considering our size, we can also make a difference by contributing beyond our own needs. We aim to transform the industry and make responsible forestry the norm. Forests sustain ecosystems and biodiversity and provide shelter and livelihoods to millions of people.”*

SCA (17 POINTS)

SCA is a listed Swedish forest company with processing industry (sales SEK 18.7 billion). SCA is highly ranked on the Biodiversity Index list of the 100 largest Swedish companies because, like LKAB, the company has identified the issue of, and acted for, biodiversity. They are also one of the companies in the index that have the most ambitious targets for biodiversity. Biodiversity is an explicit part of SCA's sustainability platform. The company's forestry is FSC/PEFC certified.

SCA describes how they work with biodiversity through four different approaches and mentions, among other things, wetland recreation. In addition, SCA has set a clear target for biodiversity: "... the company's forests should be at least as rich in biodiversity, nature experiences and raw material in the future as today".



FIVE ACTIONS YOUR BUSINESS CAN TAKE NOW

The Biodiversity Index 2020 is based on a set of questions where each question indicates how we at Ecogain perceive that that biodiversity work and reporting will develop. You and your company can use these questions to prioritize your actions. One tip is to arrange a workshop with the management team based on the Biodiversity Index questions. Which of these should you start prioritizing?

However, it is easier to follow Ecogain's advice for beginners. Here, we provide the first and most essential steps to secure the future of your company's operations with regard to biodiversity.

EDUCATE

Are you still not entirely sure why the existence of butterflies, birds and fish is important to you, your company and the survival of humanity? One challenge for biodiversity is that it is so complex. The climate issue can sometimes seem simpler. Obtain a competitive advantage by attending a basic course on biodiversity and its link with business benefits.

MAP

Start mapping how nature is relevant to your business. What types of nature or ecosystem services are your company or suppliers most dependent upon? Which ecosystems have the greatest impact on your business? Is it the electricity you use, or is it the plastic, paper, metals, cement or food used in your processes? Nature will feature somewhere in your value chain. It forms the basis of everything. Identify what is most important in your business.

SET GOALS

An effective way to start bringing biodiversity into sustainability work and business models is to set a goal and break it down into strategies. Then it becomes a specific action. This is the step after mapping. Perhaps the goal should be about increasing green space or taking responsibility for a species

(see below), or maybe the goal is to incorporate biodiversity into decision-making processes. One goal may be including biodiversity considerations in the value chain. One courageous step that will eventually be required by many companies is to adapt your business to the science of continued welfare on this planet. The goal would then be No Net Loss by 2030 and Biodiversity Net Gain by 2050.

CREATE GREEN SPACE

Take advantage of the potential of creating a green environment around your workplace. Turn mown grass lawns into meadows for pollinating insects. Choose plants that add ecological value. Establish a sandy patch on a southern slope. Plan for a green roof. Dress a wall with greenery.

TAKE RESPONSIBILITY FOR A SPECIES

Your company's first step might be to choose species that you can support to give it the conditions for a more viable population. There are many initiatives to choose from. Learn about that species and from there on learn about its ecosystem.

TIP ON A "LOWEST LEVEL"

While working on the Biodiversity Index, we were asked: What is a decent lowest level for a company? Our answer is that each company must choose its own ambition. Here are two alternatives:

1. To achieve yellow traffic light in the Biodiversity Index, set a business target for biodiversity. Strategy and measures follow.
2. The first step towards a goal in line with science is a materiality analysis. The Science Based Targets Network tips: Identify your material biodiversity issues (value chain mapping); materiality related to risks and opportunities.



ECOGAIN

Nearly 20 years of experience in building responsible approaches to nature together with the business community has given Ecogain a reputation as one of Sweden's sharpest consultancies in sustainable land use. Ecogain develops strategies and concrete solutions on land and in water for those companies that consider biodiversity as a sustainability topic that needs to be integrated into their business model.

Courage, commitment, professionalism and teamwork are values that characterize our way of working. Our team has a broad expertise, each with their own individual knowledge. This has enabled Ecogain to establish a leading position within a number of fields such as biodiversity offsetting, ecological restoration, species protection, legal advice and strategy.

Ecogain's mission is to support the largest companies in sustainable land use, that is, to combine society's development with sustainable solutions for nature and biodiversity.

The company initiated the Ecogain Biodiversity Index 2019, a measurement of the large companies' sustainability work.

GET CONNECTED

Ecogain facilitates the corporate network Business@Biodiversity Sweden and is hence part of the EU Business and Biodiversity Platform.

Business @ Biodiversity Sweden is a network for large companies and industry organizations that

want to be at the forefront of sustainability work, drive development and work with biodiversity as part of their business model. The idea is to give access to a knowledge platform with exchange of ideas, lectures and training. We go in-depth with concepts that are becoming increasingly relevant; we take part in world monitoring, international trends, research and development. Above all, the network provides an opportunity to meet, discuss and be inspired in a forum where engagement counts higher than prior knowledge.

If you have operations in Sweden, please join the Business and Biodiversity Sweden network, or contact us and we will help you find your national network!



"The most valuable thing for us has been the insight into how others work - and that we get to participate and drive progress."

– Sandra Lindgren, LKAB

Want to know more about the network or upcoming activities?

Contact emelie@businessandbiodiversity.se or visit www.businessandbiodiversity.se

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